Interim report January – September 2020

The period in summary

Third quarter July 1 – September 30, 2020

- Our marketing authorization application for Strangvac was submitted to the European Medicines Agency, EMA, at the end of February. During the third quarter, we have strengthened the dossier in the areas where EMA has asked for clarification. We are happy to report that we remain on track with our schedule and plan for a positive statement from EMA during the first half of 2021.
- We focus on the preparations for the launch of Strangvac, which includes a distribution partner for Europe, outside regions where we distribute ourselves, and strengthen the organization.
- In July, Dr. Andrew Waller joined as Chief Scientific Officer. Intervacc has thus attracted an international leading scientist within the fields of bacterial infections and equine strangles, to lead the company's exciting development program for vaccines based on fusions of recombinant proteins
- The ongoing process of renewing the product portfolio within our Nordic distribution operations has continued and during the summer an agreement was signed with the Spanish veterinary medicines manufacturer Syva s.a.

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.

Group key ratios

	01/07/20 -30/09/20	01/07/19 -30/09/19	01/01/20 -30/09/20	01/01/19 -30/09/19	Full year 2019
Net sales	1 171	2 080	3 837	11 060	12 139
Operating result	-6 409	-6 230	-18 513	-20 019	-27 848
Result after financial items	-6 402	-6 237	-18 507	-20 041	-27 892
Balance sheet total	360 596	243 520	360 596	243 520	237 067
Equity ratio	96%	94%	96%	94%	93%
Number of shares outstanding end of period	50 160 388	43 292 690	50 160 388	43 292 690	43 292 690
Average number of shares before dilution	50 157 594	37 873 606	45 958 082	37 873 606	39 228 377
Average number of shares after dilution	50 302 874	37 919 397	46 050 681	37 919 397	39 336 557

Earnings per share before dilution	-0,13	-0,16	-0,40	-0,53	-0,71
Earnings per share after dilution	-0,13	-0,16	-0,40	-0,53	-0,71

Net Sales

Net sales during the third quarter of 2020 amounted to SEK 1.2 million, which is a decrease of SEK 0,9 million compared to the same period in 2019. For the first 9 months the sales decrease is approx. SEK 7.2 million, from SEK 11.1 million during 2019 to SEK 3.8 million during 2020. The lower sales are mainly due to that the new products in the distribution portfolio are in a launch and establishment phase.

Earnings

Operating profit for the third quarter of 2020 amounted to SEK -6.4 million, which is a decrease of SEK 0.2 million compared to the same period in 2019 (-6,2). For the first 9 months during 2020 the operating result is approx. SEK -18,5 million, which is approx. SEK 1.5 million better than during last year (-20.0). 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

The directed share issue in June together with the use of employee stock options and warrants from the incentive programs from 2017 during May and July has increased available cash with net approx. SEK 143.4 million. During the first 9 months SEK 7.8 million has been invested in Strangvac capitalized expenditure which is a decrease of SEK 22.8 million compared to same period during 2019 (SEK 30.6 million). Cash flow during second quarter has meant that cash has decreased with SEK 8.1 million and amounts to SEK 171.6 at the end of the third quarter 2020.

Financial position

At the end of Q3 2020 equity amounted to SEK 344.7 million, which compared to the same period last year is an increase with SEK 116.9 million. Approx. 41% (59%) of the group’s total assets has been invested in capitalized expenditure which at end of Q3 2020 amounts to SEK 146.7 million. Cash, which at end of Q3 2020 amounts to SEK 171.6 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), clinical documentation and manufacturing for the US market. The company is well equipped for continued commercialization and vaccine development.

CEO Comments

We are on track and we are growing

It is a real pleasure to be a part of Intervacc. We have so much going for us and it is a very positive environment to work in. We are at the forefront of animal health vaccine development based on

fusions of recombinant proteins and it is a technology platform that has a lot to offer.

Strangvac®, our first proprietary vaccine based on this technology, is groundbreaking in many ways – a game changer. Game changer is an epithet that I have heard many use when it comes to Strangvac® both in the fight against strangles and as a successful example of a vaccine based on fusions of recombinant proteins. Strangles is a complex bacterial infection that it has been difficult to develop safe and protective vaccines against and we are very proud of what we have achieved with Strangvac®. It opens up opportunities to develop more vaccines with the same important properties – vaccines that are safe, protective and easy to administer.

