Interim report

January - September, 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

Third quarter July 1 – September 30, 2021

- On August 16th the European Commission granted a Marketing Authorisation for Strangvac® within the European Union.
- The Veterinary Medicines Directorate (VMD) of the United Kingdom granted a Marketing Authorisation for Strangvac® within the UK on September 17th.
- On August 23rd the Norwegian Medicines Agency (NoMA), granted a marketing authorisation for Strangvac® in Norway.

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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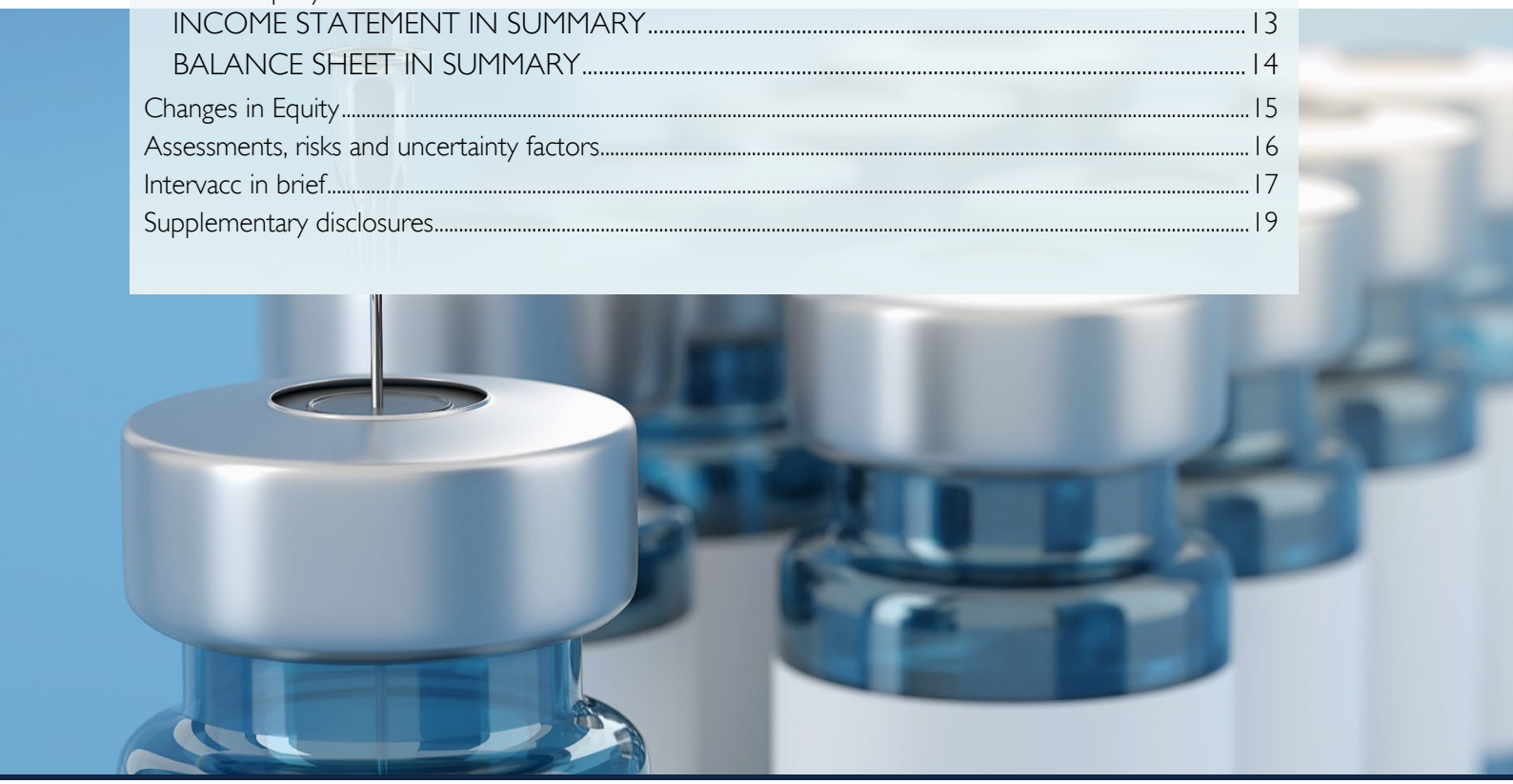


