Intravacc
Innovating vaccines

Innovative vaccine opportunities ahead

Annual Report 2021

About

Intravacc is a leading global contract development and manufacturing organization for infectious diseases and therapeutic vaccines.
As an established independent CDMO with many years of experience in the development and optimization of vaccines and vaccine technologies, Intravacc has transferred its technology related to vaccines against polio, measles, diphtheria, Hib and influenza around the world. Around 40% of childhood disease vaccines are based on Intravacc's technology. Intravacc offers a wide range of expertise for independent vaccine development, from concept to Phase I/II clinical studies, for partners around the world, including universities, public health organizations (WHO, Bill and Melinda Gates Foundation), biotech and pharmaceutical companies.

Intravacc continues to capitalize on the critical global trends in healthcare: the ever-growing need for prevention and intervention for infectious diseases and cancer. Our innovative vaccine platforms and vaccine contract development and manufacturing capabilities are well positioned to address the unmet needs in the vaccine and immune therapy market which is currently estimated at $61 billion in 2021 and is expected to grow at a compound annual growth rate (CAGR) of 11% to $125 billion by 2025.

The company's head office is located on the Utrecht Science Park location Bilthoven, The Netherlands, and has state-of-the-art laboratories and GMP production facilities. Intravacc B.V. is a limited liability company incorporated under Dutch law. On 1 January 2021, the activities of Intravacc under the Ministry of Health, Welfare and Sports (VWS) were transferred to Intravacc B.V.

Visit www.intravacc.nl and follow us on social media at: twitter.com/intravacc and linkedin.com/company/intravacc.

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Content

Message from the CEO

The year 2021 was a transformational year for Intravacc, affecting all levels and departments within the company. The COVID-19 pandemic triggered the start of a dynamic period and of a new commercialization and development era.

On 1 January 2021, Intravacc became a private entity. We stepped into 2021 as a stand-alone business, transforming from an R&D driven institute towards a full contract development and manufacturing organization (CDMO). One of the first things we implemented as a stand-alone business was a new corporate structure: we installed a Supervisory Board, completed the nomination of a Board of Directors to manage the company and installed a Scientific Advisory board to overview the scientific solidity of the projects and product pipeline. Our relationship with the Ministry of Health, Welfare and Sports (hereafter VWS) changed significantly – from owner to sole shareholder. The budget became focused on profit and loss (P&L), with words like revenue and profitability becoming important and the focus changing from research towards product development on time and within budget.

As we were all affected by the second year of the COVID-19 pandemic in one way or the other, I am proud and grateful that we still managed to continue our transformation process to ensure our business continuity.

Throughout the year new talented people joined the company, and we increased our visibility in the market and made significant steps in our transformation process. We are delighted with our progress in 2021 and this gives us great confidence to continue to succeed in our mission to become one of the leading CDMO's within the vaccine and immunotherapy industry and, together with our partners, help to reduce human diseases.

In 2022 we will fast track to build a strong commercial and business development team and Intravacc will pursue our efforts of expanding partnership and service contracts. We will continue to improve our platform technologies and to broaden the use of our technologies outside the field of infectious diseases. The company also expects to reduce its operating expenses and to take a major step forward to optimize its project turnaround time by rolling out a streamlined product development process.

Revenue for the year 2021 remained at €29.2 million; 84% of the revenue was realized through CDMO service contracts. Operating expenses for 2021 amounted to €27 million. The company expects to reduce its spending in 2022, because of the ongoing transformation process. At year end the company held €7 million in cash.

In the near future, gene and immune therapy will greatly impact healthcare and Intravacc is in the position to become an important player in this field. We remain confident in the potential of our unique position, know-how and expertise within the vaccine and immune therapy contract development and manufacturing industry. In the short term we will continue to drive momentum and increase our order portfolio to set the roadmap towards profitability. The company is positive about the outlook for the coming years and believes it can increase its project portfolio of new service contracts.

Due to the dedication of our team, we are in the position of fulfilling our mission to contribute to the reduction of human diseases through the development of candidate vaccines.

I sincerely want to thank all our employees, consultants and scientific advisors, whose continuing contributions enable our success. On behalf of the Supervisory Board and Board of Directors of Intravacc, we want to extend our gratitude to our shareholder, investors, collaborators, the medical community, VWS and other stakeholders whose belief and ongoing support have enabled us to make a significant investment in our people, who in turn are ambitious to continue to build Intravacc into a leading CDMO.

Kindest regards,

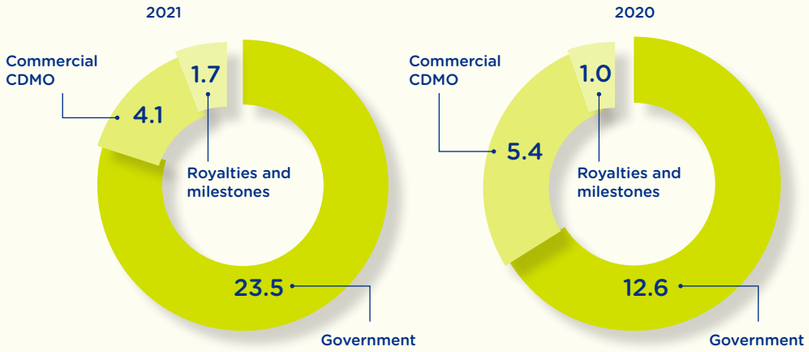
Dr. Jan Groen

CEO and Chairman of the Board of Directors

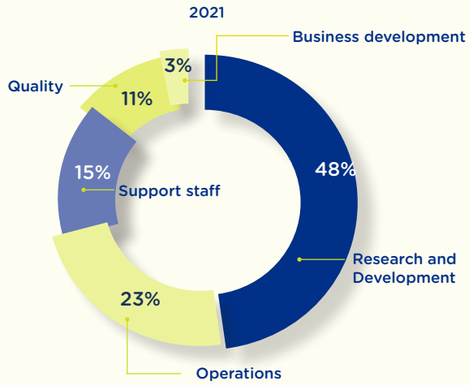
Part I Strategy and business review

Key Figures

Annual revenue
- Total revenue increased with 54.2%
- Commercial CDMO revenue of €4.1 M
- Milestone and royalty income increased with 70%

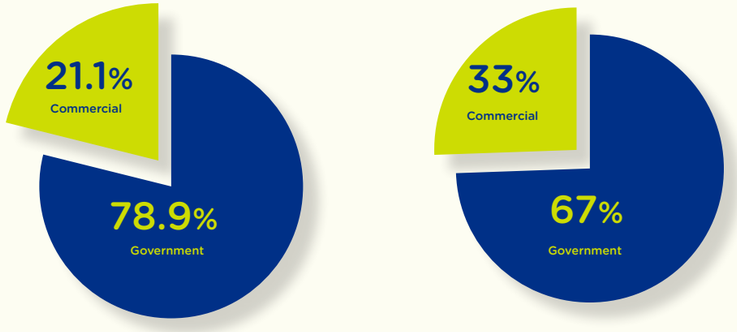


Distribution of employees
- Majority of employees employed within Research and Development

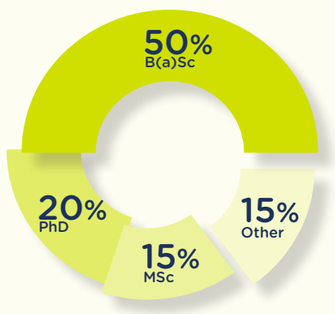


Revenue split
- Government revenue of 78.9%
- Increase mainly due to Covid project

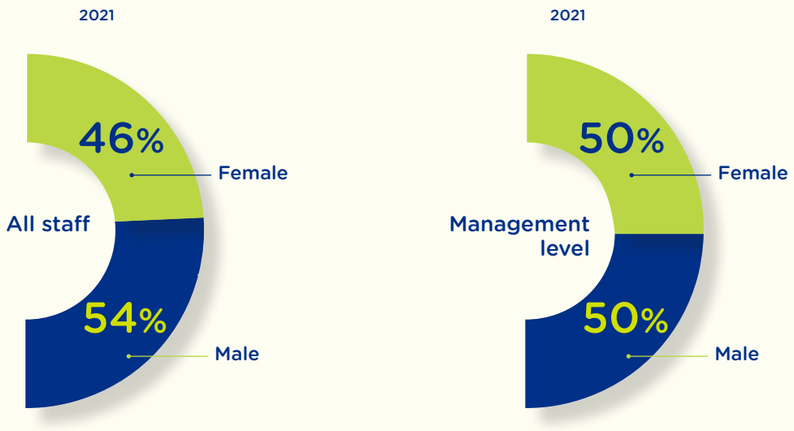
Please note:
The financial numbers for the year 2020 relate to the department Intravacc, which was legally still part of VWS in that year. These numbers are different to the financial information included in the financial statements of Intravacc B.V. On 1 January 2021 the activities of the department were transferred to the legal entity Intravacc B.V.



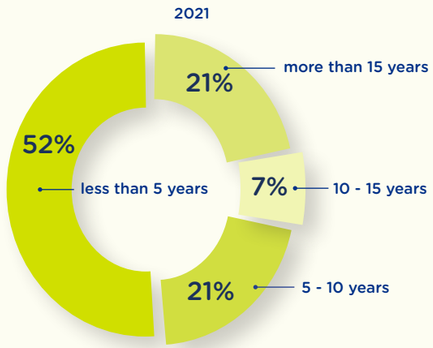
Education level
- knowledge-intensive organization with highly trained staff



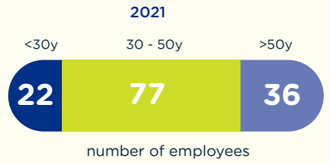
Male/female ratio
- Well-balanced male/female ratio within maangement and the comany as a whole



Tenure
- good mix of new and long-serving staff



Age
- Average age 43 years



Strategy and mission

Strategy

Intravacc aims to develop into a leading contract development and manufacturing organization in the vaccine and immune therapy industry. This strategy is based on a hybrid business model that on the one hand offers CDMO services and on the other hand builds a pipeline of innovative vaccine products. The Company is focused on utilizing its vaccine development track record, proven and validated vaccine platforms, vaccine development infrastructure and capabilities to attract clients all over the world. Intravacc is also advancing its late-stage product pipeline of vaccines with the intention of licensing out to create funds for the development of new projects.

Business model

Intravacc is focusing on translational research and development of preventive and therapeutic vaccines. As an established independent CDMO with many years of experience in developing and optimizing vaccines and vaccine technologies, Intravacc has transferred its technology and knowhow worldwide, including vaccines for polio, *haemophilus influenzae* type B (Hib) and meningococcal disease. Intravacc offers a wide range of expertise for independent vaccine development, from concept to Phase I/II clinical studies for partners all around the world. Our core values are excellence, customer orientation and results orientation, and our philosophy guides the way that Intravacc produces innovative new vaccines. In 2021, the Company made the move from being a fully publicly funded institution to a commercially focused organization. Our innovative vaccine development platforms and vaccine contract development and manufacturing capabilities are well positioned to address the unmet needs in the vaccine and immune therapy market which is currently estimated at $61 billion in 2021 and is expected to grow at a compound annual growth rate (CAGR) of 11% to $125 billion by 2028.

Intravacc is headquartered at the Utrecht Science Park in Bilthoven, The Netherlands. It has an R&D laboratory facility of 2000 m^2 and a grade C clean room of 125 m^2. In addition, a separate building on the Utrecht Science Park Bilthoven houses two additional clean rooms and our BSL-3 facility.

Intravacc's vision:

To reduce human disease through innovative vaccine technology

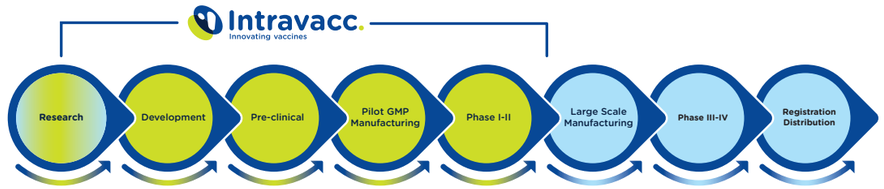
Intravacc's mission:

To partner with governmental agencies, NGOs and private entities to help to reduce the burden of disease

Our value proposition is: *"One-stop-shop for high quality vaccine development, from lead to early-stage clinical trials."*

One-stop-shop: Intravacc has all the in-house expertise required to guide any vaccine project from lead to the end of Phase II clinical trials.

High quality: Intravacc maintains high standards of quality. Regulatory affairs (RA) and quality affairs (QA) are involved in our projects from an early stage to monitor quality and ensure a smooth transition to clinical testing.



