

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

Interim report

January - June, 2024



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

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

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The Group in summary

	April - June		Jan - June		2023
	2024	2023	2024	2023	
Net sales	2 735	1 882	5 129	3 365	8 015
Operating loss	-18 279	-18 380	-36 258	-35 821	-93 579
Result after financial items	-17 844	-17 953	-35 233	-35 429	-91 464
Cash flow from operating activities	-8 964	-11 851	-25 276	-21 736	-45 834
Cash flow for the period	-9 225	78 324	-25 689	67 574	42 642
Balance sheet total	226 528	324 954	226 528	324 954	259 611
Equity ratio	89%	94%	89%	94%	92%
Number of shares outstanding end of period	75 736 264	75 736 264	75 736 264	75 736 264	75 736 264
Average number of shares before dilution	75 736 264	56 661 945	75 736 264	53 576 394	60 963 017
Average number of shares after dilution	75 736 264	56 661 945	75 736 264	53 576 394	60 963 017
Earnings per share before dilution in SEK	-0,24	-0,34	-0,47	-0,66	-1,59
Earnings per share after dilution in SEK	-0,24	-0,34	-0,47	-0,66	-1,59

First half year January 1 – June 30, 2024

- Intervacc has been awarded a prestigious Eurostars grant to advance our new prototype vaccine against *Streptococcus suis* infection in pigs.
- On February 28 the board announced that interim CEO Jonas Sohlman has been appointed as the new CEO of Intervacc.
- In April, a new project was commenced for the further development of the prototype vaccine against *Streptococcus suis* in pigs. The development project, co-financed by Eurostars, will prepare for clinical trials by scaling up and optimizing manufacturing methods.
- The AGM decided to accept the nomination committee's proposal regarding the board. The board has thus been strengthened with the members Mathias Uhlén and Emil Billbäck.
- During the ACVIM Forum in the USA in June, findings from several leading actors in equine health highlight the importance of vaccination as a strategy for disease control and emphasize the safety and efficacy of using Strangvac® in the field.

Significant events after the period

- The agreement for the development of innovative animal health vaccines with the Karolinska Institutet has been extended.
- The reduction of share capital and quota value decided by the Annual General Meeting on May 15, 2024, has been registered by the Swedish Companies Registration Office.
- Some of Europe's foremost strangles experts have published recommendations regarding vaccination with Strangvac® in Equine Veterinary Education (EVE).

CEO Comments

In the second quarter, the number of vials sold in Sweden increased by 50 percent compared to the same period last year. Our focus on meetings, both physical and digital, with horse owners and veterinarians has started to show results, and we notice increased interest in Strangvac® and consequently increased sales.



Although volumes remain limited, it is gratifying to note quarterly increases in sales and that our enhanced focus on sales of Strangvac® is having an effect. We see a raised interest in Strangvac® with growing number of contacts and inquiries from the market. We can also note that reports and findings from the use of the vaccine in the field discuss on both the safety and efficacy of using Strangvac®. Examples of this include:

The annual Strangles Awareness Week campaign was this year conducted during the week of May 6-12 in several European countries. In Sweden, the campaign is called Stoppa kvarkan and is led by SVA together with several other key players in the Swedish equine sector. The central message of the campaign this year was “Do what is BEST for your horse,” where B in the acronym BEST represent “Boost the immune system with a vaccine against strangles.” We supported the campaign and view this as an important step in spreading knowledge about strangles and vaccination against strangles.

The American College of Veterinary Internal Medicine (ACVIM) forum was held during June in Minneapolis, USA. Intervacc presented new reports highlighting the importance of vaccination as a strategy for disease control and emphasizing the safety and positive effects of using Strangvac® in the field. ACVIM is the largest veterinary organization in the world, and the annual forum gathers veterinarians to be updated on research findings in veterinary medicine.

In an article by Lars-Erik Appelgren (Professor Emeritus, SLU) and Gittan Gröndahl (Acting State Veterinarian, SVA) published in the [Swedish Veterinary Journal No. 5, issued in June 2024](#), the authors state that with today's modern methods and knowledge of infection control, the pathogenesis and genetics of strangles, along with modern safe diagnostics and a safe vaccine, it is now possible to combat strangles like never before.

