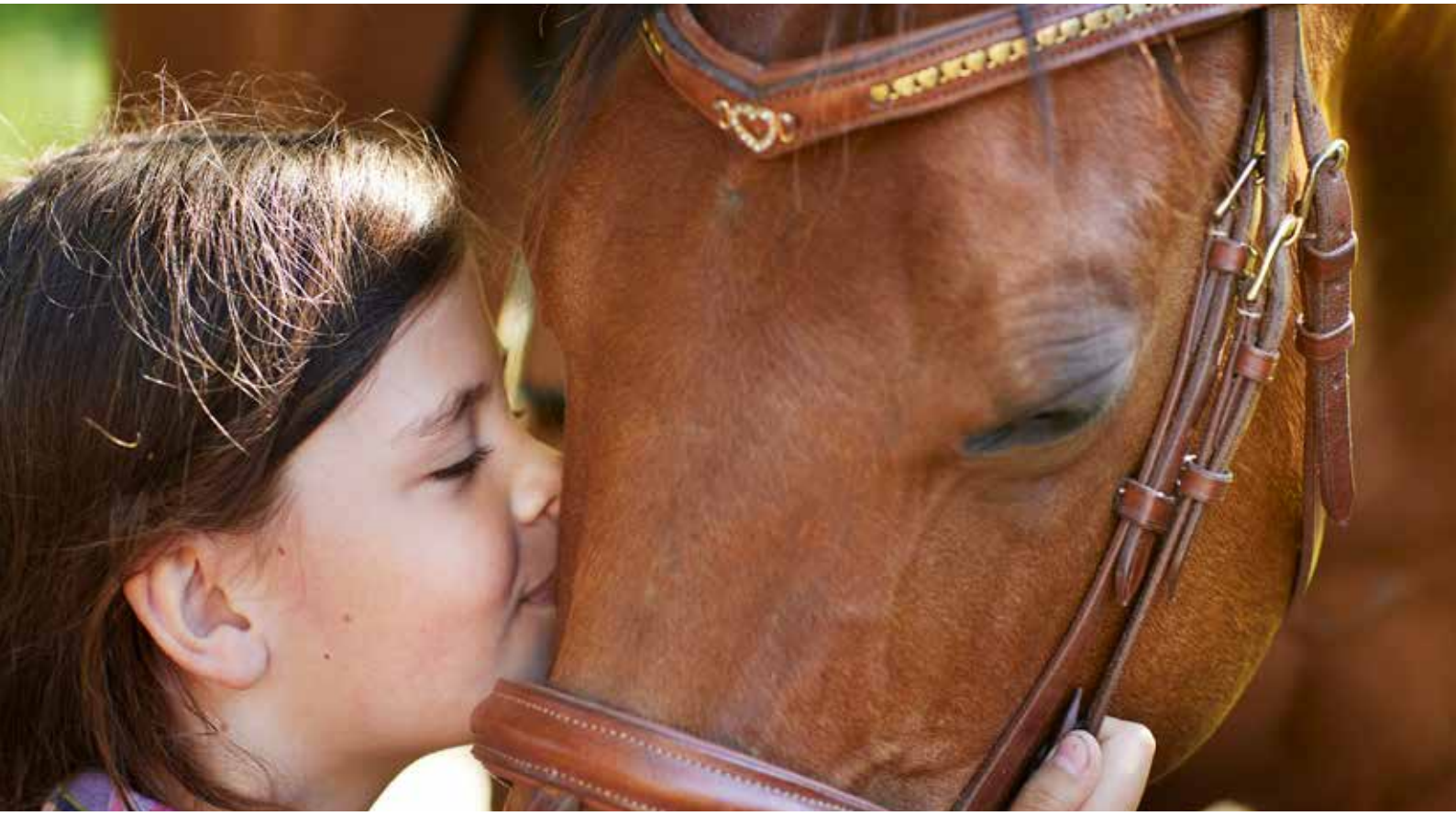
Interim report

January - June, 2021



INTERVACC

A new generation of vaccines within animal health

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

The period in summary

First Half Year, January 1 – June 30, 2021

- On June 17th the Committee for Medicinal Products for Veterinary Use (CVMP) at the European Medicines Agency (EMA) adopted a positive opinion, recommending approval of Strangvac® within the EU.
- On April 12th Intervacc announced an exclusive distribution agreement with Dechra Pharmaceuticals PLC, to commercialize Intervacc's leading vaccine candidate Strangvac® in Europe, excluding the Nordic and Baltic countries where Intervacc will market and sell Strangvac® directly.
- The contract with the Karolinska Institute, KI, was extended for three years. Thus, we will continue the very successful collaboration with KI and the Swedish University of Agriculture (SLU).
- The study *"Globetrotting strangles: the unbridled national and international transmission of Streptococcus equi between horses"* was published in the scientific journal Microbial Genomics in the beginning of March. In the study researchers from 18 countries mapped the transmission of the bacterium *Streptococcus equi* with the help of DNA sequencing. The study shows how strangles spreads globally via the transport of horses that have recovered from strangles, but remain persistently infected, so-called silent carriers.

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.

Table of Contents

CEO Comments

Strangvac® is approved for sale in Europe

On the 17th of June, the European Medicines Agency, EMA, gave a positive opinion on Strangvac®, and just under two months later, the European Commission granted a marketing authorization. In early June, the Veterinary Medicines Directorate, VMD, in the United Kingdom also issued a positive outcome for the use of Strangvac® and a formal approval from the UK is expected in September.