Vaccine development: Intravacc has an extensive track record when it comes to developing vaccines for its customers. The highlights include Sabin inactivated polio vaccine (sIPV) and the *haemophilus influenzae* type B (Hib) vaccine, both of which are now on the market and are WHO prequalified.

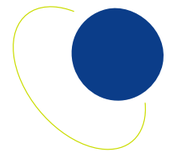
Lead to early-stage clinical trials: While Intravacc has the knowledge and expertise to guide projects through the whole vaccine development chain, right up to Phase II clinical trials, Intravacc can also customize based on our partners' needs. This means Intravacc can focus specifically on activities to develop our partners' products, such as formulation, process development, certain assays, and Good Manufacturing Practices (GMP). Intravacc's business strategy is to leverage our knowledge and technological expertise for the benefit of financially rewarding projects. Intravacc's ultimate objective is to generate sustainable revenue streams from R&D services and, where possible, from licensing/royalty agreements.

Intravacc serves as a CDMO for various companies, helping them to develop their vaccines. These may be start-ups, university spin-offs or larger pharmaceutical companies. Currently, Intravacc has out-licensed some of its own vaccines to pharmaceutical companies, such as BCHT and CDBIO (both in China); the Company is collaborating on the development of a gonorrhea vaccine with Therapyx, and is acting as a CDMO for ProventionBio and Versatope. In 2021, Intravacc was active in three markets: the US, Asia, and Europe. For the vaccine concepts developed in-house, China is a very attractive market, as it has many vaccine companies with manufacturing capacity and China's large population makes it a market with enormous potential.

Platforms and products

Over the years, Intravacc has developed several in-house, proprietary platforms. These include the cell-based platform with Vero and HEK293 cells, the Outer Membrane Vesicle (OMV) platform and conjugation technology. In October 2020, Intravacc obtained a license for CimCure's iBoost technology for oncological vaccines. On these platforms, Intravacc has developed several products including Hib, MenB and sIPV vaccines. These products are licensed to manufacturers in Asia. Intravacc also has OMV as adjuvants in the development pipeline, which could develop into a new product.

Cell Based platform

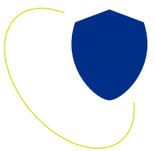


- VERO / HEK 293
- Live attenuated
- Inactivated
- Vector

OMV platform

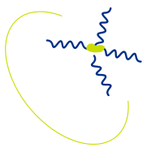
- Infectious diseases
- Includes viral targets
- Adjuvant

iBoost



- Therapeutic cancer vaccines

Conjugation



- Infectious diseases
- Combination with OMV

Business Highlights and Overview 2021

Business Highlights 2021

In 2021 Intravacc achieved several key milestones, further enhancing the building blocks to drive the Company towards profitability.

Translational research
- Published positive pre-clinical data for a candidate Lyme vaccine based on Intravacc's proprietary OMV technology
- Filed several grant applications for prophylactic and therapeutic vaccine concepts

Contract development & manufacturing
- Started with the development of a candidate vaccine for enterovirus D68 funded by NIH
- Completed formulation and manufacturing of vaccine candidate for type 1 diabetes for ProventionBio Inc.
- Produced and released GMP produced master seed lots for the multivalent HFMD candidate vaccine (EV71, CVA16, CVA10)
- Completed and published pre-clinical study for Avacc® 10 (SARS-CoV-2) intranasal vaccine

Strategic
- Launched new hybrid business model to drive innovation and growth
- Initiated and leading a consortium that will start with the concept design (Phase I) of a so-called Multi-Purpose Vaccine Production Plant (MPVPP)

Commercial
- Intravacc's Sabin inactivated polio vaccine (sIPV) licensed to LG Chemical receives WHO prequalification
- Intravacc's inactivated polio vaccine (sIPV) licensed to Sinovac receives market authorization in China

Organizational
- Appointment of three Supervisory Board Members: Mr. Nico Oudendijk (chairman), Mr. Bruno Bruins and Dr. Karin Dorrepaal
- Appointment of Mrs. Nathalie Laarakker as Chief Financial Officer

Post-period events
- Appointment of Mrs. Nathalie Laarakker (CFO) to Board of Directors as executive director (1 January 2022)
- Announced clinical trial with Leiden University Medical Center for a nanoparticle-based intranasal corona vaccine (5 January 2022)
- Exclusive licensing agreement with Zhifei Lvzhu, China, for Avacc® 3, an OMV-based whooping cough vaccine (1 May 2022)

Business Overview 2021

2021 Business review
During the COVID-19 pandemic, Intravacc became a private entity with the Dutch government as sole shareholder. On top of pandemic-related issues, the newborn company was presented with major challenges because of the fast-track privatization process that started by the end of October 2020. During the first half of 2021, a fair amount of time was spent on closing many of the open ends with the government, including IP, and financial, personnel, and legal issues, to comply with all the rules and regulations as a private business. On top of this, the company had to transform from a fully funded research organization into a CDMO. To realize this, a new organizational structure was rolled out, and attention was given to business ethics and product development processes, to deliver high quality services on time and within budget. In 2021, Intravacc also started to build its commercial business development infrastructure and launched its new hybrid business model.

The market
To define the market opportunities for Intravacc as a CDMO, the Company conducted an extensive market research study in collaboration with a leading consulting firm within the vaccine and CDMO industry. Over the years, Intravacc has built its expertise predominately within the field of infectious diseases. However, the Company has the capabilities and infrastructure to support the development of a variety of biologicals for both therapeutic (oncology) and prophylactic (infectious diseases) vaccines.

The conclusion of the market research clearly demonstrated the growth potential of the global vaccine market.
- The global vaccine market amounted to $42.9B in 2019 and is expected to grow to $54.2B by 2027, registering a CAGR of 6% from 2020 to 2027.
- It is estimated that the vaccine market will experience significant growth during the period of the forecast as there has been an increase in adoption by national immunization programs.
- A high population base in emerging markets and global increase in health spending provides significant opportunities for growth.

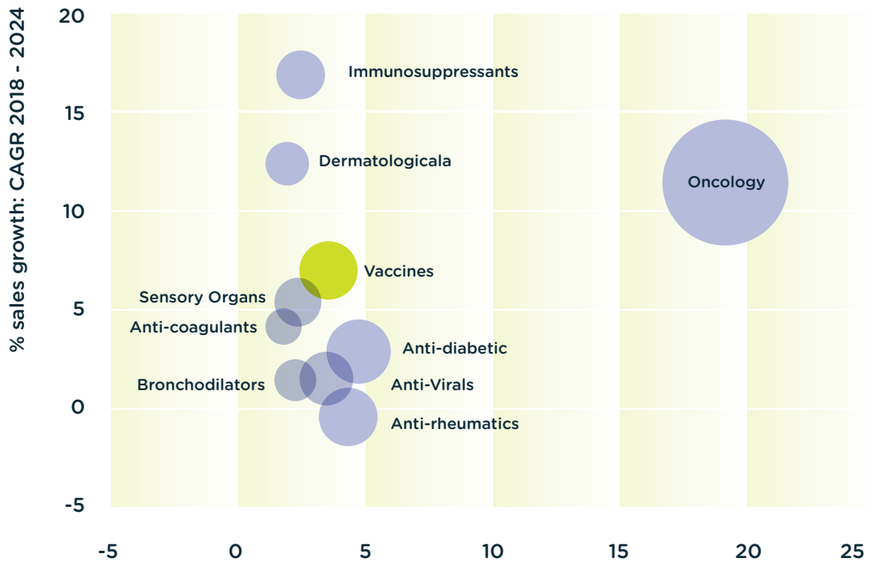
The traditional infectious disease market has a limited growth potential compared to the therapeutic oncology market. However, Intravacc's own product pipeline in infectious diseases predominantly concerns agents relating to respiratory diseases. The COVID-19 pandemic has increased the focus on these types of infections. The unique elements that Intravacc can bring are its knowledge and experience with intranasal vaccines. As most of the vaccines are administered intramuscularly, this could be a niche market for Intravacc. Based on this market analysis, Intravacc will now also focus its business development outreach on the therapeutic vaccine market. In 2021 the Company started with its first immune therapy vaccine project for bladder cancer.

Integrated hybrid business model
Intravacc has traditionally been the recipient of funding and grants issued by the Dutch government and global health partners. The business strategy envisioned by Intravacc is to leverage the know-how and proprietary technologies established in the past into financially rewarding projects, mainly together with private partners.

Promising and marketable innovations are developed by supporting private parties with their clinical research projects (R&D services) or by establishing financial and operational partnerships that allow Intravacc to continue developing a vaccine concept in-house (vaccine development). Intravacc's ultimate objective is to generate sustainable revenue streams primarily from CDMO services and licensing and royalty agreements based on the Company's own product pipeline.

The strength behind the model
- Track record and expertise with full-vaclue chain development
- High quality infrastructure and experienced employees
- GMP manufacturing infrastructure supporting multiple vaccine platforms

The program with VWS provides Intravacc with additional funding to complete the transition and to continue to build its business. The Company has secured development projects from VWS valued at €65 million until 2025. €13 million of this amount was received in the financial year 2021.



Bron: Simon Kucher Partners, Sept 2020

Translational Research

The Translational Research (TR) group focuses on research projects to support the improvement and development of innovative vaccine concepts and platform technologies, and to set-up and maintain collaborations with key research organizations. The TR group also investigates the reduction of animal testing required (mainly) for preclinical studies, replacing them by *in vitro* studies as well as using Artificial Intelligence and bioinformatic approaches to design a smart vaccine development process. Funding for TR predominantly comes from subsidies and grants.
In 2021, the group carried out several research projects, partly covered under various grant applications:

1) Activities with partners based on grants:
- Development of a NanoVac COVID-19 vaccine candidate with Leiden University Medical Center (LUMC)
- Development of chimeric enterovirus vaccines containing neutralizing epitopes of other enteroviruses with Utrecht University
- PhD project on VLP technology with Technical University Delft

2) Collaboration with Leiden University Medical Center for development of a therapeutic cancer vaccine.

3) Co-ordination of pre-clinical analyses of Intravacc's OMV vaccine for *Bordetella Pertussis,* performed at site of partners

4) Involvement in several projects (e.g. VAC2VAC, Transvac 2, Transvac DS) aiming to replace animal testing with *in vitro* assays to reduce the number of animals used in pre-clinical experiments

In 2021, the TR group was involved in 11 grant applications of which 4 were approved, 2 were rejected, 2 are, at the time of writing, in the process of re-submission and 3 grants are still under review. Furthermore, in 2021 the group completed several improvement steps for our OMV vaccine platform and published positive pre-clinical data for a Lyme vaccine candidate based on Intravacc's proprietary OMV technology.

CDMO

Intravacc's CDMO activity is structured around the companies 4 unique vaccine development platforms, offering services ranging from pre-clinical, process development, formulation, scale up and GMP production up to 200 L. By the end of 2021 the Company was working on 31 partner projects. These activities generate multiple revenue streams including process development fees, milestone fees, and license fees once a product reaches the market.

In September 2020, the Company was awarded a contract with base and options that may total $9.4 million, from the US National Institute of Allergy and Infectious Diseases (NIAID), part of the National Institutes of Health (NIH). The contract comprised the development of a prophylactic vaccine against enterovirus D68, a virus that can cause childhood paralysis, acute flaccid myelitis (AFM). In the beginning of 2021, the Company started with the development of this candidate vaccine.

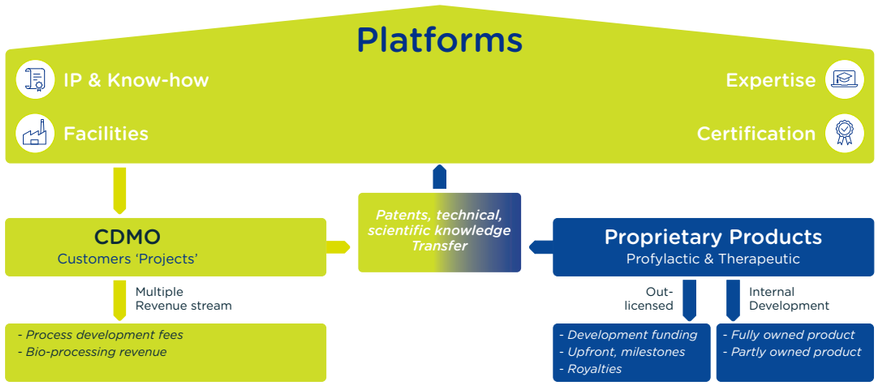
In 2021, Intravacc successfully completed the formulation and manufacturing of a candidate Type 1 diabetes vaccine for Provention Bio Inc. USA, allowing the Company to start their Phase I trial. The master seed lots for a multivalent HFMD candidate vaccine (EV71, CVA16, CVA10) sponsored by the Dutch government were produced and released and in 2022 the Company expects to start with the GMP manufacturing of the respective vaccine components.