In the recently published article [“Strangles vaccination: A current European perspective” in Equine Veterinary Education](#), the authors David Rendle, Mark Bowen, Jessica Cavalleri, Nicolaus De Brauwere, Gittan Gröndahl, K. van Maanen, and J. Richard Newton highlight that field experience shows that Strangvac® offers a better safety profile compared to previous vaccines and allows for the differentiation of vaccinated horses from infected horses (DIVA) during an outbreak. Regarding the vaccination schedule, the authors conclude that under normal conditions, it is not necessary to repeat the primary vaccination after 2 months but recommend a booster after 6-12 months. If the risk level increases, the interval can be shortened. If the risk of disease is considered very high, a booster with Strangvac® can be given after 3 months to maintain strong protection.

As important findings and factors are externally confirmed, we are strengthened in our belief that Strangvac® will become one of the vaccines that horse owners and veterinarians include in their annual vaccinations. During the quarter, work on developing and improving analytical methods and manufacturing processes in collaboration with our contracted external manufacturers and partners has continued with the target of achieving high stability in analysis and efficient manufacturing processes, thereby improving the company's ability to generate revenue and profitability over time.

On April 1st, the Eurostars 3 program, which funds approximately 50 percent of the three-year project for further development of Intervacc's prototype vaccine against *Streptococcus suis* infections in pigs, commenced. The project will facilitate development and prepare for clinical trials through scaling up and optimizing manufacturing methods, with a total project budget of 1.7 million euros.

Streptococcus suis is a significant endemic pathogen that causes substantial economic losses in the pig industry worldwide. In Europe alone, *S. suis* infections are estimated to cost pig farming over 250 million euros per year. With a safe and protective vaccine, there is potential to improve animal welfare, reduce antibiotic use, and simultaneously enhance profitability for pig farmers.

Intervacc's collaboration agreement with Karolinska Institutet (KI) for further development of a new generation of vaccines based on recombinant proteins has been extended by three years. This is part of the successful collaboration between KI, the Swedish University of Agricultural Sciences (SLU), and Intervacc. The three-year agreement includes continued development of vaccines with great potential in animal health.

Preparatory work for seeking approval in the USA is proceeding as planned.

The previously communicated efforts to strengthen the company's financial position are progressing. As previously communicated, the focus will continue to be on sales and efficient production of our vaccine Strangvac®. The company's ambition to make Strangvac® a part of standard vaccination for horses remains.

Stockholm August 29, 2024

Jonas Sohlman
CEO

Financial Summary

Group

Net Sales

Net sales during the second quarter amounted to SEK 2.7 (1.9) million and amounts to SEK 5.1 million the first half of the year and compared to the first half of the previous year, net sales have increased by SEK 1.7 million. Net sales for the past 12 months amount to SEK 9.8 million. Sales are still limited.

Earnings

Operating loss for the second quarter amounted to SEK -18.3 million, which is an improvement compared to the same period last year with SEK 0.1 million.

Operating profit continues to be burdened with costs for production improvements and regulatory compliance, which aim to provide greater flexibility and stability in manufacturing and at the same time ensure that products are manufactured and controlled according to quality standards. Developing and then commercializing a vaccine in-house is costly, and the company has costs that are largely independent of volume. The negative operating result is mainly explained by the fact that the group's first in-house developed product, Strangvac[®], still has limited sales.

Cash Flow

The company does not yet generate a positive cash flow. During the second quarter of 2024, the cash flow from operating activities was SEK -9.0 million, which is an improvement of SEK 2.9 million compared to the same period last year. In the last 12 months, the cash flow from current operations amounted to SEK -49.4 million.

Financial position

On the balance sheet date 2024, equity amounted to SEK 202.6 million, which is a deterioration of SEK 35.3 million since year end 2023. Cash and cash equivalents, which on the balance sheet date amounts to SEK 62.7 million, are largely affected by the commercialization of Strangvac[®] in Europe and the investments made in research and development. Research and development also include the upcoming regulatory process with USDA (United States Department of Agriculture) regarding Strangvac[®].

Financial Summary continued

Parent company

The company's first in-house developed vaccine, Strangvac[®], began to be sold on the Swedish market during the first half of 2022. During the second quarter of 2024, the parent company has made provisions for vials with short shelf life and reports negative sales of SEK -0.2 million. For the first half of the year, sales amount to SEK 0.9 (3.4) million.