CEO Comments

In the starting blocks for launch in Europe

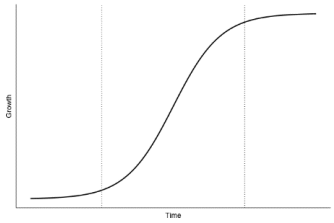
Intervacc develops modern animal vaccines based on of recombinant fusion proteins and we are at the absolute forefront with a very strong technology platform. Vaccines are powerful tools with witch to prevent disease and create a healthier and more sustainable future. By preventing diseases, we can reduce the use of antibiotics and with that the risk that antibiotic-resistant bacteria will develop. Through prevention, we can reduce the risk that dangerous pathogens emerge, which can affect both animals and humans. Building on our successes and experience we can develop vaccines where others have failed. Intervacc has a real opportunity to make a big difference.

Our first proprietary vaccine is already here. **On the 16th of August, the European Commission granted a marketing authorization for Strangvac® within the European Union, and in the following weeks, Strangvac® was also approved in Norway, Iceland, and the United Kingdom.** It is a fantastic breakthrough and a confirmation that we independently can take a vaccine from research and development to approval and manufacturing.

With about 6 million horses, Europe is one of the world's largest, most well-developed and integrated horse regions. Interest in horses is increasing in Europe, and this also applies to Sweden. The insurance company Agria reported that the number of horses insured in Sweden increased by 19% from 2019 to 2020 and that the number of imported horses increased by 25% compared with the previous year. In connection with import or when many horses gather in the same place, for example in connection with competitions, the risks of the spread of infection are particularly great. Since the approval of Strangvac®, we have been contacted by many horse owners and veterinarians who want to protect their horses as soon as possible.

The number of horses in Europe that are currently part of a vaccination program varies greatly between regions. In the Nordic countries, Germany and France, the vaccination rate against equine influenza 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. We intend to reach about half of Europe's horses with our equine strangles vaccine with these horses taking an average of two doses per year. 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 better known among horse owners, veterinarians, equine organisations and other key stakeholders such as insurance companies..

The establishment of a new vaccine usually 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.



The number of horses globally is estimated to be approximately 60 million and about a third of these are in countries similar to Europe in terms of vaccination rate. We will prioritize launching Strangvac® in these primary markets, but equine strangles is a global problem and we will also target the entire global market. Equestrian sports and riding as a hobby of leisure is increasing outside the primary markets and thus the number of horses that get access to vaccination is growing.

During the summer and autumn, we have started production of vaccines in preparation of the launch in Europe. The production can be divided into two stages, and in the first stage the fusion proteins are produced. The fusion proteins are the antigens in our vaccine and every time we run that process, we produce antigens for a few million doses. In the second step, the antigens are bottled together with saline buffer and adjuvant. The adjuvant is an additive to activate and strengthen the immune system so that the animal being vaccinated begins to form antibodies and other defense mechanisms that the body has in its arsenal to protect itself. We already produced the antigens that are now used in the production of vaccines during the validation phase, prior to the regulatory process with EMA. What we have done now during the summer and autumn is step two in the process.

Before we can sell these vaccine doses, they need to be released and approved by the EMA. During the start-up phase, it is a more demanding process, but once we have ongoing production and sales, it will become part of our routine for manufacturing process. We expect the first doses to be approved and released in time to start sales before the end of the year. To ensure a safe and secure launch, we plan to start with sales in Sweden and then roll out Strangvac® in the rest of Europe.

Dechra Pharmaceuticals, one of the ten leading veterinary pharmaceutical companies in the world and the fourth largest in equine medicine in Europe, reported strong organic growth of over 25% within the equine segment in its latest annual report. In April this year, we and Dechra signed a five-year exclusive distribution agreement for the countries in Europe where we do not sell through our own subsidiary Nordvacc. The collaboration before the launch is going very well. We have chosen a partner that invests in Strangvac® and has a clear path forward for continued growth in the equine segment in Europe.