The product development group at Intravacc successfully completed a pre-clinical study for their candidate SARS-CoV-2 intranasal vaccine (Avacc® 10). A toxicological study is currently running, and results are expected in April 2022.

Internal pipeline products

In 2021, we performed an internal review of Intravacc's own early-stage pipeline products developed prior to the privatization. Combined with the market research study for infectious diseases, this resulted in a decision to shift the Company's focus towards developing vaccines that can be administered intranasally.

The reason to choose this vaccination route is the market opportunity combined with the extensive experience with this application within the Company. The intranasal vaccination route for respiratory pathogens has significant advantages over intramuscular vaccination,



including ease of use, inducing local and systemic immunity, overcoming needle phobia, etc. Intravacc's internal products will be funded by external grants or through reinvestments by the Company. The projects with the highest potential are Avacc® 10 for COVID-19 and Avacc® 2 for HFMD.

Partnered pipeline products

In 2014, Intravacc engaged in partnerships on its Sabin inactivated Polio vaccine to LG Chem and to Sinovac. Intravacc receives annual milestone payments from these partnerships and royalty on sales.

In February 2021, LG Chem received WHO prequalification and signed a $80 million contract with UNICEF. In July 2021, Sinovac received market authorization for the Sabin inactivated vaccine. By the end of 2021, Intravacc received a total of €3.9 million in milestone payments. In 2022 Intravacc expects to receive further royalty income from both pharma companies.

2022 Outlook

The Company remains confident in the potential to expand into the market as a CDMO and, with a remaining four-year contract with VWS and income from royalties, to bring the Company towards profitability in the coming years. We believe that our unique proprietary vaccine platforms will attract customers worldwide and we expect to complete all the relevant business processes during 2022.

Growth in 2022 and beyond will benefit from:
- Extending a dedicated commercial and business development organization
- Developing a software platform to target potential customers
- Driving sales by pursuing strategic partnerships and services to maximize the full potential of our vaccine development capabilities
- Advancing our OMV platform through clinical development for the prevention of emerging infections
- Pursuing licensing and royalty deals
- Enhancing visibility and publications

Partner	Sponsor	Indication	Status
usa.gov	NIH/NAID	Enterovirus D68	Dev-phase I
Institut Pasteur	EU FP7	Shigella	Phase I-II
proventionbio	ProventionBio	Diabetes	Phase I
CimCure	VWS	COVID-19	Pre-clinical
THERAPYX	Therapyx	Gonorrhea	Pre-clinical
VERSATOPE	NIH/NAID	Influenza	Pre-clinical
WAGENINGEN UNIVERSITY & RESEARCH	TKI	COVID-19	Development
LG Chem	VWS/LG	Polio	Phase I-III
Ministerie van Volksgezondheid, Welzijn en Sport	VWS	RSV	Phase I

Interview with

Professor Ed Lavelle

In 2021, Intravacc reported promising results of pre-clinical studies on Avacc® 10, Intravacc's intranasal COVID-19 vaccine candidate, based on our proprietary OMV vaccine technology platform.
Nasal – and oral - vaccines are examples of mucosal vaccines. These vaccines are administered directly to mucosal sites. What are the advantages, and challenges, of developing a nasal spray vaccine?

We spoke to Professor Ed Lavelle, professor of Immunology at the School of Biochemistry and Immunology at Trinity College Dublin. He is a world expert immunologist, specialized in mucosal vaccination, and has published over 155 papers in peer reviewed scientific journals.

We asked him why the world could benefit from a nasal vaccine against COVID-19.

"The ideal vaccine against COVID-19 would be a transmission blocking vaccine. And the most effective way to do that would be to have mucosal immune responses at the site of infection. If you can stop the virus getting into cells at the beginning and stop them replicating, then you could halt the entire process. An injectable vaccine is probably not the most effective approach to achieve this. An effective mucosal local vaccine that can fully block infection and thereby transmission would be the ideal vaccine."

But COVID-19 is not the only infectious disease that could be blocked by a nasal vaccine.
"The vast majority of the dangerous pathogens that humans have to deal with are encountered at mucosal surfaces - either in the intestine through contaminated food or water, or in the respiratory tract due to pathogens that you take in through breathing. The natural immune response against those infections is a response at the mucosal surfaces themselves.

Whereas, when you give vaccines via an injection, you tend to get very strong immune responses systemically, like in the blood and the internal tissues like the spleen, but weaker responses at mucosal sites. That can prevent disease and serious consequences of the infections, but it generally doesn't stop the infection itself. The major advantage of an effective mucosal vaccine will probably be blocking the infection rather than just the disease."

"Vaccinate where you encounter the infection"

But developing nasal and other mucosal vaccines is not without its challenges. It requires a different approach compared to developing a vaccine that is administered via a needle. There, the composition of the vaccine does not change when it is delivered.
"Whereas at a mucosal site, whether orally or nasally, you have less control over what happens to the vaccine after administration. You must take other factors into account, like degradation of the antigen, for example in the intestinal tract, dilution of the antigen after administration, especially in the gut, but also in the nose".

These challenges may have kept vaccine developers away from mucosal vaccines. But as we become more aware of the benefits of these vaccines, that may change. And as many pathogens are encountered through the upper respiratory tract, they make biological sense.
"We know that immune responses against those pathogens at the site of infection, whether it's antibody responses or T cell responses, can mediate protection. I think the dogma would be you're better to vaccinate where you're more likely to encounter the infection. Because, in general, you get the strongest response at the site where you administer the vaccine."

Professor Lavelle is not surprised that, until now, there have been very few intranasal vaccines against COVID-19 in development.
"The challenge at the beginning of the pandemic was to make vaccines quickly. We therefore mobilized very new technologies that could be developed rapidly. And taking the path of mucosal vaccines, where historically we have not been so successful, would have delayed the process. I think now people are realizing there's probably very significant advantages of mucosal approaches to block transmission of the infection. So, in the coming year hopefully you will see much more happening in terms of nasal vaccines than injectable vaccines.

And what does he think about Intravacc's candidate vaccine, Avacc® 10?
"It's a very interesting approach. We know that outer membrane vesicles are very effective vaccines in other contexts or components of vaccines for other infectious diseases like meningitis. So that's a good place to start. And certainly, what we've learned from COVID is you can't afford to go with one approach. You need multiple different approaches. It's difficult to tell at this point which nasal vaccine will be more effective."

You can watch the full interview with Professor Lavelle on Intravacc's YouTube channel.

Part II: Corporate Governance

General

Intravacc B.V. is a limited liability Company incorporated under Dutch law. Intravacc B.V. was established on 1 February 2019. On 1 January 2021, the privatization process was finalized and all assets, which until 31 December 2020 were owned by the Dutch government, were transferred to Intravacc B.V.

Since 1 January 2021, the supervision and management of Intravacc have been structured in accordance with the two-tier model, meaning that the Company has a Board of Directors which is supervised by a Supervisory Board.

The Dutch government is the sole shareholder of Intravacc B.V. Intravacc is positioned as a so-called 'policy participation' under VWS. The Deputy Secretary General of VWS has the delegated role of shareholder.

The main powers of the General Meeting of Shareholders consist of appointing, suspending, and dismissing or discharging members of the Board of Directors and Supervisory Board, determining the remuneration (policy) of the Board of Directors and the Supervisory Board, adopting the Company's financial statements, and discharging the Board of Directors and the Supervisory Board of liability. The General Meeting of Shareholders is held at least once a year.

As well as its role as sole shareholder, VWS provides funding for Intravacc projects with a specific public interest. The Director of Public Health at VWS is appointed as principal. Intravacc and the principal hold regular meetings to discuss the progress of these projects.

This annual report and Intravacc's corporate governance are based on the applicable statutory requirements and on the Company's articles of association. Furthermore, Intravacc closely follows legislative developments around corporate governance to improve its governance further.

Supervisory Board

The Supervisory Board is entrusted with supervising and advising the Board of Directors and overseeing Intravacc's strategy and the general course of its activity. The Supervisory Board performs its tasks in accordance with Dutch law and Intravacc's own articles of association. Each individual Supervisory Board member acts in the best interest of Intravacc, its activities and all its internal and external stakeholders.

Composition

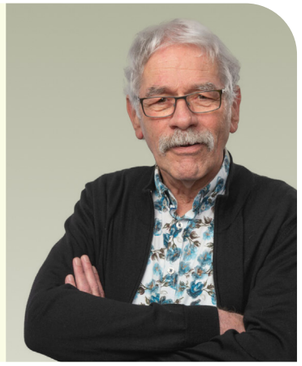
The Supervisory Board consists of three members who are appointed for a period of four years. These members may be reappointed on the understanding that a member cannot serve on the Supervisory Board for more than twelve years. The composition of the Supervisory Board is well-balanced in terms of expertise and competences. The General Counsel of Intravacc, Erik Popping LL.M., currently serves as secretary to the Supervisory Board.

Commissions

The Supervisory Board initiated the formation of an audit commission at the beginning of 2021.

All members of the Supervisory Board have the Dutch nationality and were appointed on 1 January 2021. Their first date of re-election will be 1 January 2025. The members of the Supervisory Board are:

Nico Oudendijk (Chair)



For 20 years, Nico Oudendijk worked at the interface between Youth Care, Psychiatry and Crisis Care, 12 years of which as General Director of psycho-social and psychiatric institute 'Triangel' in Amsterdam. Since 1991, Mr. Oudendijk has held various positions within VWS. These include director of Mental Health Care and Professions, director of Curative Somatic Care, Director General for Public Health, acting inspector-general at the Health Care Inspectorate (IGZ) and Envoy to the BES islands (the Caribbean Netherlands). From 2010 to 2012, he was director of the Netherlands Vaccine Institute (NVI), where he oversaw the sale of its production facilities. From 2013 to 2020, he coordinated preparations for the privatization of Intravacc.

Bruno Bruins

From October 2017 to March 2020, Bruno Bruins was Minister for Medical Care and Sport at VWS. Between 2012 and October 2017, Bruins was chair of the board of the Dutch National Employee Insurance Agency (UWV) and from 2008 to 2011 he was a member of the executive board of directors of public transportation company Connexxion Holding N.V. Mr. Bruins was State Secretary for Education, Culture and Science from July 2006 to February 2007. From 2000 to 2006 he served as alderman in The Hague and, between 2004 and 2006, as deputy mayor. His ancillary activities included chairing the Supervisory Board of the Dutch public broadcasting organization NPO (2016-2017). Currently, Bruno Bruins is a member of the Dutch State Council.

Dr. Karin Dorrepaal

Dr. Karin Dorrepaal is an experienced senior executive in the life science and pharmaceutical industry. In 1990, Dr. Dorrepaal joined Booz Allen Hamilton, Management Consultants. In 2004, the Supervisory Board of Schering AG appointed Dr. Dorrepaal as member of its Management Board. After the takeover of Schering by Bayer, Dorrepaal left the company in 2006. Since then, she has held various board positions with private and public companies in Germany, Ireland, Spain, Belgium and The Netherlands.

Erik Popping, LL.M (Secretary)

Erik Popping joined Intravacc in January 2016. He has over 14 years of experience within the pharmaceutical and healthcare sectors as a corporate and legal counsel. Before he joined Intravacc, Mr. Popping was Corporate and Legal counsel at the Hal Allergy Group, and, prior to that, for the Netherlands Vaccine Institute, a predecessor of Intravacc. He holds a Master's degree in law (LL.M.) (Radboud University) and a Bachelor's degree in business administration (HAN University of Applied Sciences).

Board of Directors

Intravacc B.V. has a Board of Directors that may consist of one or more Board members. The Board is entrusted with the overall management of the Company and as such it is responsible for the Company's strategy and achieving the Company's goals.

The board member is appointed for a period of four years and can be reappointed for periods of at most four years.

The Board of Directors currently consists of two Board members: Dr. Jan Groen (CEO), since 1 May 2020, and Mrs. Nathalie Laarakker (CFO) since 1 January 2022.
Dr. Groen is the chairman of the Board of Directors and he will be eligible for re-appointment as director on 1 May 2024.
Mrs. Laarakker will be eligible for re-appointment as director on 1 January 2026.

