Interim report January – March 2023

The period in summary

Group key ratios

	01/01/23 -31/03/23	01/01/22 -31/03/22	01/01/22 -31/12/22
Net sales	1 483	1 172	9 684
Operating result	-17 441	-10 697	-64 413
Result after financial items	-17 476	-10 726	-64 155
Cash flow from operating activities	-9 885	-17 962	-69 790
Cash flow for the period	-10 750	-21 714	-70 013
Balance sheet total	250 970	316 263	265 035
Equity ratio	93%	94%	94%
Number of shares outstanding end of period	50 490 843	50 160 388	50 490 843
Average number of shares before dilution	50 490 843	50 160 388	50 295 324
Average number of shares after dilution	50 490 843	50 360 045	50 406 868
Earnings per share before dilution	-0,35	-0,21	-1,28
Earnings per share after dilution	-0,35	-0,21	-1,28

Figures in brackets indicate outcome for the corresponding period of the previous financial year. The financial information presented relates to the Group and is expressed in TSEK unless otherwise stated.

First quarter January 1 – March 31, 2023

- The company estimates that approximately 4 – 5 thousand horses have been vaccinated with one to three doses of Strangvac®, building experience and trust in this vaccine. The early reports from veterinarians in the field are encouraging both in terms of the vaccine's safety profile and the levels of protection conferred.
- The company sees promising sales developments in the UK, where the number of doses distributed by our distribution partner, Dechra, during the 2-month period between February and the end of March 2023 was higher than the period between mid-August 2022 and the end of January 2023.
- There have been increasing levels of attention focussed on outbreaks of strangles in 2023. For example, in Sweden an outbreak of strangles on Rommetravet's trotting facility led to

V75 races having to be moved, and the disease hitting the headlines as a result of the impact caused.
- The board of directors decided to adopt the following long-term financial targets for Strangvac®: Strangvac® has the potential to achieve annual global sales in excess of one billion SEK with a gross margin of approx. 65%.

Net Sales

Strangvac®, the company's first proprietary vaccine, has, with launches during the fourth quarter of 2022, started to be sold in the most important markets in Europe. However, the company's net sales during the first quarter of 2023 are still at a modest level and amounted to SEK 1.5 million. Compared to the same period last year, when net sales amounted to SEK 1.2 million, the increase is modest.

Earnings

The operating profit for the first quarter of 2023 amounted to -17.4 MSEK, which is a deterioration compared to the same period last year of -6.7 MSEK. Depreciation of balanced development costs began in March 2022, and SEK -3.2 million of the deterioration refers to an increase in depreciation regarding intangible fixed assets.

The operating profit in both 2022 and 2023 have also been charged with costs for the projects that the company runs regarding production improvements that aim to provide greater flexibility in manufacturing and, at the same time, ensure that products are manufactured and controlled according to current quality standards. This will simplify planning and production as well as improve margins, and above all lay the foundations for the economies of scale that come with the company's growth-oriented business plan. Developing and then commercializing a vaccine in-house is costly, and the company believes that it is natural that the company does not reach profitability in the phase the company is now in. The negative operating result is thus mainly explained by the fact that the commercialization of the group's first in-house developed product, Strangvac®, is in the introduction phase with modest sales.

Cash Flow

The cash flow during the first quarter of 2023 meant an outflow of SEK -10.7 million and compared to the same period in 2022 is an improvement of SEK 11.0 million (-21.7). The investments that the Company carried out during the financial year 2022 meant that the working capital increased and affected the cash flow negatively by SEK -26.5 million. The main part of the capital tie-up in working capital consists of inventory of the active ingredients in Strangvac, the antigens. With the shelf-life extensions that have occurred, even after market approval, the inventory of antigens will be sufficient for several years of manufacturing vaccine doses in the growth-oriented business plan, and this will have a positive effect on cash flow going forward.

Financial position

On the balance sheet date in 2023, equity amounted to SEK 232.7 million, which compared to the same balance sheet date in 2022 is a decrease of SEK 64.8 million. Cash and cash equivalents, which on the balance sheet date amounts to SEK 34.9 million (94.0), are largely affected by the commercialization of Strangvac in Europe and the investments made in research and development, where our new and ongoing projects are becoming increasingly important. The project portfolio concerns vaccines against *S. suis* infections in pigs and *S. aureus* infections in dairy cows (mastitis). Research and development also include the upcoming regulatory process with the USDA (United States Department of Agriculture) regarding Strangvac®.