Operating loss for the parent company during the second quarter of 2024 was SEK -17.6 million, which is a deterioration of SEK -3.9 million compared to the same period in 2023. For the first half of the year, the loss amounts to SEK -34.1 million, which is a deterioration of SEK 5.6 million compared to the same period last year.

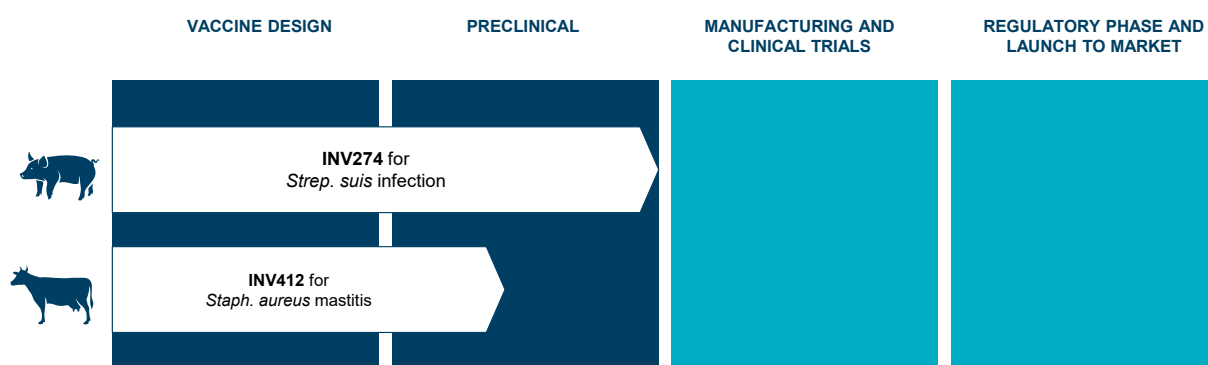
The company has costs for both manufacturing, regulatory compliance, marketing and sales that are largely independent of volume, and thereby has a major impact on the smaller volumes the company has had through the commercialization of the company's first product, Strangvac[®]. Furthermore, the company has costs for the development of product candidates in the company's project portfolio that burden the operating result, which mainly relate to the vaccine against *S. suis* infections in pigs.

On the balance sheet date 2024, equity amounted to SEK 240.6 million, which is a deterioration of SEK 33.1 million since year end 2023. On the balance sheet date 2024, cash and cash equivalents amount to SEK 60.5 million, which is a deterioration of SEK 26.0 million since year end 2023.

Research and development

A new generation of vaccines

Intervacc's business is to develop and sell modern, effective and safe vaccines against bacterial infections that affect animals. The technology platform is based on fused recombinant proteins and our first proprietary vaccine, Strangvac®, a vaccine against the streptococcal infection strangles, which affects horses, is available in several key European markets. Our current vaccine development portfolio covers the following projects:



During the first quarter of 2024, we were pleased to announce that our project to develop a vaccine to protect pigs against *Streptococcus suis* infections was granted funding by the Eurostars 3 program. We are still in the pre-clinical phase but the proof-of-concept study, which was completed in 2022 showed that piglets obtained significant levels of protection against *Streptococcus suis* at both 4 and 7 weeks of age by vaccinating pregnant sows indicating that protection was transferred to the piglets via the colostrum. Based on these results, the company has continued the development of the prototype vaccine and received and completed grant-funded projects from both Almi and Vinnova to optimize important steps in the manufacturing process.

The 1.7 MEUR three-year project, of which the grant from Eurostars finances approx. 50%, started on 1st April 2024. The project will enable Intervacc to optimize the processes required for GMP manufacturing in preparation for pivotal clinical studies including protection against another important serotype of *S. suis*. The project is being conducted in collaboration with Moredun Scientific in Great Britain, SLU (Swedish University of Agricultural Sciences), KI (Karolinska Institutet) and Testa Center. Testa Center is an initiative between the Swedish government and Cytiva to ensure the growth of the Life-science industry and its manufacturing capacity.

S. suis infections in pigs are treated with antibiotics and reducing the use of antibiotics is a priority area for authorities, governments and organizations such as the EU to minimize the emergence of antibiotic resistance. A safe and protective vaccine is an "Unmet Medical Need" and would improve animal welfare, reduce the need for antibiotics and improve the profitability of the pig industry. In Europe alone, *S. suis* infections cost the pig farming industry over 250 MEUR annually.