Dr. Jan Groen, Chief Executive Officer

Jan Groen joined Intravacc in May 2020 as Chief Executive Officer. He was previously the CEO of Novigenix in Switzerland, a privately owned immunotranscriptomic diagnostic company, and MDxHealth, a Euronext-listed genomic diagnostics company. Dr. Groen's career spans many years in the global biotech sector. He was the President and COO of Agendia, co-founder of ViroClinics and DxOrange and has held management and scientific positions at Focus Diagnostics, the Erasmus Medical Center, National Institute of Public Health and Akzo-Nobel. Dr. Groen has published over 125 papers in international scientific journals and holds a PhD degree in Medical Microbiology from Erasmus University Rotterdam.

Additional positions Board of Directors:

- Chairman of the Board of Cergentis (since July 2019)
- Board member at Angle Plc., Guilford (UK) (since November 2018)

Nathalie Laarakker, RA Chief Financial Officer

Nathalie Laarakker is an experienced CFO and has worked as a finance director for multinational companies. She has a proven track record in financial and senior-level management, primarily in the technology and healthcare sectors. Mrs. Laarakker joined Intravacc from cancer immunotherapy R&D company Gadeta, where she served as Chief Financial Officer and Managing Director since 2019. Nathalie began her professional career at PricewaterhouseCoopers, working for both the Amsterdam and the Boston (USA) offices. She qualified as a certified public accountant in 2001, after which she held various senior positions in several companies. Her previous positions include Head of Finance at the Nasdaq-listed biotech company Merus. She holds a Bachelor's degree from the Amsterdam Business School and a post-doc degree from the University of Amsterdam, The Netherlands. Mrs. Laarakker joined Intravacc as CFO on 1 April 2021.

Executive Management

Intravacc's executive management consists of the Chief Executive Officer and other C-level executives.

On 31 December 2021, the executive management team was composed as follows[(1)]:

Name	Age	Function
Dr. Jan Groen	62	Chief Executive Officer (CEO)
Nathalie Laarakker, RA	47	Chief Financial Officer (CFO)
Dr. Danielle Lankveld, DVM	53	Chief Operating Officer (COO)
Prof. Dr. Virgil Schijns	60	Chief Scientific Officer (CSO)
Dr. Maj-Britt Kaltoft[(1)]	58	Chief Business Officer (CBO)

Note:
(1): Dr. Kaltoft joined Intravacc in May 2022

Dr. Jan Groen is CEO of the Company and chairman of the board. For his biography, see 'board of directors'.

Nathalie Laarakker, RA is CFO of the Company. For her biography, see 'board of directors'.

Dr. Danielle Lankveld, DVM is the COO. She joined Intravacc in 2013. She started her career as a veterinary anesthetist at the Veterinary School of the Utrecht University in The Netherlands. In 2007 she became a researcher at the Dutch National Institute of Public Health. In 2011 Dr. Lankveld became the Manager of the Animal Research Center (ARC) of the former Netherlands Vaccine Institute. In 2013, when the ARC became part of Intravacc, she moved to the position of chief development officer within Intravacc. Dr. Lankveld holds a degree as Doctor in Veterinary Medicine as well as a PhD from the University of Utrecht, The Netherlands.

Prof. Dr. Virgil Schijns is the CSO and joined the company in November 2020. He was chief technology officer of Crossbeta Biosciences and prior to that the principal immunologist of Nobilon and head of vaccine technology and immunology at Intervet-AKZO-NOBEL. In 2002 he was appointed as a special Professor in immunology and virology at North Carolina State University in the US, a guest Professor at the University of Wageningen in 2008 and in 2013 at Strathclyde University in Glasgow. He is also the CSO of Epitopoietic Research Corporation, an oncology company in Namur, Belgium.

Maj-Britt Kaltoft, PhD joined Intravacc as CBO in May 2022. Dr.. Kaltoft is a senior business executive with over 25 years of experience in out-licensing, contracting, commercialization partnering in the life science industry. Prior to joining Intravacc, she held several senior international managerial positions in BD, with Nova Nordisk, Nycomed, H. Lundbeck, and the Danish State Serum Institute. Dr. Kaltoft holds a PhD degree in molecular biology and protein biochemistry from the University of Copenhagen, Denmark and a master's degree in international business from Seattle University in Washington, USA.

Scientific Advisory Board

The Scientific Advisory Board (SAB) of Intravacc consists of six scientific leaders in the fields of vaccinology, infectious diseases and oncology; Dr. Marien de Jonge, Dr. Harry Flore, Prof. Dr. Anke Huckriede, Dr. Paul Wichgers Schreur, Dr. Paul Oostvogel, Prof. Dr. Evelien Smits and is chaired by the CSO of Intravacc Prof. Dr. Virgil Schijns.

The SAB is consulted when deciding on the best vaccine strategies and solutions in order to establish an impact on public health with the aid of convincing scientific clinical data. The SAB also advises on the Company's research strategy and approaches to optimizing therapy effectiveness and added value.

Dr. Marien de Jonge is Associate Professor at Radboud University Medical Center, The Netherlands, acting as Head of the Pediatric Infectious Diseases Section. He has more than 15 years of experience in both academic research and industrial R&D, mainly in the field of vaccine development and infectious diseases.

Dr. Harry Flore is Chairman of the Supervisory Board of HAL Allergy Holding of Leiden, The Netherlands - one of Europe's top players in the field of allergen immunotherapy, and a world leader in the production of modified allergen extracts for both therapeutic and diagnostic purposes. He is also active in HALIX, a CDMO, specializing in cell culture-based pharmaceutical production.

Prof. Dr. Anke Huckriede is Professor of Vaccinology at the University of Groningen, The Netherlands, and is affiliated with the University Medical Center Groningen. Huckriede's research activities are aimed at vaccine development, with a focus on rational vaccine design. Her work on (influenza) vaccines focuses, among other things, on developing *in vitro* techniques for vaccine evaluation and understanding the effects of pre-existing immunity on responses to vaccination.

Dr. Paul Wichgers Schreur is a senior scientist in the field of arbovirology at Wageningen Bioveterinary Research (WBVR), The Netherlands. Using techniques such as reverse-genetics, single-molecule microscopy, and bacterial superglue, he studies the infection cycle of bunyaviruses and uses this knowledge to (co)develop therapeutic antibodies and vaccines.

Dr. Paul Oostvogel M.D. is a medical microbiologist. He has been involved in the Polio Eradication Initiative from the start in 1989. He retired in 2019 as head of the Public Health Laboratory of the Public Health Service (GGD) Amsterdam, The Netherlands.

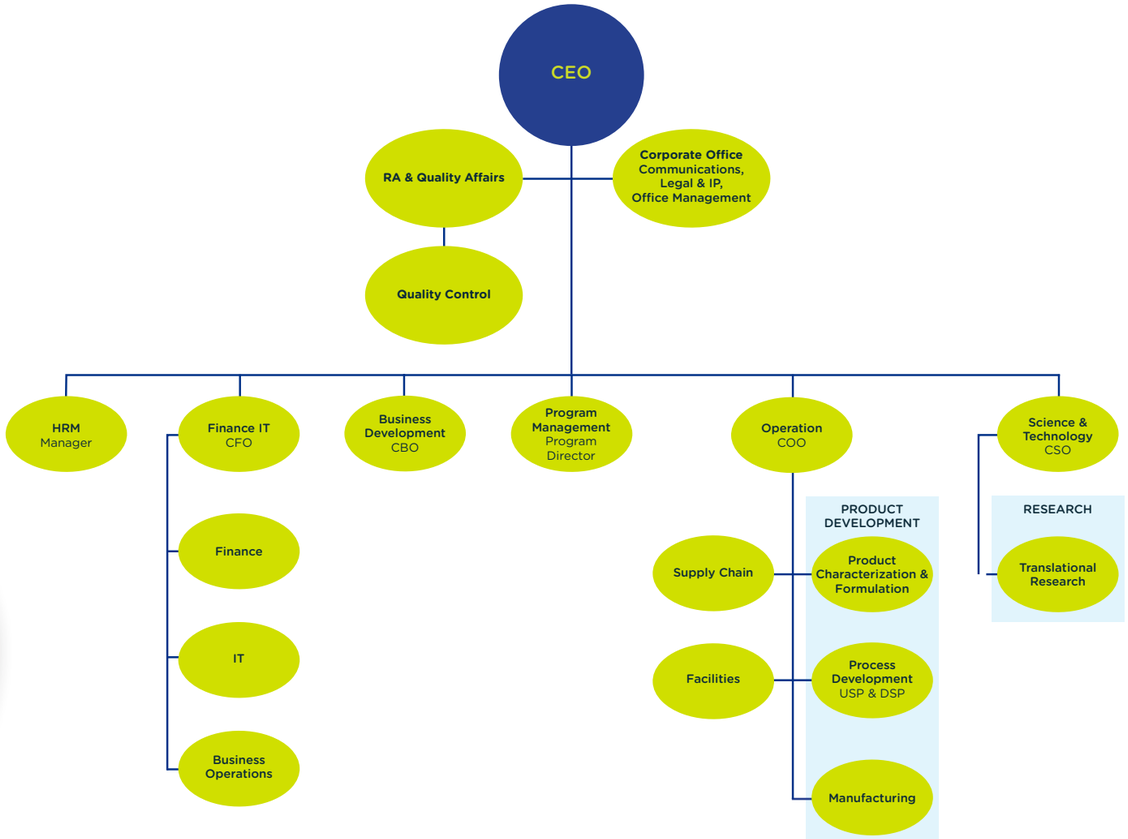
Prof. Dr. Evelien Smits is research professor in tumor immunology and cancer immunotherapy at the University of Antwerp, Belgium. She is researching how the immune system of cancer patients can be provided with the necessary weapons to win the battle against cancer cells.

People and organization

Organizational structure

In 2021 the organizational structure was revised in order to prepare the organization for a more commercially focused approach. This organizational change also included the expansion of the Business Development department and changes in the alignment of a number of different departments, to comply with business standards in the sector.

The Translational Research department with 7.75 FTEs reports to the CSO. This group mainly focuses on vaccine-related research projects in collaboration with academic centers and universities, proof of concept experiments, subsidy programs, IP and publications. The Product Development Department (PDD) is organized into three major sub departments: Product Characterization and Formulation, Process Development and Manufacturing. The PDD forms the heart of Intravacc's CDMO activities and the majority of the personnel is placed in this department.



Organization characteristics

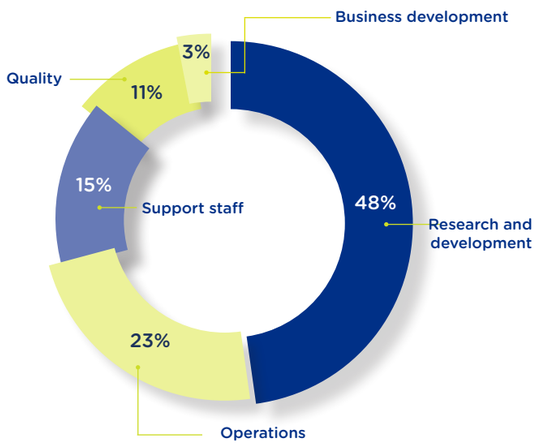
One characteristic of Intravacc is its highly educated and qualified employees. A relatively large number of these hold a PhD degree (~20%), a significant number of employees has a Master's degree (~15%) and most of the other employees have a Bachelor's degree.

Intravacc emphasizes the importance of education and development of its employees. In addition, Intravacc regularly offers student internships.

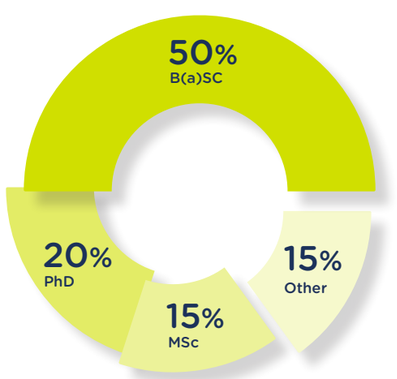
Intravacc staff is balanced in terms of age and gender, both across the organization and in management positions. In 2021, the average age was 43 years. Of the 126 employees 46% were female and 54% male.

Intravacc does not yet have an encompassing code of conduct. However, there are several policies on professional and ethical behavior formalized and active, for example in the personnel handbook.