Equine strangles is a dreaded infectious disease that causes great suffering to horses and forces horse owners to take resource-intensive, often costly measures in the form of isolating horses and shutting down activities for several weeks or months in the event of an outbreak. The interest and support for Strangvac® throughout the equine community is fantastic and we feel a great responsibility to maximise the health benefits it can bring to the ~6 million horses in Europe.

This is the first time that a Swedish company has received EU approval for a veterinary vaccine via EMA's central procedure. In addition to the European Union Iceland, Norway, and Lichtenstein, also base their local approvals on the recommendation from EMA. It is a historic moment.

The approval of Strangvac®, a vaccine based on recombinant fusion proteins, which protects against the complex bacterial infection caused by *Streptococcus equi*, is also great news for the technology itself. It is a breakthrough for vaccine design and highlights that the same approach can be used to develop vaccines against other complex bacterial infections.

At the beginning of the second quarter, we and Dechra Pharmaceuticals signed a distribution agreement that gives Dechra the exclusive right to sell and market Strangvac® in Europe, excluding Scandinavia and the Baltics. Dechra is one of the world's ten largest companies in animal health and have a particularly strong position in the equine segment. In Europe, they are, according to our calculations, fourth in the equine pharmaceutical segment with the ambition to grow further. Dechra's growth ambitions are backed by their historic progress and fit well with our goal to establish Strangvac® as one of the most widely used equine vaccines.

Horses are a very important part of many people's lives and a passion that more and more people are discovering. During the pandemic, this interest has grown further, and we have seen a corresponding increased interest in the welfare of horses. We have excellent contacts throughout the European veterinary and research community as well as with organizations who work to improve the health and well-being of horses. Ahead of its launch, we will now work to establish guidelines and recommendations for the vaccination of horses with Strangvac®. This is work that takes place both locally and at the European level. Together with Dechra, we will increase knowledge of Strangvac® within the veterinary profession through information and training

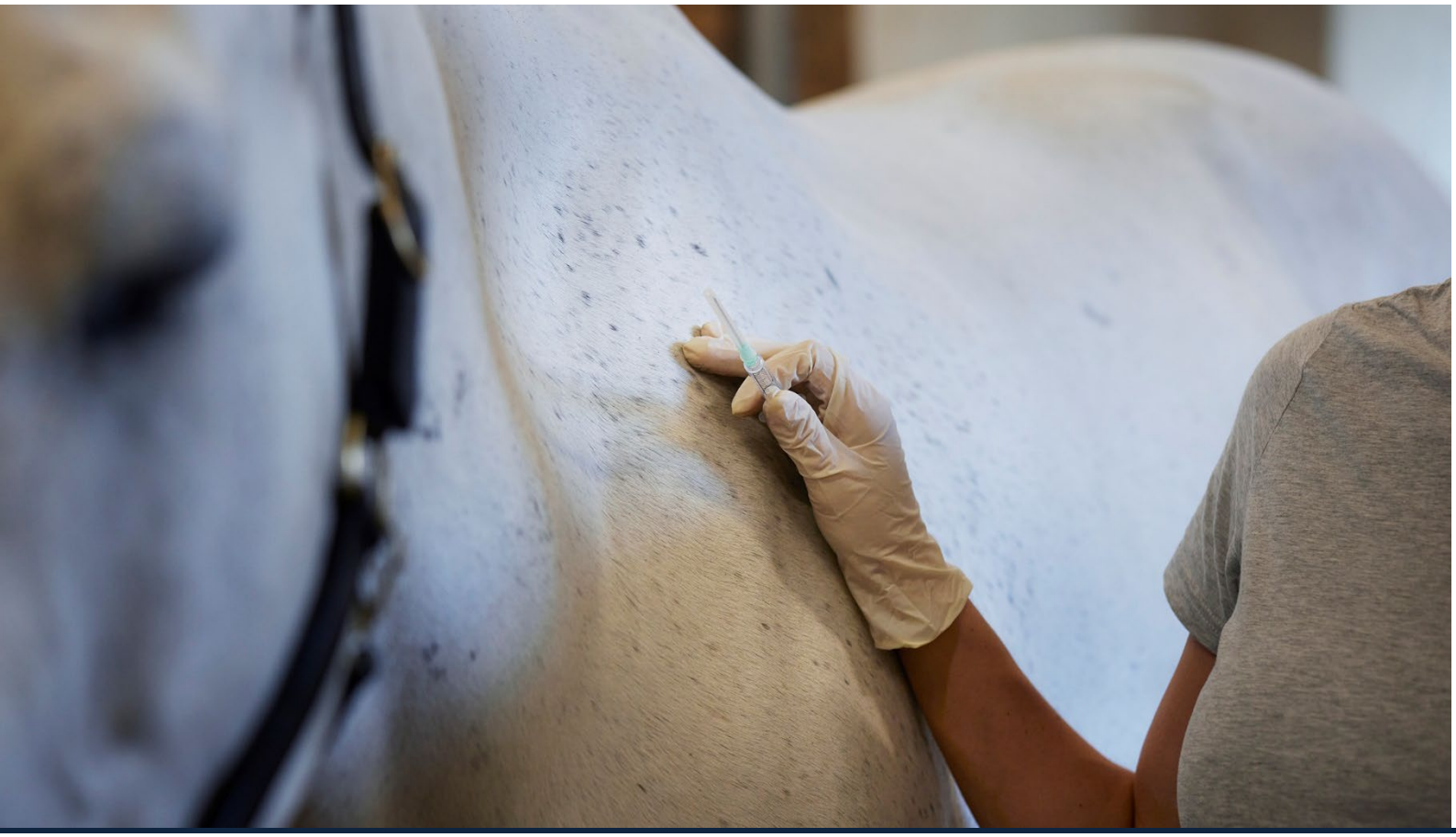
initiatives. We are confident that the vaccine is already anticipated keenly and will be very well received.