The proof-of-concept study conducted in the spring of 2023 regarding a vaccine against mastitis in dairy cows, caused by the bacterium *Staphylococcus aureus*, achieved, as previously announced, inconclusive results regarding a protective effect. The company has no plans to conduct any further studies in this project during 2024.

Significant events during the period

April 1 – June 30, 2024

Amendment of the Articles of Association regarding the limits of the share capital, and reduction of the share capital for allocation to non-restricted equity

The Annual General Meeting on 15 May, 2024 resolved, in accordance with the Board of Directors' proposal, to change the Articles of Association's regarding the limits for the share capital to not less than SEK 8,000,000 and not more than SEK 32,000,000, and on a reduction of the share capital by SEK 136,325,285.444635, without withdrawal of shares, for allocation to non-restricted equity.

The AGM also resolved to accept the nomination committee's proposal regarding the board. The board has thus been strengthened with the members Mathias Uhlén and Emil Billbäck.

More information about decisions made at the AGM is summarized in "Highlights from the Annual General Meeting" on page 11 of this report.

Intervacc presented new findings at the ACVIM Forum in the United States

In June during the American College of Veterinary Internal Medicine (ACVIM) forum in Minneapolis, USA, Intervacc presented findings from several leading actors in equine health that highlighted the importance of vaccination as a strategy for disease control and emphasize the safety and efficacy of using Strangvac® in the field.



Significant events after the period

Reduction of share capital registered by the Swedish Companies Registration Office

The reduction of share capital and quota value decided by the Annual General Meeting on May 15, 2024, has been registered by the Swedish Companies Registration Office. After registration, the nominal value is 0.20 SEK per share and the share capital amounts to 15,147,252.80 SEK after the reduction. The number of shares remains unchanged at 75,736,264.

Intervacc and the Karolinska Institutet extended agreement for the development of innovative animal health vaccines

The collaboration agreement with the Karolinska Institutet (KI) regarding further development of a new generation of vaccines based on recombinant proteins has been extended by three years. The research group at the Karolinska Institutet, led by Professor Birgitta Henriques Normark, continues to be part of the successful collaboration between the KI, the Swedish University of Agricultural Sciences (SLU) and Intervacc. This collaboration has led to the development of Strangvac[®], a vaccine against the streptococcal infection strangles that affects horses, which is now available in several important European markets. The agreement includes the continued development of other vaccine projects with great potential to bring modern vaccine technology into the animal health sector.

European experts on equine strangles published guidelines regarding vaccination with Strangvac[®]

Some of Europe's foremost strangles experts compiled and published an article in which experiences from the use of Strangvac[®] are discussed. The article was published in Equine Veterinary Education (EVE) which is the official journal for the education of practicing equine veterinarians through the organizations British Equine Veterinary Association (BEVA) and American Association of Equine Practitioners (AAEP). The magazine publishes peer reviewed articles on diagnostics and treatment of horses for equine veterinarians and veterinary students.

Annual General Meeting in brief

Intervacc AB (publ) held its Annual General Meeting ("AGM") for the 2023 financial year on Wednesday 15th May 2024.

The AGM resolved, in accordance with the Nomination Committee's proposal, to re-elect Håkan Björklund, Lisen Bratt Fredricson, Jan-Ingmar Flock, Lennart Johansson and Camilla Ramfelt McCarthy, and to elect Mathias Uhlén and Emil Billbäck, as Board members for the period up to and including the next AGM. Håkan Björklund was re-elected as Chairman of the board.

The AGM resolved, in accordance with the Nomination Committee's proposal, that the fees to the Board of Directors shall be SEK 280,000 to the Chairman of the board and SEK 130,000 to each of the other Board members.

The Annual General Meeting also resolved to appoint 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 Niclas Bergenmo as the principal auditor.

Authorization regarding share 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 2024

Amendment of the Articles of Association regarding the limits of the share capital, and reduction of the share capital for allocation to non-restricted equity

The AGM resolved, in accordance with the Board of Directors' proposal, to change the Articles of Association's paragraph 4 regarding the limits for the share capital to be not less than SEK 8,000,000 and not more than SEK 32,000,000, and on a reduction of the share capital by SEK 136,325,285.444635, without withdrawal of shares, for allocation to non-restricted equity.