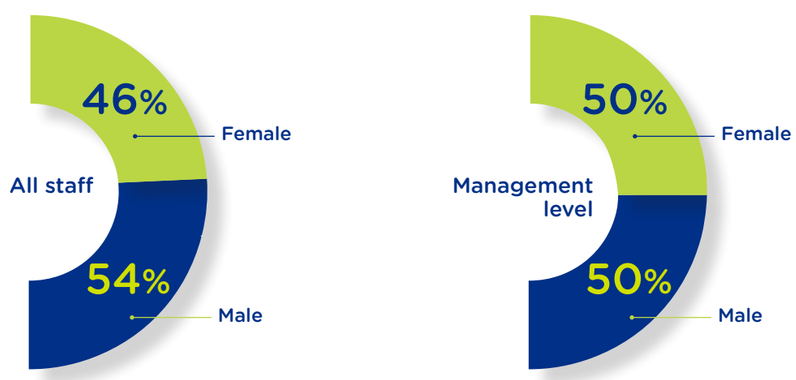
Distribution of employees



Employee education level

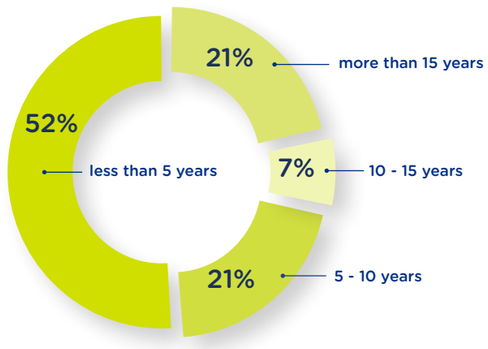


Male/Female ratio



Average age 43 years

Tenure



Transition phase after privatization

The beginning of 2021 saw the implementation of many new processes and tools, befitting a private company. These included the new administrative and financial systems for remuneration and personnel administration and other aspects concerning personnel, such as a compensation and benefits scheme.
During 2021, the Social Plan for the privatization was still in effect. Until the end of the year, employees had the option to return to the government. A sizable group of employees took that option and left Intravacc. At the same time, the new branding of Intravacc that was started in 2020, in combination with the heightened interest in the sector due to COVID-19, enhanced the attractiveness of Intravacc as an employer. As a result, Intravacc was able to attract good candidates for the resulting vacancies.
These new employees, coming from different backgrounds, but mostly from commercial companies within the bio-tech sector, are an important factor in our transition to a private commercial organization. Company goals and the connected department goals are used to give management and the teams the means to focus and set priorities to achieve this transformation.
The pathway of Intravacc to a more business-minded approach (client and goal oriented) while at the same time retaining the dedication, high standards and involvement of employees is a long-term goal. Mid 2021 a program was launched to support the employees, managers, and management team in this transformation on a personal, departmental and organizational level.

Works council

The works council of Intravacc consists of six employees and is supported by a secretary without voting rights. They promote and protect the interests of the employees according to the Dutch Works Councils Act and advise the formal directors on certain topics. The term of office of the works council is three years. The new works council started in February 2021 and will be in office until February 2024.

Internal control of policies and procedures

As part of the transition to a full CDMO and commercial company, Intravacc has made significant steps in further improving its policies and procedures to better fit a private company. This includes additional improvements to its financial management system, creating and actively using financial dashboards and setting up an inventory management system. This transition will be further completed in the financial year 2022. Further automation and ensuring adequate internal control measures around the automated processes will be part of that transition.

Internal and external provision of information

Intravacc is continuously building on its information management system and is still planning further improvements. In the course of 2021, we implemented management information dashboards which provide real-time management information for different levels within the organization. In addition, the management team reviews a management dashboard monthly.

Interview with

Dr. Dinja Oosterhoff

Dinja has been with Intravacc since 2013. She started as a scientist and is now Director of Translational Research.

"My field is research, that is where I feel most at home. It is endlessly fascinating to try to find new vaccine concepts and develop something that eventually finds its way into the clinic. The latter part is key and it's what drives me."

Over her years at Intravacc, Dinja has seen this happen several times. She was involved in setting up a project around Hand Foot and Mouth Disease (HFMD). This started as a very small project.

"We had been working on polio vaccine a lot, but then we wanted to find out whether we could use the process technology we used for polio for other enteroviruses as well. As it turned out, HFMD was a good candidate."

This small research project grew into one of Intravacc's main products. And the knowledge gained from this project was applied to other projects as well, including the candidate polyvalent inactivated coxsackievirus B (CVB) vaccine Intravacc developed for Provention Bio.

How do you decide on which vaccines you want to develop?

"You look at the viruses that are out there and where the need for a vaccine is. Then you also look at whether our platforms could be suitable to develop these. In the case of HFMD, we first cast out a fairly wide net to see which enteroviruses could work on our Vero Cell platform. We quickly ended up with EV71, the virus that was at the time associated with HFMD. It later became clear that other coxsackieviruses could cause the disease, too, so we included them as well and decided on developing a multivalent vaccine.

The same applied to our work on enterovirus D68. That is an old virus, and it remained relatively unnoticed until there was a major outbreak in 2014 in the USA, with polio-like paralysis symptoms. At the time we had just started the enterovirus project, so we quickly decided that we had to include that virus as well and see whether that would work on our Vero cell lines. That was not easy but we ended up with a proof of concept for this vaccine – one of the highlights of my work here at Intravacc."

And the work on EVD68 eventually led to Intravacc landing a multi-million-dollar grant from the US National Institute of Allergy and Infectious Diseases to further develop the vaccine up to Phase I clinical trials.

"You are never done learning. If the current pandemic has taught us anything is that you never really know how a virus behaves or whether there will be new outbreaks. As it is so exciting when your idea for a vaccine develops into a proof of concept, and even more when you can find partners to bring it further into clinical trials. It doesn't always happen, but when it does, it's fantastic."

Part III Risks and Uncertainties

Risk management

Intravacc operates in a rapidly changing environment that involves several risks and uncertainties, some of which are beyond its control. This discussion highlights some of the principal risks and uncertainties. The Company cannot be certain that it will successfully address these risks. Additional risks and uncertainties not presently known, which management currently deems immaterial, or which are like those faced by other companies in the Company's industry or business in general, may also impair its business operations. Risks and opportunities are analyzed regularly, and the findings are incorporated into Intravacc's management systems. These reflect the ISO14001 (environment) and ISO 9001 (management) standards, which Intravacc is accredited for.

To provide a comprehensive view of the risks that Intravacc faces, a structured risk assessment is carried out every year, applying a top-down and bottom-up approach. This process is supported by organizing workshops during which the Intravacc management team identifies, assesses, and prioritizes risks on the basis of their impact, likelihood and the effectiveness of controls. Appropriate risk responses are then implemented. The management team monitors developments in the Company's risk profile and risk-response effectiveness, which are discussed as part of the management review cycle. This risk assessment considers various inputs around operational, strategic, financial, commercial and legal topics.

Developments in the Company's risk profile and management's efforts to improve risk-responsiveness are also discussed and monitored during the quarterly meeting of the Supervisory Board.

Risk associated with COVID-19 pandemic

The ongoing outbreak of the COVID-19 has resulted in many cancellations of industry-related conferences, strongly affecting our business development outreach and opportunities to meet with potential customers. The average lead time of new contracts lays between 6-9 months before closing; this will affect near-term opportunities to increase our sales opportunities.

It is also affecting our supply chain at all fronts, causing delays in development and production and subsequent the starting dates of clinical studies.

Financial risks

Intravacc is a CDMO specialized in the field of infectious disease and therapeutic vaccines. Since inception, Intravacc has incurred substantial net losses mainly due to significant sales and marketing expenditures aimed at increasing revenues and growing its business model to maturity. Even though the financial year 2021 was closed with a profit, Intravacc expects its losses to continue in 2022 as a result of the discontinuation of a COVID-19 vaccine project from VWS, originally budgeted at €11million for 2022.

These losses have had, and will continue to have, an adverse effect on the Intravacc's financial position.

Although Intravacc believes that it has sufficient capital to fund its operations at least until the end of Q2 2023, capital outlays and operating expenditures are expected to increase over the next several years as we continue to build the Company. Intravacc will need to generate additional revenue from new clients, whilst. Intravacc is still building its track record and reputation within the commercial market. The ultimate success of Intravacc will depend on the successful closing of new contracts as well as meeting the expectation of its customers in the operational execution.

The future of Intravacc is also dependent on attracting new investors that can provide capital to support the Company's growth plans. VWS, the current shareholder, has indicated that they will not provide such investments and therefore Intravacc is dependent on the political decision process related to further privatizing Intravacc. Both the future plans with regard to privatization for Intravacc and the timing of these plans are uncertain.

Management is actively working on mitigating this risk. Different forms of financial capital are considered and actively pursued. In addition, management is looking at cost reduction in order to generate positive cash flows and to further build the sales organization in order to generate additional revenue.

However, in the event that these measures prove to be unsuccessful and/or the anticipated maturity of the business model is not realized, the Company needs additional liquidity in the near future and may need to obtain additional funding, which is not yet secured. As such, all of the above indicates the existence of a material uncertainty that could give rise to reasonable doubt about the Company's ability to continue

as a going concern and that, as a result, the Company may not be able to realize its assets and to fulfill its obligations in the normal course of business.

Based on the steps taken to mitigate these risks and the assessment of the remaining risk, management has prepared the financial statements based on going concern.

Intravacc is mainly doing transactions in its reporting currency. As such, risks regarding foreign currencies and hedging are considered low. The Company is considering adding additional measures if the type and size of certain transactions change, which could have a more significant impact on the Company's results.

Intravacc is building its business as a CDMO. The transition from a governmental department to a commercial operating company is underway and takes considerable efforts from each and everyone within the organization. While management is confident that we will complete this transition successfully, there might be a chance that the Company is not able to secure sufficient financing to successfully build and continue its operations. As such, there is uncertainty about the Company's ability to continue as a going concern. Currently there are a lot of indications that Intravacc will continue to develop into a healthy company, but management finds it important to inform the reader of the financial statements of its current situation.

Strategic and commercial risks

The CDMO industry is characterized by rapid technological changes, changing customer preferences, emerging competition, evolving industry standards, and price competition. Moreover, the CDMO industry is intensely competitive both in terms of service and price, and continues to undergo significant consolidation, permitting larger CDMO service providers to increase cost efficiencies and service levels, resulting in more intense competition.

Intravacc's financial results are largely dependent on sales of CDMO services, and it will need to generate sufficient revenues from this and other future solutions to grow its business. Revenues in 2021 were still largely dependent on one customer (VWS). Revenues of this customer accounted for approximately 70% of services revenues in 2021.

The discontinuation of the funding for a major COVID-19 related project for 2022 will affect the Company's operating plan.

Intravacc relies on a limited number of third-party suppliers for services and components used in the production and operation of its product development services, and some of those services and components are supplied from a single source. Disruption of the supply chain, unavailability of third-party services required for the performance of the tests, component modifications or failure to achieve economies of scale could have a material adverse effect on the Intravacc.

The development of vaccines requires (customized) components, reagents and services that are currently available from a (limited) number of sources. Most of these components and services are sourced externally from a variety of external suppliers, some of which are single source. These consumable supplies and reagents are used as raw materials in the Company's candidate vaccines. If Intravacc must switch to a replacement supplier for any of these sub-components or for certain services required for the performance of its vaccines, it may face additional delays impacting revenues.

Intravacc conducts business in a heavily regulated industry, and changes in regulations or violations of regulations may, directly or indirectly, adversely affect its results of operations and financial condition and harm its business. Intravacc's business operations and activities are subject to a range of healthcare laws and regulations (at local, national, federal and international level), as well as investigatory. The consequences of violating these laws and regulations include, may directly impact the continuation of the business.

Operational risks

The main operational risks exist around the supply chain. Due to the shortage of materials, there is a real risk of downtime due to delivery delays.

Risk overview

Like every company, our business is subject to numerous risks and uncertainties. In the table, we focus on the key risks and uncertainties currently faced by Intravacc. Some of these are beyond the control of our company, while others can be mitigated.

Not all of the risks occurred in 2021, partly as a result of timely mitigation. The backorder of materials was managed and although it did mean that projects and experiments needed to be prioritized, it did not lead to any critical delays. The downtime for IT systems was limited to short interruptions that did not lead to the loss of data or delays. The privatization delay did lead to some people leaving, but this did not lead to any problems in 2021. We missed out on a number of projects due to the uncertainty around privatization. This is unfortunate but we are seeking to mitigate the situaton by re-initiating talks with our customers.

Risk appetite

The Board of Directors is responsible for setting and monitoring the risk appetite for Intravacc when pursuing its strategic objectives. For each risk we identify current controls and their effectiveness. Risks are assessed through performance reporting and strategic objectives.

In the pursuit of our objectives, Intravacc is willing to accept, in some circumstances, risks that may result in some financial loss or exposure. However, we will always be extremely mindful and careful in our approach to accepting these risks and are only willing to take them if additional income or cost savings are probable.