Following the announcement of approval by the European Commission, we are translating information on Strangvac® into local languages and printing materials such as boxes, labels, and package leaflets. Filling of new vaccine vials was conducted during the summer by our production partner in Spain and we will send EMA data from these batches during the autumn.

Demand for critical production material for vaccine manufacturing is high and the global logistics chain is strained due to covid-19. We will undertake a responsible launch during the fourth quarter of this year where we will ensure that we can meet the demand in the countries where we first launch.

We believe that the demand for our new vaccine against equine strangles will be high and our assessment is that the use of strangles vaccines will eventually be on a par with the most widely used equine vaccines that protect against influenza virus.

We believe that Strangvac® will be an important tool, which together with other infection control measures, has the potential to reduce the prevalence of this disease. One other important piece of the puzzle in the fight against equine strangles is the availability of reliable tests, and therefore we have ensured that the diagnostics market continues to have access to reliable tests for equine strangles. During the summer, we manufactured the first batch of antigens in Uppsala for use in equine strangles ELISA tests. The test kit itself is manufactured in the UK for global use. The income from producing these antigens is not very significant for Intervacc, but the availability of reliable equine strangles tests to minimise the transmission of *Streptococcus equi* and identify when a vaccinated horse has been protected from disease following natural exposure to this bacteria is strategically important to us.



We are also working on the regulatory side to obtain approval for Strangvac® in more regions, and applications for use in the USA, Canada and Australia will follow Europe. The basis for our application to EMA is extensive and much can be reused. For the approval process in North America, we anticipate that we will need to conduct local studies.

In parallel with everything fantastic and exciting that is happening with Strangvac®, our pre-clinical research projects are generating promising results. The positive results give us reason to continue with confidence in both our project to develop a vaccine against *Streptococcus suis* that affects piglets and against Staphylococcus aureus infections in dairy cows that causes mastitis.

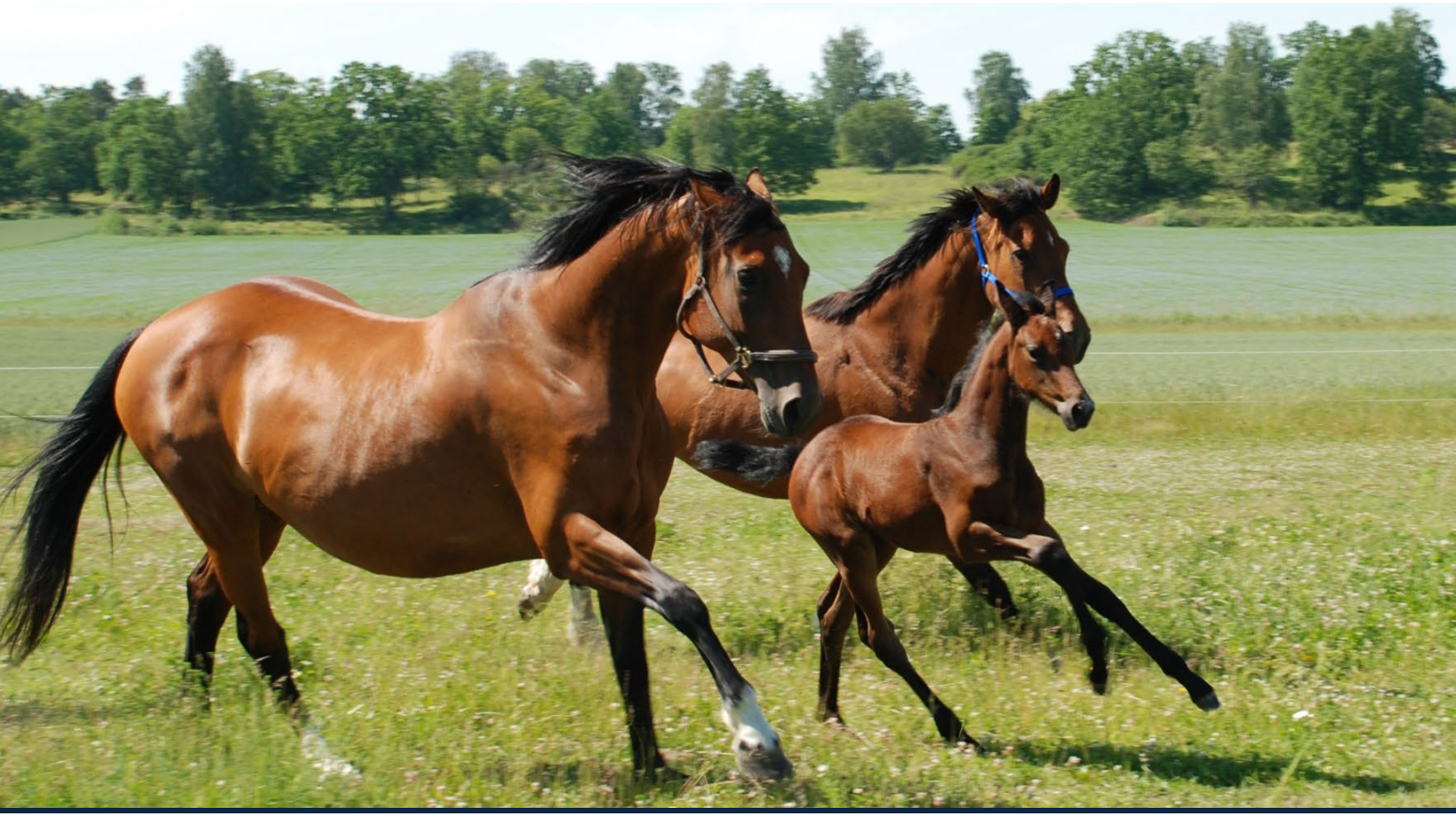
In this half-year report, you will find a copy of the European Commission's approval of Strangvac®. There are very few who work with vaccines who get to experience an approval during their career, and we are very grateful to be on this fantastic journey. My copy is framed on the wall, and I expect several more framed approvals of our new vaccines, and of Strangvac® in other regions, to be placed alongside over the coming years.