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, 2024:

Shareholder	Number of shares	% of cap/vote
Robur	5 129 802	6,8%
Fjärde AP-fonden	3 750 000	5,0%
B. Sjöstrand	1 876 862	2,5%
M. Lundberg	1 848 148	2,4%
H. Björklund	1 847 147	2,4%
SN-P Särskilda Pensionsstiftelse	1 633 155	2,2%
K Janzon	1 255 000	1,7%
Aktia Asset Management Oy	1 155 000	1,5%
K. Dahlbäck	1 059 887	1,4%
Aktie-Ansvar Sverige	1 050 000	1,4%
Nordea Småbolagsfonder	893 190	1,2%
R. Lucander	825 278	1,1%
N. Aguiar	739 007	1,0%
Jyske Bank/Bank of NY	734 147	1,0%
Other	51 939 641	68,6%
Total	75 736 264	100,0%

Changes in number of shares and share capital from January 1st, 2022, until balance sheet date is presented in the table below.

		Number of shares		Share capital, SEK	
		Increase	Total	Increase	Total
	Values 01/01/2022		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 company has no outstanding options or other share-related incentive programs.

The Group

CONSOLIDATED INCOME STATEMENT IN SUMMARY

	April - June		Jan - June		2023
	2024	2023	2024	2023	
Operating income					
Net sales	2 735	1 882	5 129	3 365	8 015
Work performed by the company for its own use and capitalized	-	12	-	12	12
Other operating income	519	40	618	141	1 744
Total	3 254	1 934	5 747	3 518	9 771
Operating expenses					
Goods for resale, raw materials and consumables	-2 155	-1 094	-4 138	-1 785	-21 821
Other external costs	-8 949	-7 861	-17 589	-14 680	-36 588
Employee benefit expenses	-5 754	-4 917	-10 675	-10 032	-19 689
Depreciation/amortization of equipment and intangible assets	-4 665	-6 137	-9 333	-12 303	-24 599
Other operating expenses	-10	-305	-270	-539	-653
Total operating expenses	-21 533	-20 314	-42 005	-39 339	-103 350
Operating loss	-18 279	-18 380	-36 258	-35 821	-93 579
Profit and loss from financial items					
Net financial items	435	427	1 025	392	2 115
Loss before taxes	-17 844	-17 953	-35 233	-35 429	-91 464
Tax on profit	-	-	-	-	-11 388
Net loss for the period	-17 844	-17 953	-35 233	-35 429	-102 852

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	-0,24	-0,34	-0,47	-0,66	-1,59
Earnings per share after dilution attributable to the Parent Company's shareholders, SEK/share	-0,24	-0,34	-0,47	-0,66	-1,59

The Group

CONSOLIDATED BALANCE SHEET IN SUMMARY

	2024-06-30	2023-06-30	2023-12-31
ASSETS			
Fixed assets			
Capitalized expenditure for research and development and similar	135 879	152 978	144 435
Patent	9 103	9 205	9 317
Goodwill	-	2 947	-
Tangible fixed assets	833	1 189	1 001
Deferred tax asset	-	11 387	-
Total fixed assets	145 815	177 706	154 753
Current assets			
Inventories	11 693	28 234	10 483
Other current receivables	6 368	5 741	6 034
Cash and bank	62 652	113 273	88 341
Total current assets	80 713	147 248	104 858
TOTAL ASSETS	226 528	324 954	259 611
EQUITY AND LIABILITIES			
Equity	202 615	305 609	237 931
Non-current liabilities	124	162	142
Current liabilities	23 789	19 183	21 538
TOTAL EQUITY AND LIABILITIES	226 528	324 954	259 611

The Group

CONSOLIDATED CASH FLOW STATEMENT IN SUMMARY

	April - June		Jan - June		2023
	2024	2023	2024	2023	
Cash flow from operating activities before working capital changes	-13 370	-11 785	-25 828	-23 189	-49 808
Cash flow from changes in working capital					
Change in inventories	-1 728	-295	-1 210	-811	-588
Change in receivables	515	-863	-489	-2 263	-2 382
Change in current liabilities	5 619	1 092	2 251	4 527	6 944
Cash flow from operating activities	-8 964	-11 851	-25 276	-21 736	-45 834
Investing activities					
Investment in intangible assets	-252	-483	-395	-1 320	-2 051
Net investment in equipment	-	-57	-	-57	-56
Cash flow from investing activities	-252	-540	-395	-1 377	-2 107
Financing activities					
New share issue	-	103 506	-	103 506	103 506
Share issue costs	-	-12 761	-	-12 761	-12 782
Repayment of debt	-9	-30	-18	-58	-141
Cash flow from financing activities	-9	90 715	-18	90 687	90 583
Cash flow for the period	-9 225	78 324	-25 689	67 574	42 642
Cash at the beginning of the period	71 877	34 949	88 341	45 699	45 699
Cash at the end of the period	62 652	113 273	62 652	113 273	88 341