The company wants to be seen as best in class and respected across industry and stakeholders. As such we have a very low to no risk appetite when it comes to matters that could impact our key stakeholders or employees.

Category	Area	Specific	Risk	Expected impact	Mitigation
Operational	Supply chain	Materials	Delay and unavailability due to Brexit, US first, COVID-19 pandemic, different execution due to COVID-19 restrictions and measures	Delay and postponement in projects	Order early, ordering more and redundant systems
		Equipment		Longer lead time of new equipment followed by project delays	Anticipate investments
		Services		Lack of repair and maintenance resulting in downtime	Find local suppliers
	Certification	IGJ; manufacturing license	No license	No possibility to produce and store CTM	Systems in order to pass inspection
	Personnel	Key personnel and skills	Pursuing career elsewhere	Inability to perform certain tasks	Generate back-ups for all key persons/skills
	IT	Down time	Not able to reach systems, no email and phone possibilities.	Unproductivity	Find reliable IT supplier
		Hacking	Loss of sensitive information	Bad appearance of company Loss of trade secrets	Good IT security and education of employees

Category	Area	Specific	Risk	Expected impact	Mitigation
Strategic	Privatization	Uncertainty	Employees leave		This depends largely on external factors beyond the control of Intravacc
			Uncertainty about future financing and timing of further privatization of Intravacc	Uncertainty of timing of further privatization of Intravacc and uncertainty around additional financing from VWS creates uncertainty around the financial position	
	IP	Patents	Field protected by others	Forced to obtain license or stop the project	IP landscaping and opposition
			Insufficient protection of field/product	Lower value of the product/project	Broad patents and/or trade secrets
Financial	Cashflow	Cashflow	Negative balance	Uncertainty whether sufficient revenue can be generated to fund operations	Monitor budget and expenditure

Category	Area	Specific	Risk	Expected impact	Mitigation
Commercial	Projects	Fee for service	Insufficient projects	Intravacc depends largely on projects financed by third parties. When we obtain fewer projects it directly affects the financial situation and output of the company.	Dedicated BD team to obtain new projects. Out-licensing of our products and technology to assure revenues
	Competition	Product pipeline	Faster development timelines so that they are in the position to engage third parties earlier	Smaller market to license our products.	Monitor competition and IP management
			Better products	Smaller market to license our products.	Early Go/NoGo decision in the VDP
			More economic services	Fewer projects	Lower price or outperform competition
Legal	Customer Contracts	Non / limited performance	Claims	Financial (liability claims), reputational (loss of clients).	Conclude contracts that can be well managed and performed by the company. Appropriate insurance (for 2021), limiting contractual liability.
	Noncompliance with laws and regulations	Privacy laws / compliance with EU tender/ competition regulations	Data breach / third party claims / penalty	(Reputational) damage / penalty	Good IT security and education of employees. Privacy policy and processing register available. Legal advice and dossier filing.

Interview with

Dr. Bernard Metz

Bernard has been with Intravacc since 2000, first as a PhD student, later as scientist and now as Head of Product Characterization and Formulation.
For him, the first thing that comes to mind when describing what it is like to work at Intravacc is ‘dynamic’.
“People who start here always need some time to get used to our work. Some of the techniques we use here are not easy to master, you really need to train on the job. But once you start picking things up, and you get to work on all kinds of projects, there are a lot of opportunities to develop yourself. I know I did.”

Bernard’s department looks at Characterization and Formulation of vaccines.
“Before you can develop the production process of vaccines, you have to guarantee the quality of the product. We need to know exactly what the vaccine has to look like, what its components need to be to ensure that it is safe, stable and effective. That’s where our department comes in”.

Getting the formulation of a vaccine right is not easy. There are many ways to achieve the right result and it is a constant puzzle to choose right approach.
And once the right formulation is determined, the work is still not done.
“We also look at the type of vial we must use for the product, and how large the doses should be. And in addition to intramuscular vaccines, we now increasingly look at intranasal vaccines. And that is a whole new puzzle, where we have to look at the concentration of the product and which type of applicator is the most suitable.”

During his years at Intravacc, Bernard has seen a clear change of focus in the type of work that is done.
“We used to look extensively at how vaccines work, sometimes examining individual components to see how they contribute to the efficacy of the product.

One of my earlier projects, for instance, involved developing a chemically defined medium to grow diphteria bacteria, as an alternative to a medium with animal components. We used the method of design of experiments for this.

But although we no longer do this type of work, we still use this technique, this time to optimize processes and tests. As it turns out, the design of experiments technique makes process development very efficient. You can see the interaction between all factors very fast. This sped up the process of developing the medium by a year.”

So, in 2022, Intravacc still profits from the knowledge and expertise gained in its rich history.
“This past year in particular, we made great strides in working more efficiently. We now know much better how we can qualify tests and make them more robust. And it’s the big projects, in particular, with tight deadlines, that give you energy and stimulate you to do find new solutions to the problems you are faced with. It makes that no day at Intravacc is ever the same.”

Part IV Financial Statements

The financial statements for the financial year 2021 consist of:
- Statement of financial position as of 31 December 2021
- Statement of profit or loss for the year 2021
- Statement of cash flows for the year 2021
- Explanatory notes to the financial statements
- Other information
  - Provisions of the articles of association relating to profit appropriation
  - Independent auditor's report

Statement of financial position

Statement of financial position (before appropriation of result)
in thousands of euro

		31 December 2021		31 December 2020	
Assets	Note				
Fixed assets					
Intangible assets	1.	1,309		-	
Tangible fixed assets	2.	31,999		-	
Current assets					
Inventory	3.	606		-	
Construction contracts	3.	985			
Trade receivables	4.	730		-	
Social security and other taxes	5.	199		-	
Prepayments and other receivables	6.	262		-	
Cash and cash equivalents					
Cash and cash equivalents	7.	7,158		3,557	
Total			**43,248**		**3,557**
Liabilities and Equity					
Equity (*)	8.				
Share capital		-		-	
Share premium		35,214		-	
Retained earnings		-296		-	
Result for the year		1,773		-296	
			36,691		**-296**
Current liabilities					
Trade payables	9.	864		-	
Current tax liability	10.	705		-	
Other tax liabilities	10.	508			
Pension premiums	11.	141		-	
Other current liabilities	12.	2,102		1,595	
Deferred income	13.	2,237		2,258	
			6,557		**3,853**
Total			**43,248**		**3,557**

(*) Share capital amounts to €2, so due to rounding to thousands, no share capital is included.

Statement of profit or loss

Statement of profit or loss for the year ending 31 December 2021
in thousands of euro

		2021		2020	
	Note				
Revenue and other operating income	**a.**		**29,250**		**-**
Cost of materials and supplies	b.	1,605		-	
Subcontracted work and other external costs	c.	8,308		-	
Employee benefits	d.	9,860		172	
Other operating expenses	e.	7,168		124	
Total sum of expenses			**26,941**		**296**
Operating result			2,309		-296
Financial income and expense	g.		28		-
Result before tax			**2,281**		**-296**
Corporate Income Tax	h.		508		-
Net income			**1,773**		**-296**

Statement of cash flows

Statement of cash flows in thousands of euro	2021		2020	
Cash flow from operating activities				
Result for the year	1,773		-296	
Adjustments for:				
- Depreciation tangible fixed assets	961		-	
- Depreciation intangible fixed assets	197		-	
- Movement in inventory	-462			
- Movement in work in progress	-985		73	
- Movement in other receivables	-632			
- Movement in deferred income	-2,685			
- Movement in accounts payable	864			
- Movement in current liabilities	-6			
- Interest paid	28			
Cash flow from operating activities		**-947**		**-223**
Cash flow from investing activities				
Contribution in kind intangible fixed assets	-1,506			
Contribution in kind tangible fixed assets	-32,950			
Contribution in kind inventory	-144			
Contribution in kind other receivables	-559			
Contribution in kind current liabilities	1,867			
Contribution in kind deferred income	2,664			
Contribution in kind paid in capital	34,187			
Disposals of tangible fixed assets	474			
Investments in fixed assets	-484		-	
Cash flow from investing activities		**3,549**		-
Cash flow from financing activities	999		3,780	
		999		**3,780**
Change in cash and cash equivalents		**3,601**		**3,557**
Cash and cash equivalents at the beginning of the year		**3,557**		**-**
Cash and cash equivalents at the end of the year		**7,158**		**3,557**

Explanatory notes

Note to the Financial Statements

Entity information

The registered and actual address of Intravacc B.V. is Antonie van Leeuwenhoeklaan 9, 3721 MA Bilthoven. The Company is registered at the Chamber of Commerce under number 73887757. Intravacc B.V. is a limited liability company (B.V.). The State of The Netherlands is sole shareholder.

General notes

The Netherlands-based Intravacc, located at Utrecht Science Park Bilthoven, is one of the world's leading organizations with many years of experience in translational vaccinology. As an established independent CDMO in the vaccine industry, Intravacc offers a wide range of expertise and is the bridge between discovery and the start of Phase I/II clinical trials in humans.

Accounting principles

Reporting period

This annual report has been prepared based on a reporting period of the calendar year ending 31 December 2021.

Standards

The financial statements are prepared in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally measured at historical cost, production cost or at fair value at the time of acquisition. If no specific measurement principle has been stated, measurement is at historical cost.

General

The assets and liabilities are presented in euros, the functional currency of the Company. All financial information in euros is rounded to the nearest thousand, unless stated otherwise.

Disclosure of estimates

In applying the principles and policies for preparing the financial statements, the management of the Company makes different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

Recognition of an asset or liability

An asset is included in the balance sheet when it is probable that future economic benefits will flow to the Company and its value can be reliably determined. A liability is included in the balance sheet when it is probable that settlement thereof will entail an outflow of resources that embody economic benefits, and the magnitude of the amount thereof can be reliably determined. If a transaction results in all or almost all future economic benefits and all or almost all risks related to an asset or liability being transferred to a third party, the asset or liability is no longer included in the balance sheet. Furthermore, assets and liabilities are not included in the balance sheet from the time at which the requirements of probability of future economic benefits and reliability of the determination of the value are no longer met.

Income is recognized in the statement of profit or loss when an increase in the economic potential, associated with an increase in an asset or decrease in a liability, has occurred of which the amount can be reliably determined. Expenses are recognized when a decrease in the economic potential, associated with a decrease in an asset or an increase in a liability, has occurred of which the amount can be reliably determined. The cost and revenues are allocated to the period to which they relate.

Result determination

Respecting the principles mentioned above the result is determined as the difference between the realizable value of the performances delivered and the costs and other expenses related to the year of reporting, valued at historical cost.

Disclosure of changes in accounting policies

As this is the first year in which Intravacc has prepared an audit financial report, no changes in accounting policies have occurred.

Foreign currencies

The financial statements are presented in euros, which is the functional and presentation currency of the Company. Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date.

Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the income statement, unless hedge accounting is applied.

Non-monetary assets measured at historical cost in a foreign currency are converted at the exchange rate on the transaction date (historical rate).

Financial instruments
Financial instruments include (other) receivables, work in progress, trade payables and other payables. These are short-term in nature. The effect of discounting is therefore limited. The nominal value has been used for these items. The fair value of the financial instruments approximates the carrying amount.

The Company does not apply hedge accounting. The foreign currency impact of the Company's transactions are mainly denominated in euros as such the currency risk is considered low.

Liquidity risk represents the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. Prudent liability risk management implies ensuring availability of cash resources for funding of operations and planning to raise cash when needed. Management monitors rolling forecasts of the Company's expected cash flows. However, management refers to the paragraph on going concern for further disclosure on associated risks.

Operating leases
The Company has lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of or incurred by the Company. The lease contracts are recognized as operational leasing. Lease payments are recorded on a straight-line basis, considering reimbursements received from the lessor, in the statement of profit or loss for the duration of the contract.

Cash flow statement
The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received, and income taxes are included in cash from operating activities. Transactions not resulting in inflow or outflow of cash, including finance leases, are not recognized in the cash flow statement.

Fixed assets

Intangible fixed assets
The organization is a research and development organization, aimed at developing and manufacturing human vaccines on a limited scale. Expenditure is therefore incurred to carry out projects. Research costs are not capitalized, as the costs of these projects are reimbursed by the clients. Projects can lead to the registration of intellectual property rights (Intellectual Property, so-called IP) and patents. In addition, the transfer of technology to producers in the event of successful production can lead to future royalty flows, as stipulated in the contract. The organization takes the view that it is uncertain whether the future economic benefits will accrue to Intravacc or its legal successor and therefore represent no value. In addition, the economic benefit of vaccine patents is not quantifiable due to the uncertainty of whether the developed vaccines can be marketed.