The company does not yet generate a positive cash flow from business operations. The Board of Directors assesses that Intervacc's existing working capital is not sufficient to cover the Company's capital needs during the coming twelve-month period given the existing growth-oriented business plan. In order to finance accelerated commercialization of Strangvac®, regulatory processes for Strangvac in the USA, Australia and New Zealand with the aim of obtaining market approval, as well as further development of product candidates in the company's project portfolio, the board has communicated that they intend to carry out a rights issue of approximately SEK 100 million before issue costs. The rights issue is fully secured by subscription obligations, declarations of intent to subscribe for shares and guarantee commitments. The company has called for an extraordinary general meeting to authorize the board to finally decide on the rights issue and its terms. Through the new right issue, the company's financing is secured for at least the next 12-month period.

CEO Comments

Increased awareness of strangles and positive experiences from vaccination with Strangvac in the field.

We estimate that a total of around 4 – 5 thousand horses have been vaccinated with one to three doses of Strangvac® in the markets where the vaccine is available for sale (Sweden, Denmark, Great Britain, France, Germany, Belgium, Holland, Luxembourg, Austria, Ireland, Poland and Italy). In these markets there are almost 4 million horses, so the growth potential from these initial volumes is very large.

We see promising sales trends in the UK, where the number of doses distributed by our distribution partner Dechra in the period from February to the end of March was higher than the period from launch in mid-August 2022 until the end of January 2023. In the markets where an alternative older strangles vaccine from another manufacturer is available, we are seeing veterinarians switch to Strangvac®. We are also seeing veterinarians who have never previously vaccinated against strangles begin using Strangvac®. The intramuscular route of administration, safety profile and the high levels of protection in our published studies are strong reasons why horse owners are choosing to use Strangvac®.

Great Britain and Sweden are the two markets where most horses have been vaccinated with Strangvac® and the feedback from use in the field is very good. Where healthy horses were vaccinated in outbreak situations, the protection provided appears to be significantly higher than in the clinical trials that were conducted before the approval of Strangvac®. These early experiences are in line with our expectations because the horses in the clinical trials were deliberately exposed

to a dose of the strangles bacteria that was 100 000-fold higher than the minimum dose required to infect a horse, and which was sprayed directly into the nostrils of vaccinated horses to thoroughly test the protection provided.

Strangles outbreaks occur regularly in horses across Europe, and we are often contacted as outbreak experts. These discussions provide us with excellent opportunities to provide Strangvac® for the protection of horses at risk of becoming infected. In Sweden, there was an attention-grabbing strangles outbreak at the Rommetravet's trotting facility, which resulted in V75 competitions having to be moved. The outbreak accelerated our dialogue with the Trotting Federation and veterinarians connected to the sport of trotting. A strangles outbreak among trotting horses has very large financial consequences and we firmly believe that vaccination with Strangvac® significantly reduces the risk of an outbreak, representing excellent value for money. Leading veterinarians including the Acting State Veterinarian for Horse Diseases at SVA, Gittan Gröndal, said in an interview with Travronden that *"I don't think the trotting horse world has realized that strangles is a threat and a risk to their season and business or that there is a vaccine."* and concludes by recommending *"…three basic injections and then one dose a year"*. Johan Hellander, the responsible veterinarian at the Menhammar trotting stable, said in an article in the equestrian magazine, Ridsport, that *"it is desirable that we vaccinate as many horses as possible and that we at Menhammar are seen as a good example."* Johan Hellander also stated in Veterinärmagazinet that he *"has confidence that Strangvac® will not only be included in the standard vaccination programs, but will eventually also become mandatory"*. We share that view and are dedicated to make this happen as soon as possible.