Parent company

INCOME STATEMENT IN SUMMARY

	April - June		Jan - June		
	2024	2023	2024	2023	2023
Operating income					
Net sales	-226	3 388	851	3 388	5 422
Work performed by the company for its own use and capitalized	-	12	-	12	12
Other operating income	483	15	536	107	1 574
Total	257	3 415	1 387	3 507	7 008
Operating expenses					
Goods for resale, raw materials and consumables	-274	-1 009	-1 231	-1 009	-17 039
Other external costs	-8 411	-7 348	-16 549	-13 660	-34 541
Employee benefit expenses	-4 486	-3 815	-8 136	-7 561	-15 049
Depreciation/amortization of equipment and intangible assets	-4 660	-4 639	-9 322	-9 313	-18 634
Other operating expenses	3	-282	-232	-457	-503
Total operating expenses	-17 828	-17 093	-35 470	-32 000	-85 766
Operating loss	-17 571	-13 678	-34 083	-28 493	-78 758
Profit and loss from financial items					
Net financial items	434	428	1 024	398	2 122
Loss before appropriations	-17 137	-13 250	-33 059	-28 095	-76 636
Appropriations					
Group contribution paid	-	-	-	-	-12 536
Loss before taxes	-17 137	-13 250	-33 059	-28 095	-89 172
Taxes					
Tax on profit for the period	-	-	-	-	-9 677
Net loss for the period	-17 137	-13 250	-33 059	-28 095	-98 849

Parent company

BALANCE SHEET IN SUMMARY

	2024-06-30	2023-06-30	2023-12-31
ASSETS			
Fixed assets			
Capitalized expenditure for research and development and similar	135 879	152 978	144 435
Patent	9 103	9 205	9 317
Tangible fixed assets	755	1 070	912
Financial fixed assets	35 922	45 599	35 922
Total fixed assets	181 659	208 852	190 586
Current assets			
Inventories	9 303	23 968	8 779
Other current receivables	9 329	17 832	7 701
Cash and bank	60 472	110 770	86 515
Total current assets	79 104	152 570	102 995
TOTAL ASSETS	260 763	361 422	293 581
EQUITY AND LIABILITIES			
Equity	240 640	344 475	273 700
Non-current liabilities	124	162	142
Current liabilities	19 999	16 785	19 739
TOTAL EQUITY AND LIABILITIES	260 763	361 422	293 581

Changes in Equity

The Group

	Share capital	Other contributed equity	Other equity including net loss for the period	Sum
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
Equity by 2024-01-01	151 473	333 280	-246 822	237 931
Conversion difference			-83	-83
Net loss for the period			-35 233	-35 233
Equity by 2024-06-30	151 473	333 280	-282 138	202 615

Parent company

	Restricted equity			Non-restricted equity			
	Share capital	Statutory reserve	Development expenditure fund	Share premium reserve	Loss brought forward	Loss for the period	Total
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
Equity by 2024-01-01	151 473	17	96 525	333 263	-208 729	-98 849	273 700
Transfer to development expenditure fund			199		-199		0
Transfer from development expenditure fund			-5 821		5 821		0
Transfer of last years result					-98 849	98 849	0
Net loss for the period						-33 059	-33 059
Equity by 2024-06-30	151 473	17	90 902	333 263	-301 956	-33 059	240 640

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 assessments, risks, and uncertainties discussed in this section are those considered to be the most important.

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 will not 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 per year 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 2023, pages 34-39. All amounts are reported in thousands of Swedish kronor (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 audited 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 29, 2024

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Chairman of the board

Jonas Sohlman
CEO

Emil Billbäck

Lisen Bratt Fredricson

Jan-Ingemar Flock

Lennart Johansson

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Dates for upcoming reports

November 14, 2024 Interim report Q3 January 1 - September 30, 2024

February 13, 2025 Year-end report January 1 - December 31, 2024

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