Rights Issue 2018

Intervacc, listed on Nasdaq First North, is a leading Nordic research company specializing in the development of veterinary vaccines, with its own sales and marketing organization in the Nordic and Baltic regions. Intervacc's main product is the vaccine Strangvac®, which protects against the dangerous equine disease strangles. After many years of research and development, Strangvac® is now approaching commercial production, registration, and product launch. The company is also developing a new vaccine candidate against a serious streptococcal infection in pigs, as well as a vaccine candidate against mastitis in cows caused by Staphylococcus aureus.

The company is now carrying out a rights issue for existing shareholders. New shareholders may subscribe without preferential rights, or alternatively purchase subscription rights on the market. Intervacc has received subscription and guarantee undertakings of approximately SEK 49 million, corresponding to approximately 80% of the rights issue.

Why invest in Intervacc?

- A proven technology platform for vaccine development based on a new technology using recombinant proteins. This technology significantly reduces the risk of serious side effects.
- The first in-house produced vaccine, Strangvac®, against the highly contagious equine disease strangles, is in the commercialization phase and is expected to reach the market in 2020. The potential market for Strangvac® is estimated at SEK 4 billion annually in Europe and the US. There is currently no safe and effective vaccine against strangles, and Strangvac® has demonstrated good protection and is also traceable through DIVA
- In producing two commercial batches of Strangvac®, vaccine substance corresponding to approximately 3–5 million doses will be generated. This "cost" should be viewed as an investment, as this quantity of vaccine substance has a long shelf life and will be stored for future sales.
- Intervacc's portfolio also includes a new vaccine candidate against a serious streptococcal infection in pigs, as well as a vaccine candidate against mastitis in cows caused by Staphylococcus aureus.
- The growing problem of antibiotic resistance, together with increasing awareness of the importance of good animal health, is driving the vaccine market forward. The global market for veterinary vaccines is expected to grow by 9% annually in the coming years.
- Intervacc's subsidiary Nordvacc sells veterinary vaccines and medicines in the Nordic and Baltic regions. Nordvacc's distribution network will also sell the company's in-house produced vaccines, resulting in very strong margins in this geographic area.
- The ongoing issue allows new and existing investors to invest in Intervacc at a pre-money valuation of approximately SEK 46 million!

Background and rationale

In connection with last year's IPO, warrants were issued free of charge. However, these are, in all likelihood, not expected to be used to subscribe for new shares during March 2018. Hence the

present rights issue.

The rationale for the Offering is to further develop Intervacc into a commercial phase, moving from a company primarily focused on research and development with Strangvac® as its main product, to a company with a broader project portfolio in vaccine development, while continuing to build a clear sales and marketing organization.

The proceeds from the issue are mainly intended to be used as follows (the approximate percentage cost allocation between the various activities is shown in parentheses):

- Transfer the manufacturing technology for Strangvac® and produce two commercial batches of Strangvac®, each comprising 30,000 doses. This production will generate vaccine substance corresponding to approximately 3–5 million doses. (50 percent)
- Ongoing operating costs. Includes marketing, patents, R, salaries, rent, financial costs, etc. (30 percent)
- Further development of INV274, a streptococcal vaccine for piglets. Intervacc has shown that INV274 against Streptococcus suis produced promising results in the target animal. The vaccine is based on the same technology as Strangvac®. (15 percent)
- Further development of INV412, a vaccine against mastitis caused by Staphylococcus aureus. (5 percent)

Remium Nordic Holding AB is Certified Adviser for Intervacc.

The Offering in brief

Issue amount
SEK 61.3 million if fully subscribed

Valuation
approximately SEK 46 million pre-money

Preferential rights
Three (3) existing shares entitle the holder to subscribe for four (4) new shares

Record date
March 16, 2018

Subscription price
SEK 2.85 per share

Subscription period
March 20 – April 3, 2018

Trading in subscription rights
March 20 – March 28, 2018

Intervacc's vaccine technology

In the report, made in March 2018, Johan Hellander, stud manager at Menhammars Stuteri on Ekerö outside Stockholm, is interviewed. Johan answers, among other things, questions about strangles, vaccinations, and the safety study of Strangvac® conducted on the stud farm's warmblood trotters. Intervacc's Head of Research, Jan-Ingmar Flock, also answers questions about the vaccine candidate Strangvac® against strangles in horses and the company's other candidates included in its project portfolio.

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