During Easter, the national equestrian facilities in Sweden also started to vaccinate their horses against strangles. Equestrian sports and the horse industry have three national facilities, the Strömsholm Riding School, Flyinge and Wångеn. Together, they provide the horse industry with the right knowledge and competence for the continued development of the industry. The Strömsholm Riding School is the Swedish Equestrian Association's training facility. Here, among other things, training is provided for riding instructors, hippologists, farriers, grooms, and talented elite riders. At Flyinge, horse breeding has been carried out since the 12th century. Wångеn is the national facility for trotting, but also focuses on the Icelandic horse and is the national working horse center. At Wångеn, training courses are arranged for trotting trainers, trotting drivers, working horse drivers, riding instructors, hippologists, farriers and grooms. The vaccination of horses at Wångеn with Strangvac® received a lot of attention on local TV, National Radio and in newspapers including Hippson and Veterinärmagazinet. That the national facilities now vaccinate against strangles is an important step in establishing Strangvac® as a natural part of the vaccination program for horses in Sweden.

We are in a launch and start-up period. Strangvac® is still relatively unknown as a vaccine against strangles and we see that many horse owners and veterinarians are waiting until there is more experience of vaccination in the field. We expect that the use of Strangvac® will continue to grow as the knowledge of the disease, the vaccine and its benefits become better known by horse owners, veterinarians, horse organizations and other important stakeholders such as insurance companies. One of the cornerstones of our marketing strategy is to create and develop the market for a strangles vaccine by raising awareness of how prevalent, contagious and serious strangles is for horses. The disease is severely underreported in many European countries, and we need to work to raise awareness of the risk of strangles so that more horses can be protected. It is also

important that guidelines and recommendations are established for veterinarians and horse owners on how to use Strangvac®, and to create confidence in using vaccination as a tool to prevent strangles. We see that more leading veterinarians are recommending vaccination with Strangvac®, but there is still much to be done.

During the past quarter, we have wound down our operations in the Baltics. We made the assessment that our distribution model, through which we reach the global market in collaboration with the leading players in veterinary medicines, is also better suited for the Baltic market and we will focus our direct sales activities on the Nordic countries.

Our net sales for the first quarter of 2023 increased slightly compared to the second quarter of 2022 but are lower than the fourth quarter of 2022 due to the fact that we did not have any sales of Strangvac® to our distributor during the quarter. We anticipate steady growth in the number of vaccinated horses, but sales revenue may vary from quarter to quarter as we sell batches of vaccine to distributors in most of our markets. The negative cash flow improved both in comparison with the last quarter and in comparison, with the first quarter of 2022. We have incurred costs related to production improvements that provide greater flexibility and robustness in the manufacturing process. These changes will simplify planning and production as well as improve margins and, above all, lay the foundations for the economies of scale that follow our growth-orientated business plan. Thanks to the extended shelf-life of the components of the vaccine, we will be able to use the bulk of the antigens that we produced over the previous year.

Tim Wood, who has the overall responsibility for regulatory issues, manufacturing and quality, will leave the company during June. Tim's responsibilities have been distributed among our team and Tim will continue to be available in a consulting role. We are very grateful to Tim for all of his hard work and wish him the very best in his future roles. In connection with this, we are reducing the composition of the management team by one person.

On the nineteenth of April, the board of Intervacc announced that it intends to carry out a rights issue of approximately SEK 100 million before issue costs. The rights issue is fully secured by subscription obligations, declarations of intent to subscribe for shares and guarantee commitments. The board has called an extraordinary general meeting, to be held on the fifth of May, to authorize the board to confirm the rights issue and its terms. The purpose of the rights issue is to finance the accelerated commercialization of Strangvac®, regulatory processes for Strangvac® in the USA, Australia and New Zealand with the aim of obtaining market approval, as well as the further development of product candidates in the project portfolio.

We are confident that Strangvac® is a great vaccine and that we are only at the beginning of the S-curve that veterinary vaccine sales growth typically follows. With continued good reports from the field and with the increasing support of leading players in equine health, we are confident that Strangvac® will become one of the key vaccines that horse owners and veterinarians include in their annual vaccinations. Strangles is a globally occurring, prevalent, contagious and potentially fatal disease. The consequence of a strangles outbreak are great, both in terms of the suffering of affected horses and in the financial consequences for horse owners, stable owners, insurance companies and others who depend on healthy horses for their business.

Our application process to obtain approval to sell Strangvac® in the US has entered a more intensive phase. We’ve had a digital meeting with the USDA regarding our manufacturing process,

including information regarding our Master seed lots. We hope that we will soon complete this step and we look forward to, and are prepared for, discussions on the next steps of this process, which include the validation of potency, efficacy and safety.