Acquired licenses are capitalized at cost and depreciated over the expected economic life. Impairments are taken into consideration; this is relevant if the carrying amount of the asset is higher than its realizable value.

Tangible fixed assets
Tangible fixed assets are measured at acquisition costs or production costs plus additional costs less straight-line depreciation based on the expected life, unless stated otherwise. Impairments expected on the balance sheet date are taken into account.

If important components of a tangible fixed asset can be distinguished from each other and differ in useful life or expected use pattern, these components are depreciated separately.

Deferred tax assets
Deferred tax assets are recognized for all deductible temporary differences between the value of the assets and liabilities under tax regulations on the one hand and the accounting policies used in these financial statements on the other, on the understanding that deferred tax assets are only recognized insofar as it is probable that future taxable profits will be available to offset the temporary differences and available tax losses.

The calculation of the deferred tax assets is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law.

Deferred income taxes are recognized at nominal value.

Impairment of fixed assets
On each balance sheet date, the Company assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the realizable value of the asset is determined. If it is not possible to determine the realizable value of the individual asset, the realizable value of the cash generating unit to which the asset belongs is determined.

An impairment occurs when the carrying amount of an asset is higher than the realizable value; the realizable value is the higher of the fair value less cost to sell and the value in use. An impairment loss is directly recognized in the income statement while the carrying amount of the asset concerned is concurrently reduced.

The realizable value is initially based on a binding sale agreement; if there is no such agreement, the realizable value is determined based on the active market, whereby usually the prevailing bid price is taken as market price. The costs deducted in determining net realizable value are based on the estimated costs that are directly attributable to the sale and are necessary to realize the sale. For the determination of the value in use, an estimate is made of the future net cash flows in the event of continued use of the asset / cash generating unit; these cash flows are discounted, based on a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If it is established that an impairment that was recognized in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported.

Current assets

Inventory
Inventories (stocks) are measured at historical price or production cost based on the FIFO method (first in, first out) or lower realizable value.

The historical cost or production cost consists of all costs relating to the acquisition or production and the costs incurred in order to bring the inventories to their current location and current condition. The production cost includes direct labor and fixed and variable production overheads, taking into account the costs of the operations office, the maintenance department and internal logistics.
The realizable value of work in progress is derived from the contracted price of the related project, taking into account the estimated costs of completion and the estimated costs that are necessary to realize the sale.

Construction contracts commissioned by third parties comprise the balance of project costs realised, profit attributed, and if applicable, recognized losses and instalments already invoiced. Construction contracts are separately presented in the balance sheet under current assets. If it shows a credit balance, this will be presented under current liabilities.

Receivables and prepayments and accrued income
The receivables are initially valued at fair value and subsequently at amortized cost. In the event of possible bad debts, a provision has been deducted from this, if deemed necessary.

Cash and cash equivalents
Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognized as part of debts to lending institutions under current liabilities. Cash at banks and in hand is measured at nominal value.

Liabilities
Debts are valued at nominal value.

Pensions
The Company has a pension scheme for its employees. The most important characteristics of these schemes are:
- The pension scheme is categorized as an average salary scheme. This means that the accrued pension benefit is related to the employees' income in a specific year.
- The average salary scheme has a conditional indexation, based on the financial health and position of the pension fund.

The Company has a pension scheme to which the provisions of the Dutch Pension Act (Pensioenwet) are applicable. The Company pays premiums based on (legal) requirements,

a contractual or voluntary basis to pension funds and insurance companies. Premiums are recognized as employee cost when they are due. If premiums already paid exceed the premium payable to the pension administrator, the excess is recognized as a prepayment if these lead to a refund or reduction of future payments. Contributions that are due but have not yet been paid are presented as liabilities. There are no other obligations for the employer in addition to the premiums paid.

Deferred tax liabilities
Deferred tax liabilities are recognized for temporary differences between the value of the assets and liabilities under tax regulations on the one hand and the book values applied in these financial statements on the other. The computation of the deferred tax liabilities is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law.

Deferred income tax is provided on temporary differences arising on investments in group companies, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probably that the temporary difference will not reverse in the foreseeable future.

Deferred tax balances are measured at nominal value.

Current liabilities
On initial recognition current liabilities are recognized at fair value. After initial recognition current liabilities are measured at the amortized cost price, being the amount received considering premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting principles for determining the result
The result is the difference between the realizable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognized in the year in which they are realized.

Net revenue
Net revenue comprises the income from the supply of goods and services and realized income from fee for service contracts after deduction of discounts and such like and of taxes levied on the turnover.

Revenues from the sale of goods
Revenues from the goods supplied are recognized when (substantially) all significant risks and significant rights to economic benefits in respect of the goods have been transferred to the buyer.

Revenues from providing services
Revenues from the services rendered are recognized in proportion to the services delivered, based on the services rendered up to the balance sheet date in proportion to the total of services to be rendered.

Other operating income
Other operating income includes results that are not directly related to the delivery of goods or services in the context of normal, non-incidental business activities. Other operating income consists mostly of royalty income. These revenues are allocated to the reporting period in accordance with the terms of the agreement.

Government grants
The WBSO (“afdrachtvermindering speur- en ontwikkelingswerk”) is a Dutch fiscal facility that provides subsidies to companies, knowledge centers and self-employed people who perform research and development activities (as defined in the WBSO Act). Under this Act, a contribution is paid towards the labor costs of employees directly involved in research and development. The contribution is in the form of a reduction of payroll taxes and social security contributions recognized on a net basis within the labor costs. (Government) Grant income is not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them. (Government) Grants are recognized in profit or loss on a systematic basis over the period the Company recognizes as expenses the related costs for which the grants are intended to compensate.

*Expenses of employee benefit*s
Wages, salaries, and social securities are recognized in the statement of profit or loss on the basis of the employment terms and tax regulations.
Amortization of intangible assets and depreciation of property, plant and equipment
Intangible fixed assets, including goodwill, and tangible fixed assets are depreciated or amortized from the date of initial use over the expected future economic life of the asset. Land and investment property are not depreciated.

Future depreciation and amortization is adjusted if there is a change in estimated future useful life. Gains and losses from the occasional sale of intangible and tangible fixed assets are included in depreciation.

Other operating expenses
Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Financial income and expenses
Interest income and expenses are recognized on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognized transaction expenses for loans received are taken into consideration.
Exchange differences that arise from the settlement or translation of monetary items are recorded in the profit and loss account in the period in which they occur, unless hedge accounting is applied.

Income tax expense
Tax on the result is calculated based on the result before tax in the statement of profit or loss, taking account of the losses available for set off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

Going concern
Intravacc is a CDMO specialized in the field of infectious disease and therapeutic vaccines. Since inception, Intravacc has incurred substantial net losses mainly due to significant sales and marketing expenditures aimed at increasing revenues and growing its business model to maturity. Even though the financial year 2021 was closed with a profit, Intravacc expects its losses to continue in 2022 as a result of the discontinuation of a COVID-19 vaccine project from VWS, originally budgeted at €11million for 2022.
These losses have had, and will continue to have, an adverse effect on the Intravacc’s financial position.

Although Intravacc believes that it has sufficient capital to fund its operations at least until the end of Q2 2023, capital outlays and operating expenditures are expected to increase over the next several years as we continue to build the company. Intravacc will need to generate additional revenue from new clients, whilst Intravacc is still building its track record and reputation within the commercial market. The ultimate success of Intravacc will depend on the successful closing of new contracts as well as meeting the expectation of its customers in the operational execution.

The future of Intravacc is also dependent on attracting new investors that can provide capital to support the company’s growth plans. VWS, the current shareholder, has indicated that they will not provide such investments and therefore Intravacc is dependent on the political decision process related to further privatizing Intravacc. Both the future plans with regard to privatization for Intravacc and the timing of these plans are uncertain.

Management is actively working on mitigating this risk. Different forms of financial capital are considered and actively pursued. In addition, management is looking at cost reduction in order to generate positive cash flows and to further build the sales organization in order to generate additional revenue.

However, in the event that these measures prove to be unsuccessful and/or the anticipated maturity of the business model is not realized, the Company needs additional liquidity in the near future and may need to obtain additional funding, which is not yet secured. As such, all of the above indicates the existence of a material uncertainty that could give rise to reasonable doubt about the Company’s ability to continue as a going concern and that, as a result, the Company may not be able to realize its assets and to fulfill its obligations in the normal course of business.
Based on the steps taken to mitigate these risks and the assessment of the remaining risk, management has prepared the financial statements based on going concern.

Note to the Balance Sheet

Intangible fixed assets (1)
in thousands of euro

	License fee Bilthoven Biologicals	License fee Oxgene Genetics HEK 293	Total
Closing balance 31 December 2020	-	-	-
Contribution in kind 1 January 2021			
Acquisition value	1,270	700	**1,970**
Accumulated depreciation	-460	-34	**-464**
Book value 1 January 2021	**810**	**6976**	**1,506**
Additions	-	-	**-**
Disposals	-	-	**-**
Depreciation	-127	-70	**-197**
Closing balance 31 December 2021			
Acquisition value	1,270	700	**1,970**
Accumulated depreciation	-587	-74	**-661**
Book value 31 December 2021	683	626	**1,309**

In May 2017, a license agreement with an unlimited duration was signed between Bilthoven Biologicals B.V. and VWS for the use of Bilthoven Biologicals' know-how with regard to diphtheria, *bordetella pertussis* and tetanus. Intravacc is thereby permitted to further develop the above-mentioned strains, also for commercial purposes in certain therapeutic applications. A one-off fee of €1,270,000 was paid for this license. Depreciation takes place in 10 years.

In December 2020, a license agreement with an unlimited duration was signed between Oxford Genetics Limited and Intravacc for the cell line HEK293OX. It permits Intravacc the development of two licensed products. An upfront fee of €847,000 was paid for this license. Depreciation takes place in 10 years.

Tangible fixed assets (2)
in thousands of euro

	Laboratory equipment	IT equipment	Other equipment	Technical installations	Assets under construction	Total
Contribution in kind 1 January 2021						
Acquisition value	18,654	615	119	5,981	21,830	**47,199**
Accumulated depreciation	-11,558	-339	-92	-2,260	-	**-14,249**
Book value 1 January 2021	**7,096**	**276**	**27**	**3,721**	**21,830**	**32,950**
Additions	255	-	5	119	106	**484**
Disposals	-474	-	-	-	-	**-474**
Depreciation	-685	-47	-3	-227	-	**-961**
Closing balance 31 December 2021						
Acquisition value	18,435	615	124	6,100	21,936	**47,209**
Accumulated depreciation	-12,243	-386	-95	-2,487	-	**-15,210**
Book value 31 December 2021	**6,192**	**229**	**29**	**3,613**	**21,936**	**31,999**

The disposals amounting to €475,000 include assets which were still included in the opening balance, but after assessment of the tangible fixed assets proved not to be in use anymore within the Company.

The assets under construction are not depreciated until the asset is in use. The assets are reviewed for impairment on an annual basis.

Inventory (3)
in thousands of euro

	2021		2020	
Inventory	606		-	
		606		-
Work in progress	985		-	
		985		-

Inventory constitute raw consumable materials used for commercial customer projects. Work in progress relates to project hours and material cost still to be invoiced to customers under the fee for service contracts.

For construction contracts not completed at the balance sheet date, the accumulated net turnover amounts to €4,185 (2020: €0). The total of the advance payments received on construction contracts amounts to €403 (2020: €0) and is included in prepayments on orders under current liabilities.
An amount of €0 (2020: €0) has been deducted by customers on progress billings. Construction contracts and progress billings can be broken down as follows:

in thousands of euro	31 December 2021	31 December 2020
Projects with a debit balance: Generated contract revenue -/- recognized losses and progress billings > 0	985	-
Projects with a credit balance: Generated contract revenue -/- recognized losses and progress billings < 0	2,236	-
	1,251	-

Trade receivables (4)
in thousands of euro

	2021	2020
Trade receivables	850	-
Provision trade receivables	-120	-
	730	-

Accounts receivable all have a remaining term to maturity of less than one year, unless stated otherwise. The fair value of the accounts receivable approximates the carrying amount, given the current nature of the accounts receivable and the fact that, where necessary, provisions for bad debt have been recognized.

Social security and other taxes (5)
in thousands of euro

	2021	2020
Social security and other taxes	199	-
	199	-

The receivable related to social security and other taxes is the remainder of the WBSO subsidy which will be settled with future wage tax payments

Prepayments and other receivables (6)
in thousands of euro

	2021	2020
Other receivables	262	-
	262	-

'Other receivables' consists of prepaid amounts and other receivables.