This is only the beginning!

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

Feel free to follow our news on the website and via our twitter feed @intervacc_se

Andreas Andersson, CEO



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR HEALTH AND FOOD SAFETY

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

Brussels, 16 August 2021

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

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

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

IMPORTANT:

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

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

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

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

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

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

Financial Summary

Group

Net Sales

Net sales during the first half year of 2021 amounted to SEK 2.9 million, which is slightly better than the same period in 2020 (2.7) and for the second quarter net sales amounted to SEK 1.8 million (1.6). The new products in the distribution portfolio have been established and the company will continue to launch more products, primarily in the Swedish market.

Earnings

Operating result for the first half year of 2021 amounted to SEK -12.3 million, which is 0.2 worse compared to the same period in 2020 (-12.1). Operating result for the second quarter 2021 amounted to SEK -6.1 million, which is 0.3 worse compared to the same period in 2020 (-5.8). The negative operating result is mainly explained by the fact that the Group does not generate sufficient funds from its own operations to finance the vaccine development.

Cash Flow

During the second quarter of 2021, SEK 5.2 million (2.6) was invested in the development of Strangvac® and for the first half year the investment was SEK 9.6 million (5.9) which is mainly due to the regulatory phase with the application for approval to the European Medicines Agency, EMA. Cash flow during the second quarter of 2021 has meant that cash and cash equivalents has decreased with SEK 7.7 million and amounted to SEK 141.3 million (179.7) on the balance sheet date.

Financial position

At the end of the first half year 2021 equity amounted to SEK 325.3 million, which compared to the same date last year is a decrease with SEK 26.3 million. Approx. 47% (39%) of the group's total assets has been invested in capitalized expenditure which at end of second quarter 2021 amounts to SEK 158.9 million (144.9). Cash, which at end of second quarter 2021 amounts to SEK 141.3 million, are greatly affected by the investments made in research and development, where our new and ongoing projects become more and more essential. It also includes, for example, the upcoming regulatory process with the USDA (US Department of Agriculture). The company is well equipped for continued commercialization and vaccine development.