In the first week of May, the Strangles Awareness Week campaign kicks off across the world. In Sweden, the campaign goes by the name Stoppa kvarkan and is led by SVA together with a number of important stakeholders in Sweden. The campaign has already received a lot of attention in the press, including on radio and TV. Vaccination has been highlighted as an important tool to prevent strangles, and Strangvac® is recommended by leading veterinarians. We support the campaign and see it as an important step in spreading knowledge about strangles and vaccination.

In addition to this, we have an intellectual property and technology platform that we believe positions us at the absolute forefront in the development of new veterinary vaccines against streptococcal and staphylococcal diseases. We already have promising results in our pilot projects against *S. suis* and *S. aureus* infection in pigs and dairy cows, respectively.

In the fight against global bacterial diseases, and in light of the increasing prevalence of antibiotic resistance, the development of safe and effective vaccines is a high priority. We are active in an important and growing area where we have all the prerequisites for long-term, sustainable growth and profitability.

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

Andreas Andersson, CEO

Significant events during the period January 1 – March 31, 2023

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

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

Significant events after the period

The Board of Directors in Intervacc intends to resolve on a fully covered rights issue of approximately SEK 100 million

On April 19th, 2023 Intervacc announced that the Board of Directors of Intervacc AB (publ) intends to resolve a fully covered rights issue of shares equivalent to approximately SEK 100 million before deductions for transaction costs (the “Rights Issue”). An Extraordinary General Meeting (the “EGM”) will be held on May 5, 2023 to authorise the Board of Directors to resolve on the Rights Issue. The Rights Issue, including full terms, is expected, with the authorisation, to be resolved by the Board of Directors around May 9, 2023. The Company has obtained subscription undertakings and declaration of intentions to subscribe for shares from certain existing shareholders, among others, Handelsbanken Fonder, Swedbank Robur, Fjärde AP-fonden, Aktie-Ansvar Sverige and

Aktia Asset Management, and members of the Board of Directors and executive management of in aggregate approximately SEK 29 million, corresponding to approximately 29 per cent of the Rights Issue, whereof approximately SEK 15 million refers to subscription undertakings and approximately SEK 14 million refers to declaration of intentions to subscribe for shares, corresponding to, respectively, approximately 15 per cent and approximately 14 per cent of the Rights Issue. In addition to members of the Board of Directors and executive management who intend to participate with at least their respective pro rata shares of the Rights Issue, all other members of the Board of Directors and executive management who own shares have committed to subscribe for a number of shares corresponding to at least their proceeds from any subscription rights sold. External guarantors have provided guarantee commitments, subject to customary conditions, which, in total, amount to approximately SEK 71 million, corresponding to approximately 71 per cent of the Rights Issue. Hence, the Rights Issue is fully covered by subscription undertakings, declarations of intention to subscribe for shares and guarantee commitments.

Notice of Extraordinary General Meeting in Intervacc AB (publ)

The shareholders of Intervacc AB (publ), has been invited to an Extraordinary General Meeting to be held on Friday 5 May 2023 at 10.00 a.m. at Good Morning Hotel, Västertorpsvägen 131, in Hägersten. The complete notice and associated documentation are available on the company's website.

Certified adviser

Eminova Fondkommission is Intervacc’s Certified Adviser.
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Dates for upcoming reports

August 31, 2023 Interim report Q2 January 1 - June 30, 2023
November 16, 2023 Interim report Q3 January 1 - September 30, 2023
February 16, 2024 Year-end report January 1 - December 31, 2023

Extraordinary General Meeting

An Extraordinary General Meeting will be held on Friday 5 May 2023 at 10.00 a.m. at Good Morning Hotel, Västertorpsvägen 131, in Hägersten.

Annual General Meeting

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

Contact information

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The interim report for the period January – March 2023 is attached to this press release and is available on the company's website www.intervacc.se/investors/reports.

This information is information that Intervacc AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08.30 CET on May 3, 2023.

About Intervacc
Intervacc AB is a Swedish company within animal health developing vaccines for animals. The Company’s vaccine and vaccine candidates are based on research at Karolinska Institutet and Swedish University of Agricultural Research where the foundation was laid for the Company´s research and development work. The Intervacc share has been listed on the Nasdaq First North Growth Market since April 2017.

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