Together with Dechra, we have prepared the launch campaign. Marketing of veterinary medicines is regulated, and our information is designed to inform veterinarians. Strangles Awareness Week is a global, collaborative effort to prevent and manage Strangles. The campaign had a fantastic impact and in 2021 it reached over 2 million people. In Sweden, the campaign is called Stoppa Kvarkan and is led by SVA. For 2022, similar campaigns are planned in more countries throughout Europe. We will work to broaden and complement this campaign both with our own initiatives and by supporting existing initiatives to raise awareness of strangles. During the autumn, meetings with leading veterinarians, so-called Key Opinion Leaders, were held. This is an important phase that is being intensified ahead of the launch. In connection with the vaccine being available for sale, we will present Strangvac® to a broader group of veterinarians with targeted training initiatives, campaigns in veterinary magazines and through digital channels.

We continue to strengthen our organization. In November, Dr Katja Lindholm with responsibility for Pharmacovigilance and Medical Information will join us and in December Anna Martinsson will start as a product specialist for horses. Anna has over 10 years' experience in the industry and most recently came from a Nordic vaccine and veterinary drug distributor where she had the role of product specialist and country manager for Sweden.

After we now have received marketing authorization in Europe, we are working to obtain authorizations primarily for the USA, Canada, Australia, and New Zealand. For Australia and New Zealand, we predict that the process can take less than 12 months, while for the USA and Canada this process will be depending on whether local studies are required. We will know more about the North American process after we have submitted the first step in the application, which we expect to do before the end of the year.

The global market for veterinary vaccines is expected to grow by about 6-10% annually until 2025. Companion animals are the segment that has shown the strongest growth in recent years, especially horses. Sales in our distribution and lab operations have grown by just over 10% compared with the first nine months of the previous year. The business has a strategic value for us. Through Nordvacc, we have our own distribution channel, primarily in the Nordic markets, which is very valuable. Through our bacteriological laboratory, we get direct contact with veterinary clinics around Sweden, especially in the horse segment. It gives us a base and platform for the launch of diagnostic tests for equine strangles.

Our patent application for a vaccine against infections caused by the bacterium *Streptococcus suis* (*S. suis*) was recently granted in the US. *S. suis* causes sepsis, arthritis, and meningitis in young pigs, and is one of the most common bacterial causes of fatal disease in newly weaned piglets. There are over 1 billion pigs globally and an effective vaccine against *S. suis* is highly sought after. *S. suis* infections are usually treated with antibiotics, but an effective vaccine is a better preventive alternative that is fully in line with the goal of reducing antibiotic use in animal husbandry. Pig breeders are also used to using vaccines in their operations. Intervacc's technology platform provides vaccines with DIVA capacity, i.e. the ability to distinguish a vaccinated animal from an animal that has been infected. This is especially important when dealing with an endemic zoonotic bacterium that can also affect humans and where the vaccine is used for food-producing animals. The granting of a patent is a very important step towards developing a vaccine and we continue to make progress in this Eurostar financed preclinical project. We have also made progress in our second prestigious project against infections caused by *Staphylococcus aureus*, where we expect to take the next step in early 2022.

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

Financial Summary

Group

Net Sales

Net sales during the first nine months of 2021 amounted to SEK 4.2 million, which is slightly better than the same period in 2020 (3.8) and for the third quarter net sales amounted to SEK 1.3 million (1.2). 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 nine months of 2021 amounted to SEK -20.6 million, which is 2.1 million lower compared to the same period in 2020 (-18.5). Operating result for the third quarter 2021 amounted to SEK -8.3 million, which is 1.9 million lower compared to the same period in 2020 (-6.4). 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 third quarter of 2021, SEK 5.5 million (1.9) was invested in the development of Strangvac® and for the first nine months of 2021 the investment was SEK 15.1 million (7.8) which is mainly due to the regulatory phase with the application for approval to the European Medicines Agency, EMA. Cash flow during the third quarter of 2021 has meant that cash and cash equivalents has decreased with SEK 13.1 million and amounted to SEK 128.3 million (171.6) on the balance sheet date.