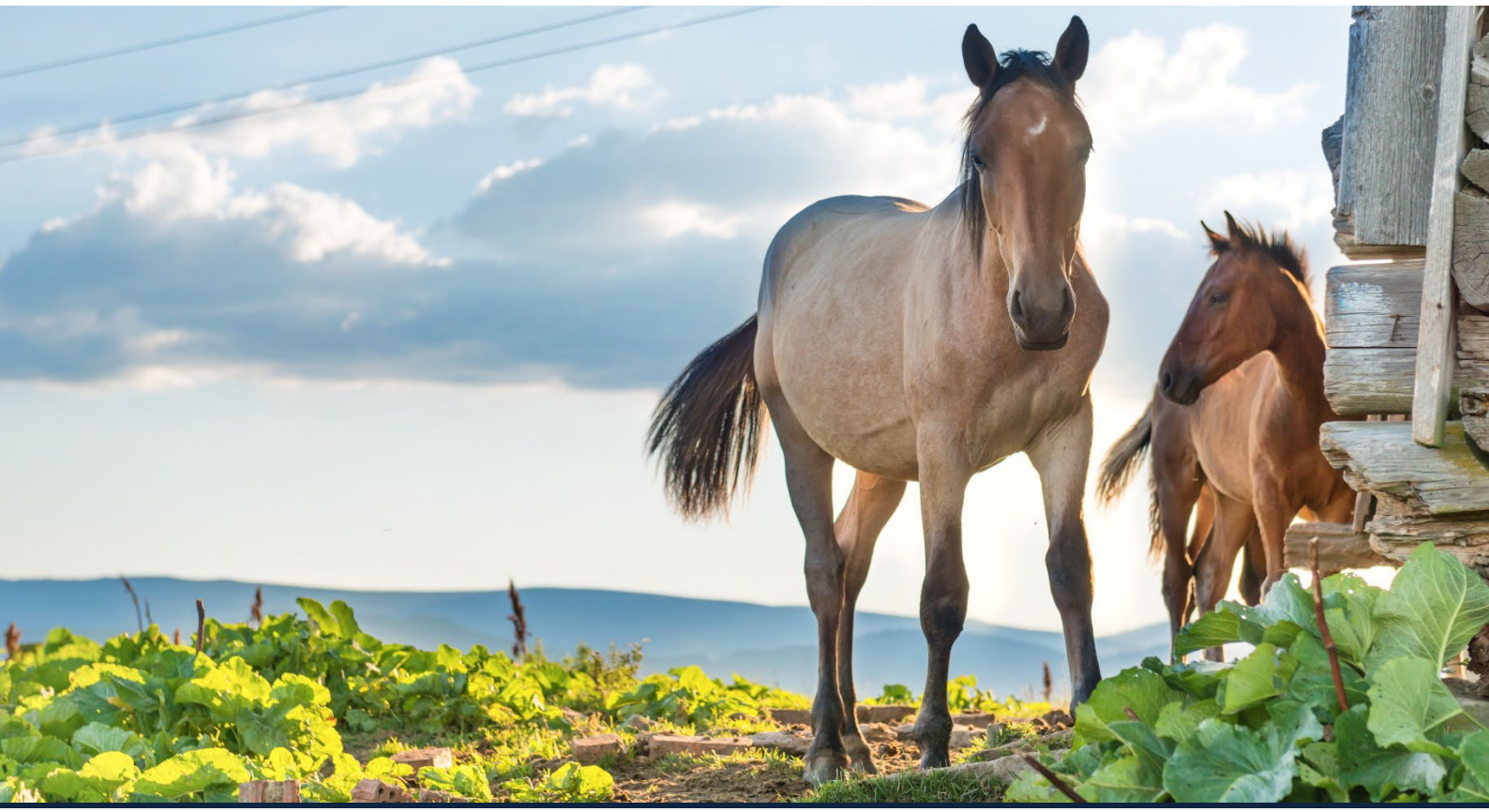
Financial Summary continued

Parent company

Net sales during the second quarter in the Parent Company relates to components for antibody testing of strangles. The loss during the first half year of 2021 amounted to SEK -7.4 million (-6.6). At the end of the second quarter 2021, equity amounted to SEK 346.6 million (367) and cash amounted to SEK 139.4 million (177.1).

Group key ratios

	April - June		Jan - June		Year
	2021	2020	2021	2020	2020
Net sales	1 787	1 571	2 903	2 666	4 780
Operating result	-6 145	-5 786	-12 297	-12 104	-25 676
Result after financial items	-6 152	-5 794	-12 330	-12 105	-25 601
Balance sheet total	340 973	367 601	340 973	367 601	355 282
Equity ratio	95%	96%	95%	96%	95%
Number of shares outstanding end of period	50 160 388	50 124 463	50 160 388	50 124 463	50 160 388
Average number of shares before dilution	50 160 388	44 423 964	50 160 388	43 858 327	47 008 659
Average number of shares after dilution	50 415 427	44 533 508	50 407 007	43 967 871	47 141 055
Earnings per share before dilution	-0,12	-0,13	-0,25	-0,28	-0,54
Earnings per share after dilution	-0,12	-0,13	-0,25	-0,28	-0,54



Significant events during the period January 1 – June 30, 2021

Intervacc received positive CVMP opinion for Strangvac in the EU

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

Agreement with Dechra Pharmaceuticals PLC to Commercialize Strangvac® in Europe

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

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

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

Intervacc and the Karolinska Institute, KI announced on May 28th, that they have extended the contract for the development of a new generation of animal health vaccines using recombinant proteins. The three-year contract means that the research group at Karolinska Institutet, led by Professor Birgitta Henriques-Normark, continues to be part of the already very successful collaboration between KI, the Swedish University of Agriculture (SLU) and Intervacc. This collaboration has led to the development of Strangvac®, an innovative new vaccine against strangles, a highly contagious and serious infection in horses. The agreement includes the continued development of other vaccine projects with great potential to bring modern vaccine technology into the animal health sector.

Significant events during the period January 1 – June 30, 2021 continued

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

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

"This has been an incredible team effort, which was only possible through the collaboration of leading researchers from twenty-nine different scientific institutes in eighteen countries" said Dr. Andrew Waller of Intervacc AB. *"Horses are transported all over the world as they move to new premises or attend competitions and events. New cases of strangles can be prevented by treating carriers before they pass on the bacteria. This new research in the field of strangles and the new online Pathogenwatch resource provide an opportunity to track the course of infections, reigning-in Streptococcus equi's globetrotting lifestyle."*

Strangles, caused by *Streptococcus equi*, is the most frequently diagnosed infectious disease of horses, with 600 outbreaks estimated to occur in the United Kingdom each year. *Streptococcus equi* invades the lymph nodes of head and neck, causing them to swell and form abscesses that can literally strangle, in around 2% of cases, the horse to death. Some of the horses that recover from strangles remain persistently infected. These apparently healthy animals shed bacteria into the environment and spread the disease to other horses with which they come into contact.

Using standard diagnostic testing, the *Streptococcus equi* strains look almost identical, however by carefully examining the DNA of the bacteria, the researchers have been able to track different variants as they spread across the world.