Cash and cash equivalents (7)
in thousands of euro

	2021	2020
Cash at banks	7,150	3,557
Bank deposits	8	-
	7,158	3,557

In 2021 a total amount of €8,000 (2020: €0) is not freely disposable but is held as a deposit for a company credit card. The remaining cash at bank is freely disposable.

Shareholders' equity (8)
in euros

	Share Capital	Share Premium	Retained Earnings	Result for the year	Total
Closing balance 31 December 2020	-	-	-296,421	-	**-296,421**
Contribution in kind 1 January 2021	2	34,187,030	-	-	**34,187,032**
Adjustments in contributions in kind	-	1,027,207	-	-	**1,027,207**
Result for the year	-	-	-	1,773,067	**1,773,067**
Closing balance 31 December 2021	**2**	**35,214,237**	**-296,421**	**1,773,067**	**36,690,885**
Opening balance 1 January 2020	2	-	-	-	**-**
Result for the year	-	-	-	-296,421	**-296,421**
Book value 31 December 2020	**2**	**-**	**-**	**-296,421**	**-296,421**

At 31 December 2021, two ordinary shares were issued with a nominal value of €1. On 1 January 2021 a contribution in kind was closed in which the assets and liabilities related to the activities from Intravacc as department from VWS were transferred to Intravacc B.V. As a result, an amount of €34.1 million was contributed as share premium.
At the end of the year an additional contribution of €1.4 million was made, consisting of final settlement of a number of estimated balances from the original contribution date.

Trade payables (9)
in thousands of euro

	2021		2020	
Accounts payable	864		-	
		864		-

All trade payables fall due within one year.

Current tax liability (10)
in thousands of euro

	2021		2020	
Current tax liability	705		-	
		705		-
Other tax liabilities	508		-	
		508		-

The tax liability relates to value added tax payable as well as the corporate income tax. Please refer to note (i) for disclosures on corporate income tax.

Pension premiums (11)
in thousands of euro

	2021		2020	
Pension payable	141		23	
		141		23

Other current liabilities (12)
in thousands of euro

	2021		2020	
Personnel liabilities	1,017		9	
Salaries and wages payable	6		-1	
Other payables	770		3,777	
GR/IR: Goods received / Invoices received clearing	311		-	
		2,103		3,785

‘Other payables’ relate to accrued expenses and other current payables.

Deferred income (13)
in thousands of euro

	2021		2020	
Work in progress	2,237		-	
		2,237		-

‘Deferred income’ relates to pre-invoiced contract revenue for which a performance obligation still exists.

Commitments and contingencies

The commitments of the Company are related to the lease agreement for the building and facilities as well as a few longer term maintenance contracts for laboratory equipment.

As part of the contribution in kind from VWS to Intravacc B.V., the lease contract was also transferred to the Company. The lease relates to the buildings that Intravacc uses on the Antonie van Leeuwenhoek site. The remaining total lease commitment based on the current rented square meter, without indexation, can be estimated at €4.4 million for 5 years. The contract term expires at 31 December 2025. There is no obligation to repair after the lease expires.

In addition, an obligation has also been included to continue the use of facility services, as previously laid down in agreements between Intravacc and the Facility Company of Poonawalla Science Park B.V. and the National Institute for Public Health (RIVM) for the duration of the term of the main agreement. These costs depend on variables such as the number of employees, rented square meters and actual consumption. The total costs for the remaining term of the lease based on the costs in 2021 are estimated without indexation at €5.4 million.

	31 December 2021	31 December 2020
Commitments with a maturity within one year	2,500	-
Commitments with a maturity exceeding one year and within five years	7,344	-
Commitments with a maturity exceeding five years	-	-
Total of minimal lease payments of operating leases	**9,843**	**-**

Notes to the Profit or Loss Account

Revenues (a)
in thousands of euro

	2021	2020
Revenue from fee-for-service contracts	24,636	-
Other revenues	4,552	-
Grants and subsidies	62	-
Net turnover	**29,250**	**-**

'Revenue from fee-for-service contracts' comprises income derived from bioprocessing of vaccine product for partners, fees charged for providing development services to partners, product and technology license transactions. Other revenue consists of revenue generated besides the fee-for-service contracts such as royalty income. Grants and subsidies consist of proceeds received from subsidies, other than WBSO, which is deducted from costs.

Bioprocessing of vaccine product for partners is recognized on a percentage of completion basis over time as the processes are carried out. Progress is determined based on the achievement of verifiable stages of the process. The gross amount due from customers on all partnerships in progress for which costs incurred plus recognized profits exceed progress billings is presented separately as a contract asset within the note to inventory (work in progress) as presented in the Statement of financial position.

Consideration received in excess of the stage of completion will be deferred until such time as it is appropriate to recognize the revenue.

Revenues for providing process development activities to partners are recognized during the period in which the service is rendered on a percentage of completion basis.

Technology licenses that have been established by Intravacc have all been determined as "right to use" licenses, rather than "right to access" licenses. As such, the revenue from these licenses is recognized at the point in time at which the license transfers to the customer.

The granting of the technology licenses to Intravacc's background intellectual property and know-how constitutes a "right to use" license as our customers are able to conduct development work on the license independent of the Company. Intravacc is compensated separately for its performance obligations in relation to development work and milestone payments. Milestones related to the achievement of specific deliverables will be recognized in full once it is deemed highly probable that the obligation will be met. Milestones related to the provision of support services are recognized on a percentage of completion basis, but taking into account the likelihood of achievement of the deliverable.

Cost of materials and supplies (b)
Cost of materials and supplies relates to laboratory consumables that were used for research and contract development projects.

Subcontracted work and other external costs (c)
Subcontracted work and other external costs relates to outsourced project work as part of activities performed for both research and contract development projects. Costs of subcontracted work and other external costs are allocated to the period concerned.

Employee benefits (d)
in thousands of euro

	2021	2020
Salary	7,971	147
Social security	598	26
Pension costs	1,292	-
	9,860	**172**

The average number of employees in 2021 was 118 (2020: 2). This excludes interns, training assistants and temporary workers. At year-end 2021, 119 Fte's were employed by Intravacc (2020: 2 Fte's). All employees are based in The Netherlands.

Employees per activity
converted to FTE

	31 December 2021	31 December 2020
Research and Development	86	-
General and Administrative	33	2
	119	**2**

Other operating expenses (e)
'Other operating expenses' consists of other general and administrative expenses around the operations of the Company. These expenses consist of maintenance costs, lease expenses and other general costs.

Depreciation (f)
in thousands of euro

	2021	2022
Lab equipment	685	-
IT equipment	47	-
Other equipment	3	-
Technical installations	227	-
Assets under construction	-	-
	961	-

Financial income and expenses (g)

The financial income and expense is fully related to foreign exchange results on transactions denominated in foreign currencies. No interest income or expense has been realized during the year 2021.

Related party transactions (h)

Compensation of the Supervisory Board
in thousands of euro

	2021		2020	
	Short-term employee benefits	**Post-employment benefits**	**Short-term employee benefits**	Post-employment benefits
Nico Oudendijk	31	-	-	-
Bruno Bruins	21	-	-	-
Karin Dorrepaal	21	-	-	-
Total	**73**	**-**	**-**	**-**

Compensation of the Board of Directors
in thousands of euro

	2021		2020	
	Short-term employee benefits	**Post-employment benefits**	**Short-term employee benefits**	**Post-employment benefits**
Jan Groen	228	31	152	19
Nathalie Laarakker*	144	23	-	-
Total	**371**	**54**	**152**	**19**

(*) Compensation based on 9 months

The included salary of the Board of Directors includes bonus expense in the form of a bonus accrual, which was paid out in March 2022.

Income tax expense (i)
in thousands of euro

	2021	2020
Income tax provision based on domestic rate	532	0
Tax effect of:		-
Non-deductible expenses	24.5	
Income tax charge	**508**	-
Effective tax rate	22%	0%

Note to the cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received and income taxes are included in cash from operating activities. Transactions not resulting in inflow or outflow of cash are not recognized in the cash flow statement.

Subsequent events

On 1 January 2022, Nathalie Laarakker was appointed to the Board of Directors.

Other information

The provisions of the profit appropriation as included in the Articles of Association are as follows:

Article 23.

23.1. The profit is at the free disposal of the General Meeting for payment of dividends, reserves or such other objectives within the purpose of the Company as that meeting will resolve. For the calculation of the profit amount that will be distributed on each Share, only the amount of the compulsory payments on the nominal amount of the Shares will be taken into consideration. Deviations from the previous sentence are always possible with the consent of all Shareholders.

23.2. The Company may only make distributions to Shareholders and other persons entitled to the distributable profit or reserves up to a maximum of the amount of the Distributable Reserves. A resolution for distribution will have no consequences as long as the Executive Board has not granted its approval.
The Executive Board will only refuse to approve if it knows or should reasonably foresee that the Company will not be able to continue paying its due and payable debts after the distribution.
The provisions of Article 2:216 paragraphs 3 and 4 Dutch Civil Code apply if the Company cannot continue to pay its due and payable debts after the distribution.
The Shares held by the Company are not counted in the calculation of the allocation of profit or other distributions, unless those Shares are subject to a right of usufruct or pledge, or depositary receipts have been issued for those Shares.

23.3. Profits will be distributed after the adoption of the Financial Statements from which it is evident that this is allowed.

23.4. On the basis of a proposal from the Executive Board which has been approved by the Supervisory Board, the General Meeting may resolve to make interim distributions and/or distributions charged to a reserve of the Company. The General Meeting may ask the Executive Board in writing to make a proposal as referred to in the previous sentence.
In that case, the Executive Board will make a reasonable proposal to the General Meeting within a period determined by the General Meeting. Subsequently, the following applies: if the General Meeting has rejected the Executive Board's proposal for a distribution, the General Meeting may again ask the Executive Board in writing to make a new proposal for distribution within eight (8) weeks after receipt of such a request. Such a new proposal to the General Meeting requires the approval of the Supervisory Board. If the General Meeting once again rejects the Executive Board's new proposal, the General Meeting is free to make a resolution to make a distribution with due observance of the provisions of Article 2:216 of the Dutch Civil Code. If the Executive Board has not made a proposal approved by the Supervisory Board within six (6) months after the General Meeting's request to that end, the General Meeting is free to resolve to make a distribution, with due observance of the provisions of Article 2:216 of the Dutch Civil Code.

23.5. Unless the General Meeting determines a different point in time, dividends are payable immediately upon adoption.
Any claim for payment of any distribution lapses after the expiry of five (5) years

The management of the Company proposes to appropriate the result as follows:
The profit for the period 2021 in the amount of €1.7 million will be fully added to the other reserves.

This proposal needs to be approved by the General Meeting and has therefore not yet been recognized in the financial statements 2021 of the Company.

Independent auditor's report

To: the board of directors and the supervisory board of Intravacc B.V.

Report on the financial statements 2021

Our opinion

In our opinion, the financial statements of Intravacc B.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2021, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2021 of Intravacc B.V., Bilthoven.

The financial statements comprise:

- the statement of financial position as of 31 December 2021;
- the following statements for 2021: the statement of profit or loss and the statement of cash flows; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of Intravacc B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

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Material uncertainty related to going concern

We draw attention to the going-concern paragraph on page 37 of the financial statements which indicates that the Company depends on a future positive cash flow development and the willingness of the Ministry of Health to continue providing sufficient capital to fund Intravacc's operations. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Restriction on use and distribution

Our auditor's report is addressed to and intended for the exclusive use by the board of directors of Intravacc B.V. to report to the supervisory board and the general meeting in connection with compliance with the statutory requirements and may not be used for any other purpose. Therefore, this report is not to be relied upon by third parties. Consequently, the auditor's report may not be made available (in whole or in part) to third parties. We do not accept or assume and deny any liability, duty of care or responsibility to parties other than Intravacc B.V.

Unaudited corresponding figures

We have not audited the financial statements 2020. Consequently, we have not audited the corresponding figures included in the statement of profit or loss and the related notes.

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Responsibilities for the financial statements and the audit

Responsibilities of the board of directors and the supervisory board for the financial statements

The board of directors is responsible for:

- the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board of directors should prepare the financial statements using the going-concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The board of directors should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The supervisory board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 8 June 2022
PricewaterhouseCoopers Accountants N.V.

Original has been signed by M. van Dijk RA

Appendix to our auditor's report on the financial statements 2021 of Intravacc B.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Concluding on the appropriateness of the board of directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.