In our vaccine development project against *Staphylococcus aureus* infections, which among other things cause mastitis in dairy cows, we have previously shown good antibody responses in rabbits. We have now started the next part where we vaccinate cows to see if we get the same nice antibody response there. We are still in preclinical phase, but it is still an important step. In our development project against *Streptococcus suis* infections in pigs, the preclinical tests in pigs continue according to plan.

We are preparing the launch of Strangvac®, among other things by strengthening the dossier in the areas where EMA has questions and requests for clarification. The work is going well, and we feel confident that it will lead to an approval. We are on track and plan for a positive statement during the first half of 2021. The preparations include continuing to strengthen the team. Dr. Andrew Waller, who joined the role of Chief Scientific Officer on July 1 this year, is a much-appreciated authority with a fantastic network within the community of equine health and veterinary vaccines. We are now taking the next step in recruiting a product manager. The interest in Intervacc and Strangvac® is great and we can attract top talent both national and international.

We are growing and building a robust organization. During the year, the Swedish Medical Products Agency carried out a pharmacovigilance inspection of us and during the autumn we were approved. It was the first time we were inspected as a Marketing Authorization Holder, MAH, and it was important to confirm that our organization and our processes meet the Swedish Medicines Agency's requirements prior to the launch of Strangvac®.

We also continue to expand our Nordic distribution business with new products. During the summer, we signed an agreement with Syva, a Spanish reputable manufacturer of veterinary medicines, and our first Syva product was launched in connection with the Swedish veterinary congress this October. For distribution of Strangvac® in Europe, outside the regions where we distribute ourselves, discussions continue with a selected number of partners. The discussions are positive, and we will have a good agreement in place well in advance of launch.

Strangles is a global problem and Strangvac® is a global product. Europe is our home market and it was natural for us to start the regulatory process here, but the USA is an even bigger market for Strangvac® and with the backing of the funding we received during the summer, we are therefore starting the work of getting approval there as well.

There is much exciting progress on several fronts at Intervacc, and I want to take this opportunity to thank all employees, partners and owners!

Andreas Andersson CEO

Significant events during the period July 1 – September 30, 2020

Changed number of shares and votes in Intervacc AB (publ)

The number of shares and votes in Intervacc AB (publ) has changed as a result of 35,925 new shares being issued. The reason is exercise of employee stock options under employee stock option program 2017/2020:1 and warrants under incentive program 2017/2020:2 both adopted at the Annual General Meeting on June 8, 2017, which could have been exercised for subscription up to and including June 8, 2020.

The completed incentive programs resulted in the exercise of a total of 249,292 employee stock options that entitle the holder to purchase 282,700 shares and 42,500 warrants that entitle the holder to purchase 48,025 shares. After completed registration of issued shares, the total number of shares and votes in Intervacc AB (publ) as of July 7, 2020 amounts to 50,160,388.

Significant events after the period

During the year, the Swedish Medical Products Agency carried out a pharmacovigilance inspection of us and during the autumn we were approved. It was the first time we were inspected as a Marketing Authorization Holder, MAH. and is an important confirmation that our organization and our processes meet the Swedish Medicines Agency's requirements prior to the launch of Strangvac®.

Certified adviser

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

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

Dates for upcoming reports

February 18, 2021 Year-end report January 1 – December 31, 2020

Contact information
Andreas Andersson, CEO
Phone: +46 (0)8 120 10 601, Cell: +46 (0)73 335 99 70
E-mail: andreas.andersson@intervacc.se

The full interim report for the period January – September 2020 is attached to this press release and is available on the company's website www.intervacc.se.

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 12 November 2020.

About Intervacc
Intervacc AB (publ) is a company within the biotechnology sector. The Company´s main area is to develop modern sub-unit vaccines against economically important bacterial infections, within animal health. The Company´s vaccine candidates are based on several years of 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 with Eminova Fondkommission AB, adviser@eminova.se, +46 (0)8–684 211 10 as Certified Adviser.

Date Created
2020-11-12