Financial position

At the end of the third quarter 2021 equity amounted to SEK 317 million, which compared to the same date last year is a decrease with SEK 27.7 million. Approx. 49% (41%) of the group's total assets has been invested in capitalized expenditure which at end of third quarter 2021 amounts to SEK 164.4 million (146.7). Cash, which at end of third quarter 2021 amounts to SEK 128.3 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 first nine months of 2021 in the Parent Company relates to components for antibody testing of strangles. The loss during the first half year of 2021 amounted to SEK -13.3 million (-10.7). At the end of the third quarter 2021, equity amounted to SEK 340.7 million (362.5) and cash amounted to SEK 126.2 million (169.3). In preparation for the launch of the company's first product, the company has begun to build up inventories which at the end of the third quarter amounts to SEK 3.3 million.

Group key ratios

	July - Sept		Jan - Sept		Year
	2021	2020	2021	2020	2020
Net sales	1 270	1 171	4 173	3 837	4 780
Operating result	-8 298	-6 409	-20 595	-18 513	-25 676
Result after financial items	-8 316	-6 402	-20 646	-18 507	-25 601
Balance sheet total	333 631	360 596	333 631	360 596	355 282
Equity ratio	95%	96%	95%	96%	95%
Number of shares outstanding end of period	50 160 388	50 160 388	50 160 388	50 160 388	50 160 388
Average number of shares before dilution	50 160 388	50 157 594	50 160 388	45 958 082	47 008 659
Average number of shares after dilution	50 408 794	50 302 874	50 407 747	46 050 681	47 141 055
Earnings per share before dilution	-0,17	-0,13	-0,41	-0,40	-0,54
Earnings per share after dilution	-0,17	-0,13	-0,41	-0,40	-0,54

Significant events during the period July 1 – September 30, 2021

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 the UK

The Veterinary Medicines Directorate (VMD) of the United Kingdom granted on September 17th a Marketing Authorisation for Strangvac® within the UK. With around 600 outbreaks of strangles affecting thousands of horses annually in the UK, it is another important market where the vaccine has great potential to make a difference.

Marketing authorisation for Strangvac® granted in Norway

On August 23rd the Norwegian Medicines Agency (NoMA), granted a marketing authorisation for Strangvac® in Norway.

Significant events after the period

U.S. patent approval for Intervacc's vaccine against infections caused by Streptococcus suis

The United States Patent and Trademark Office has granted an approval for Intervacc's patent application in the United States for a vaccine against Streptococcus suis infections. The U.S. Patent No. 11,155,585 relates to a vaccine based on recombinant fusion proteins where patent protection is effective until 2037.

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 September 30, 2021.

Owner	**Number of shares**	**% of cap/votes**
Robur	3 419 868	6,8%
Handelsbanken Microcap	2 375 732	4,7%
Fjärde AP-fonden	2 370 000	4,7%
B. Sjöstrand incl. company	1 251 242	2,5%
K Janzon incl. company	992 000	2,0%
T. Eklund	981 798	2,0%
N. Aguiar	968 877	1,9%
AFA Försäkring	917 000	1,8%
H. Isoz	867 500	1,7%
Capital Group Smallcap World Fund	863 512	1,7%
Nordea Småbolagsfonder	857 475	1,7%
Aktia Asset Management Oy	800 000	1,6%
NR Bergman inkl bolag	722 905	1,4%
Jyske Bank/Bank of NY	657 608	1,3%
SEB Luxemburg	649 500	1,3%
BNP Paribas, Luxembourg	584 531	1,2%
Aktie-Ansvar Sverige	555 000	1,1%
IKC Fonder Flexibel	500 000	1,0%
Others	29 825 840	59,5%
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 November 3rd, 2021