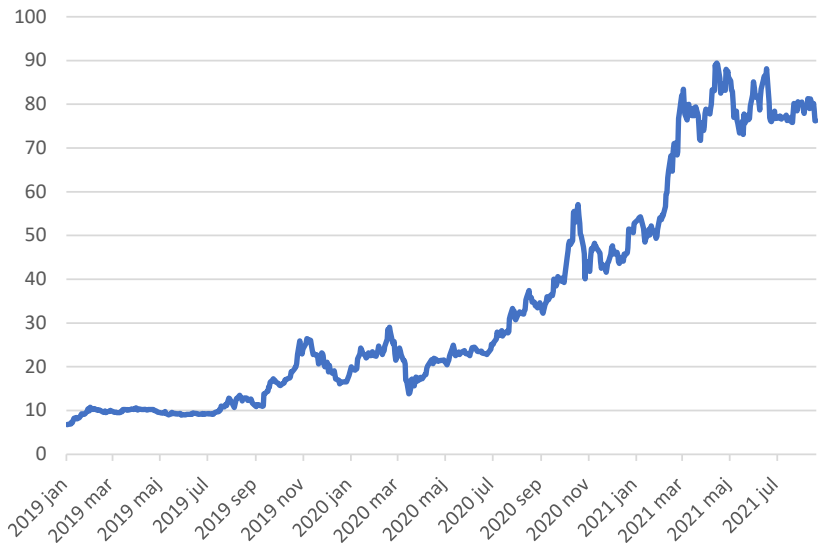
Shareholdings and the share

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

Changes in number of shares from January 1st 2020 until balance sheet date is presented in the table above. The list below shows the shareholdings in Intervacc as of June 30, 2021.

Shareholder	**Number of shares**	**% of cap/votes**
Robur	3 419 868	6,8%
Fjärde AP-fonden	2 370 000	4,7%
Handelsbanken Microcap	2 319 614	4,6%
N. Aguiar	1 426 711	2,8%
T. Eklund	1 268 644	2,5%
B.Sjöstrand incl. company	1 251 242	2,5%
Nordea Småbolagsfonder	1 032 820	2,1%
K. Janzon incl. company	988 000	2,0%
AFA Försäkring	917 000	1,8%
Capital Group Smallcap World Fund	819 436	1,6%
Jyske Bank/Bank of NY	809 592	1,6%
Aktia Asset Management Oy	800 000	1,6%
H. Isoz	800 000	1,6%
NR Bergman incl. company	722 905	1,4%
SEB Luxemburg	649 500	1,3%
Öhman Sweden Micro CAP	609 641	1,2%
Länsförsäkringar Fonder	597 173	1,2%
Aktie-Ansvar Sverige	500 000	1,0%
Others	28 858 242	57,5%
Total	**50 160 388**	100,0%

The company's share is listed on Nasdaq First North Growth Market and traded with the tickername "IVACC". The shares have a quota value of 2,00 SEK. The graph below shows the Intervacc share's closing prices from January 1st, 2019 to August 20th, 2021



Significant events after the period

The European Commission granted marketing authorisation for Strangvac® in EU

On August 16th the European Commission granted a Marketing Authorisation for Strangvac® within the European Union. Strangvac® is a vaccine against equine strangles, a highly contagious infectious disease that affects horses globally. Strangles is endemic in horse populations throughout the world and causes incalculable suffering, stress and economic cost to the equine industry within Europe.

Strangvac is the first Swedish Animal Health vaccine to be approved through the centralised procedure. The development of Strangvac has been achieved in partnership with world-leading scientists at the Karolinska Institute and the Swedish University of Agricultural Sciences. Intervacc's Chief Scientific Officer Dr Andrew Waller concludes *"We are excited about applying this ground-breaking science to prevent such an important disease of horses."*

Marketing authorisation for Strangvac® granted in Norway

On August 23rd the Norwegian Medicines Agency (NoMA), granted a marketing authorisation for Strangvac® in Norway. Thus, Norway became the first country outside the European Union to approve the vaccine.

This is an important step since the vaccine can be marketed throughout the Nordic region as equine strangles does not respect borders and affects horses in our neighbouring countries. The company feel great responsibility to spread the use of the vaccine to improve the health of horses.

Intervacc received confirmation of a positive outcome for Strangvac from the VMD in the UK

The Veterinary Medicines Directorate (VMD) of the United Kingdom gave a positive outcome on July 2nd for Intervacc's application for a Marketing Authorisation for Strangvac® within the UK. Strangvac® is a vaccine against equine strangles, a highly contagious infectious disease that affects horses globally.

Annual General Meeting in brief

Intervacc AB (publ) held its Annual General Meeting for the 2020 financial year on Wednesday 9 June 2021. Due to the continued spread of the coronavirus and the authorities' regulations/advice on avoiding public gatherings in order to reduce the risk of infection spreading, this year's annual general meeting was carried out through by postal voting and thus held without physical presence of shareholders, proxies or external parties.

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

The 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 Annual General Meeting resolved, in accordance with the Nomination Committee's proposal, that the Nomination Committee for the 2022 Annual General Meeting shall consist of representatives of the three largest shareholders or groups of shareholders (this refers to both directly registered shareholders and nominee-registered shareholders), as of 31 August. The Nomination Committee appoints the chairman of the group.

Authorization regarding issues

The Annual General Meeting resolved, in accordance with the Board's proposal, to authorize the Board to, within the framework of the current Articles of Association, with or without deviation from the shareholders' preferential rights, on one or more occasions until the next Annual General Meeting, decide to increase the company's share capital, warrants and / or convertibles in the company. The total number covered by such new issues may correspond to a total of a maximum of ten (10) percent of the shares in the company at the time of the 2021 Annual General Meeting.