The Group

CONSOLIDATED INCOME STATEMENT IN SUMMARY

	July - Sept		Jan - Sept		Year
	2021	2020	2021	2020	2020
Operating income					
Net sales	1 270	1 171	4 173	3 837	4 780
Work performed by the company for its own use and capitalized	745	359	2 785	1 590	2 235
Other operating income	442	692	2 301	1 832	2 773
Total operating income	2 457	2 222	9 259	7 259	9 788
Operating expenses					
Goods for resale, raw materials and consumables	-813	-534	-2 079	-1 826	-2 372
Other external costs	-4 624	-3 100	-10 918	-8 058	-11 537
Employee benefit expenses	-3 739	-3 399	-12 027	-11 051	-15 173
Depreciation/amortization of property, plant and equipment and intangible assets	-1 524	-1 542	-4 627	-4 648	-6 175
Other operating expenses	-55	-56	-203	-189	-207
Total operating expenses	-10 755	-8 631	-29 854	-25 772	-35 464
Operating loss	**-8 298**	**-6 409**	**-20 595**	**-18 513**	**-25 676**
Profit and loss from financial items					
Net financial items	-18	7	-51	6	75
Total financial items	-18	7	-51	6	75
Loss before tax	**-8 316**	**-6 402**	**-20 646**	**-18 507**	**-25 601**
Taxes					
Tax on profit	-	-	-	-	-
Net loss for the period	**-8 316**	**-6 402**	**-20 646**	**-18 507**	**-25 601**
Earnings per share before dilution attributable to the Parent Company's shareholders	-0,17	-0,13	-0,41	-0,40	-0,54
Earnings per share after dilution attributable to the Parent Company's shareholders	-0,17	-0,13	-0,41	-0,40	-0,54

The Group

CONSOLIDATED BALANCE SHEET IN SUMMARY

	2021-09-30	2020-09-30	2020-12-31
ASSETS			
Fixed Assets			
Capitalized expenditure for research and development and similar	164 351	146 738	149 277
Concessions, patents, licenses, trademarks and similar rights	8 263	7 201	7 609
Goodwill	13 259	19 153	17 679
Tangible assets	650	498	430
Financial assets	11 390	11 390	11 390
Total fixed assets	**197 913**	**184 980**	**186 385**
Current assets			
Inventories	4 766	1 237	1 584
Current receivables	2 682	2 770	3 061
Cash and bank balances	128 270	171 609	164 252
Total current assets	**135 718**	**175 616**	**168 897**
TOTAL ASSETS	**333 631**	**360 596**	**355 282**
EQUITY AND LIABILITIES			
Equity	316 993	344 705	337 610
Non-current liabilities	122	192	174
Current liabilities	16 516	15 699	17 498
TOTAL EQUITY AND LIABILITIES	**333 631**	**360 596**	**355 282**

The Group

CONSOLIDATED CASH FLOW STATEMENT IN SUMMARY

	July - Sept		Jan - Sept		Year
	2021	2020	2021	2020	2020
Cash flow from operating activities before working capital changes	**-6 897**	**-4 858**	**-16 180**	**-13 880**	**-19 421**
Cash Flow from changes in working capital					
Change in inventories	-2 878	-460	-3 182	-51	-398
Change in receivables	1 371	-163	569	-732	-1 050
Change in current liabilities	998	-63	-840	-1 055	788
Cash flow from operating activities	**-7 406**	**-5 544**	**-19 633**	**-15 718**	**-20 081**
Investing activities					
Investment in capitalized expenditure for research and development, patents and similar	-5 633	-2 030	-15 728	-8 471	-11 418
Net investment in tangible assets	-	-	-427	135	150
Cash flow from investing activities	**-5 633**	**-2 030**	**-16 155**	**-8 336**	**-11 268**
Financing activities					
New share issue	-	326	-	150 101	150 101
Share issue expenses	-	-798	-	-6 682	-6 682
Repayment of debt	-18	-56	-194	-299	-361
Cash flow financing activities	**-18**	**-528**	**-194**	**143 120**	**143 058**
Cash flow for the period	-13 057	-8 102	-35 982	119 066	111 709
Cash beginning of the period	141 327	179 711	164 252	52 543	52 543
Cash end of the period	**128 270**	**171 609**	**128 270**	**171 609**	**164 252**