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

The Group

CONSOLIDATED INCOME STATEMENT IN SUMMARY

	April - June		Jan - Juni		Year
	2021	2020	2021	2020	2020
Operating income					
Net sales	1 787	1 571	2 903	2 666	4 780
Work performed by the company for its own use and capitalized	1 020	644	2 040	1 231	2 235
Other operating income	1 312	489	1 859	1 140	2 773
Total operating income	4 119	2 704	6 802	5 037	9 788
Operating expenses					
Goods for resale, raw materials and consumables	-551	-736	-1 266	-1 292	-2 372
Other external costs	-3 465	-2 336	-6 294	-4 958	-11 537
Employee benefit expenses	-4 647	-3 788	-8 288	-7 652	-15 173
Depreciation/amortization of property, plant and equipment and intangible assets	-1 562	-1 553	-3 103	-3 106	-6 175
Other operating expenses	-39	-77	-148	-133	-207
Total operating expenses	-10 264	-8 490	-19 099	-17 141	-35 464
Operating loss	**-6 145**	**-5 786**	**-12 297**	**-12 104**	**-25 676**
Profit and loss from financial items					
Net financial items	-7	-8	-33	-1	75
Total financial items	-7	-8	-33	-1	75
Loss before tax	**-6 152**	**-5 794**	**-12 330**	**-12 105**	**-25 601**
Taxes					
Tax on profit	-	-	-	-	-
Net loss for the period	**-6 152**	**-5 794**	**-12 330**	**-12 105**	**-25 601**
Earnings per share before dilution attributable to the Parent Company's shareholders	-0,12	-0,13	-0,25	-0,28	-0,54
Earnings per share after dilution attributable to the Parent Company's shareholders	-0,12	-0,13	-0,25	-0,28	-0,54

The Group

CONSOLIDATED BALANCE SHEET IN SUMMARY

	2021-06-30	2020-06-30	2020-12-31
ASSETS			
Fixed Assets			
Capitalized expenditure for research and development and similar	158 872	144 864	149 277
Concessions, patents, licenses, trademarks and similar rights	8 109	7 045	7 609
Goodwill	14 733	20 626	17 679
Tangible assets	699	567	430
Financial assets	11 390	11 390	11 390
Total fixed assets	**193 803**	**184 492**	**186 385**
Current assets			
Inventories	1 888	777	1 584
Current receivables	3 955	2 621	3 061
Cash and bank balances	141 327	179 711	164 252
Total current assets	**147 170**	**183 109**	**168 897**
TOTAL ASSETS	**340 973**	**367 601**	**355 282**
EQUITY AND LIABILITIES			
Equity	325 315	351 590	337 610
Non-current liabilities	140	215	174
Current liabilities	15 518	15 796	17 498
TOTAL EQUITY AND LIABILITIES	**340 973**	**367 601**	**355 282**

The Group

CONSOLIDATED CASH FLOW STATEMENT IN SUMMARY

	April - June		Jan - June		Year
	2021	2020	2021	2020	2020
Cash flow from operating activities before working capital changes	**-4 348**	**-4 257**	**-9 284**	**-9 022**	**-19 421**
Cash Flow from changes in working capital					
Change in inventories	-487	254	-304	409	-398
Change in receivables	39	-191	-802	-569	-1 050
Change in current liabilities	2 862	1 014	-1 838	-992	788
Cash flow from operating activities	**-1 934**	**-3 180**	**-12 228**	**-10 174**	**-20 081**
Investing activities					
Investment in capitalized expenditure for research and development, patents and similar	-5 476	-2 742	-10 095	-6 441	-11 418
Net investment in tangible assets	-191	139	-426	135	150
Cash flow from investing activities	**-5 667**	**-2 603**	**-10 521**	**-6 306**	**-11 268**
Financing activities					
New share issue	-	149 775	-	149 775	150 101
Share issue expenses	-	-5 884	-	-5 884	-6 682
Repayment of debt	-50	-196	-176	-243	-361
Cash flow financing activities	**-50**	**143 695**	**-176**	**143 648**	**143 058**
Cash flow for the period	-7 651	137 912	-22 925	127 168	111 709
Cash beginning of the period	148 978	41 799	164 252	52 543	52 543
Cash end of the period	**141 327**	**179 711**	**141 327**	**179 711**	**164 252**

Parent company

INCOME STATEMENT IN SUMMARY

	April - Juni		Jan - Juni		Helår
	2021	2020	2021	2020	2020
Operating income					
Net sales	259	-	259	-	-
Work performed by the company for its own use and capitalized	1 020	644	2 040	1 231	2 235
Other operating income	1 288	488	1 822	1 128	2 698
Total operating income	2 567	1 132	4 121	2 359	4 933
Operating expenses					
Other external costs	-2 988	-1 908	-5 352	-4 047	-9 633
Employee benefit expenses	-3 200	-2 202	-5 990	-4 822	-10 230
Depreciation/amortization of property, plant and equipment and intangible assets	-33	-18	-50	-36	-71
Other operating expenses	-12	-10	-113	-59	-74
Total operating expenses	-6 233	-4 138	-11 505	-8 964	-20 008
Operating loss	**-3 666**	**-3 006**	**-7 384**	**-6 605**	**-15 075**
Profit and loss from financial items					
Net financial items	-1	-1	-2	-3	73
Total financial items	-1	-1	-2	-3	73
Loss after financial items	**-3 667**	**-3 007**	**-7 386**	**-6 608**	**-15 002**
Appropriations					
Group contribution	-	-	-	-	-4 106
Loss before tax	-3 667	-3 007	-7 386	-6 608	-19 108
Taxes					
Tax on profit	-	-	-	-	-
Net loss for the period	**-3 667**	**-3 007**	**-7 386**	**-6 608**	**-19 108**