Parent company

INCOME STATEMENT IN SUMMARY

	July - Sept		Jan - Sept		Year
	2021	2020	2021	2020	2020
Operating income					
Net sales	-	-	259	-	-
Work performed by the company for its own use and capitalized	745	359	2 785	1 590	2 235
Other operating income	438	668	2 260	1 796	2 698
Total operating income	1 183	1 027	5 304	3 386	4 933
Operating expenses					
Other external costs	-4 276	-2 630	-9 628	-6 677	-9 633
Employee benefit expenses	-2 776	-2 438	-8 766	-7 260	-10 230
Depreciation/amortization of property, plant and equipment and intangible assets	-26	-17	-76	-53	-71
Other operating expenses	-45	-7	-158	-66	-74
Total operating expenses	-7 123	-5 092	-18 628	-14 056	-20 008
Operating loss	**-5 940**	**-4 065**	**-13 324**	**-10 670**	**-15 075**
Profit and loss from financial items					
Net financial items	-16	-2	-18	-5	73
Total financial items	-16	-2	-18	-5	73
Loss after financial items	**-5 956**	**-4 067**	**-13 342**	**-10 675**	**-15 002**
Appropriations					
Group contribution	-	-	-	-	-4 106
Loss before tax	-5 956	-4 067	-13 342	-10 675	-19 108
Taxes					
Tax on profit	-	-	-	-	-
Net loss for the period	**-5 956**	**-4 067**	**-13 342**	**-10 675**	**-19 108**

Parent company

BALANCE SHEET IN SUMMARY

	2021-09-30	2020-09-30	2020-12-31
ASSETS			
Fixed Assets			
Capitalized expenditure for research and development and similar	164 351	146 738	149 277
Concessions, patents, licenses, trademarks and similar rights	8 263	7 201	7 609
Tangible assets	429	125	107
Financial assets	45 599	45 599	47 231
Total fixed assets	**218 642**	**199 663**	**204 224**
Current assets			
Inventories	3 278	-	-
Current receivables	5 483	5 108	2 189
Cash and bank balances	126 246	169 338	161 947
Total current assets	**135 007**	**174 446**	**164 136**
TOTAL ASSETS	**353 649**	**374 109**	**368 360**
EQUITY AND LIABILITIES			
Equity	340 690	362 465	354 032
Current liabilities	12 959	11 644	14 328
TOTAL EQUITY AND LIABILITIES	**353 649**	**374 109**	**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	13 735	129 684	
Translation difference during period			-29
Net result during period			-18 507
Equity by 2020-09-30	**100 320**	**287 689**	**-43 304**
Equity by 2021-01-01	**100 321**	**287 688**	**-50 399**
Translation difference during period			29
Net result during period			-20 646
Equity by 2021-09-30	**100 321**	**287 688**	**-71 016**

	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	13 735			129 684		
Provision to development			7 821		-7 821	
Transfer of the previous year's result					-15 260	15 260
Net result during period						-10 675
Equity by 2020-09-30	**100 320**	**17**	**88 072**	**287 672**	**-102 941**	**-10 675**
Equity by 2021-01-01	100 321	17	90 611	287 671	-105 480	-19 108
Provision to development			15 075		-15 075	
Transfer of the previous year's result					-19 108	19 108
Net result during period						-13 342
Equity by 2021-09-30	**100 321**	**17**	**105 686**	**287 671**	**-139 663**	**-13 342**

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 reached a phase where it is possible to launch and can generate revenue, a significant part of the Company's assessed asset value can be attributed to the commercialization of this vaccine. This dependence means that there is a risk of a negative impact on the company's forecasts and asset value if any part of the launch of Strangvac® does not go as planned.

Financing

Research and development of pharmaceuticals is to a great extent a risky, complicated, time-consuming and capital-intensive process. The company 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 2021. 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 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 September 2021, the average price of the company's share on Nasdaq First North Growth Market has exceeded the subscription price for options issued. The dilution effect corresponds to a dilution of 247 359 shares during the first nine months of 2021. 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 November 11, 2021

Andreas Andersson
CEO

Certified adviser

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

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Dates for upcoming reports

February 18, 2022 Year-end report January 1 - December 31, 2021

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