Parent company

BALANCE SHEET IN SUMMARY

	2021-06-30	2020-06-30	2020-12-31
ASSETS			
Fixed Assets			
Capitalized expenditure for research and development and similar	158 872	144 864	149 277
Concessions, patents, licenses, trademarks and similar rights	8 109	7 045	7 609
Tangible assets	454	143	107
Financial assets	45 599	45 599	47 231
Total fixed assets	**213 034**	**197 651**	**204 224**
Current assets			
Kortfristiga fordringar	5 594	4 620	2 189
Kassa och bank	139 385	177 121	161 947
Total current assets	**144 979**	**181 741**	**164 136**
TOTAL ASSETS	**358 013**	**379 392**	**368 360**
EQUITY AND LIABILITIES			
Equity	346 646	367 003	354 032
Current liabilities	11 367	12 389	14 328
TOTAL EQUITY AND LIABILITIES	**358 013**	**379 392**	**368 360**

Changes in Equity

	Group		
	Share capital	capital	Other equity including
Equity by 2020-01-01	**86 585**	**158 005**	**-24 768**
Share issues, net	13 664	130 227	
Translation difference during period			-18
Net result during period			-12 105
Equity by 2020-06-30	**100 249**	**288 232**	**-36 891**
Equity by 2021-01-01	**100 321**	**287 688**	**-50 399**
Translation difference during period			35
Net result during period			-12 330
Equity by 2021-06-30	**100 321**	**287 688**	**-62 694**

	Parent company					
	Share capital	Statutory reserve	Development expenditure reserve	Share premium reserve	Loss brought forward	Loss for the period
Equity by 2020-01-01	86 585	17	80 251	157 988	-79 860	-15 260
Share issues, net	13 664		130 227			
Provision to development			5 892		-5 892	
Transfer of the previous year's result					-15 260	15 260
Net result during period						-6 608
Equity by 2020-06-30	**100 249**	**17**	**216 370**	**157 988**	**-101 013**	**-6 608**
Equity by 2021-01-01	100 321	17	90 611	287 671	-105 480	-19 108
Provision to development			9 595		-9 595	
Transfer of the previous year's result					-19 108	19 108
Net result during period						-7 386
Equity by 2021-06-30	**100 321**	**17**	**100 206**	**287 671**	**-134 183**	**-7 386**

Assessments, risks and uncertainty factors

In order to prepare reporting, the management and the Board must make assessments and assumptions that affect assets and liabilities, as well as income and expenses reported in the financial statements. The conditions for Intervacc's operations change gradually, which means that these assessments can change and affect both the company's position and profitability. The estimates and judgments in this section are those that are judged to be most important based on the significance of the assessments and the risks and uncertainties.

Strangvac®

Since only one of Intervacc's vaccine candidates is in the final phase, a significant portion of the company's assessed asset value can be attributed to market approval and the commercialization of this vaccine. This dependence means that there is a risk of a negative impact on the company's forecasts and asset value if any part of the launch of Strangvac® does not go as planned.

Financing

Research and development of pharmaceuticals is to a great extent a risky, complicated, time-consuming and capital-intensive process. The company has yet to approve in-house developed products and does not generate enough cash flow from its own business to finance its operations. There is a risk that financing cannot be secured for future capital needs or that such financing cannot be obtained on favourable terms, which can have negative effects on the company's survival, development and investment opportunities.

Key personnel

Intervacc is highly dependent on senior executives and other key personnel. Loss of key personnel can have negative financial and commercial effects on the company.

Sales and distribution

There is always a risk that the company or its partners will not achieve expected sales targets, which will result in lower revenues than projected. There is also a risk that Nordvacc's sales will not reach agreed minimum levels which may implicate that Nordvacc loses the right to be an exclusive sales representative.

Covid-19

The Covid-19 pandemic has also been in focus during the past six months. 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 US.
- Strangvac®, WO 2011/149419 A1 (priority year 2010)
  Patents are granted and in effect in Europe, in the US (US 9,795,664), Hong Kong, China and Australia.
- *Streptococcus suis* vaccine, WO 2017/005913 A1 (priority year 2015)
  Patent applications are ongoing in Europe and in the US.

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 2020, pages 30-33. 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 period January to June 2021, the average price of the company's share on Nasdaq First North Growth Market has exceeded the recalculated subscription price for options issued. The dilution effect corresponds to a dilution of 246 619 shares during the first half year. 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 0,5% and has no effect on earnings per share.

Audit

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

This report has been prepared in a Swedish original version and translated into English. In the event of any inconsistency between the two versions, the Swedish language version should have precedence.

Stockholm August 31, 2021

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

Certified adviser

Eminova Fondkommission is Intervacc's Certified Adviser and is responsible for the company's compliance with Nasdaq First North Growth Markets regulations.

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

Dates for upcoming reports

November 11, 2021	Interim report Q3 January 1 - September 30, 2021
February 18, 2022	Year-end report January 1 - December 31, 2021

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.