COMPANY UPDATE

Healthcare

Fair value: SEK2.00–2.70

Share price: SEK1.00

Intervacc

Sales gaining momentum – Q2 preview

Research analysts:
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DNB Carnegie Investment Bank AB

Following significant progress over the past 18 months, in manufacturing process improvements, advancing knowledge of the vaccine and strengthening the financials, we believe better times lie ahead for Strangvac, with sales growth set to gain momentum. As sales accelerate, we expect investor interest in the case to gradually return. We resume coverage with a fair value range of SEK2.0–2.7 (previously SEK6.0–10.0), reflecting dilution and lowered near-term expectations.

Well-positioned for growth. Over the past few years, investor frustration has grown around the launch of Strangvac following its European approval, as sales developed more slowly than expected. However, with significant progress made to reinvigorate the launch, sales are now showing early momentum, as evidenced in the Q4 2024 and Q1 2025 reports. Combined with a stronger financial position, and increasing awareness and knowledge of the vaccine, we believe the company is well positioned to deliver accelerating growth.

Lowered estimates, but the longer-term story remains strong. Ahead of the Q2 results, we have revised our estimates downwards. Nonetheless, we maintain a positive long-term outlook, with Strangvac representing a peak sales opportunity of over SEK1bn in 2032. We believe it has one of the best profile of any vaccine for strangles currently on the market, and with US rights still unpartnered, a potential out-licensing deal could provide meaningful upside to our estimates.

Investor confidence in equity story poised to return. We believe the current valuation reflects a muted outlook for Strangvac's long-term potential, which is understandable given the initially sluggish sales following its 2022 launch. As sales growth gains momentum, we expect investor confidence in the equity story to return, with upcoming quarterly reports and new order announcements being key near-term share price catalysts.

Changes in this report

	From	To	Chg
EPS adj. 2025e	n.a.	-0.33	n.a.
EPS adj. 2026e	n.a.	-0.24	n.a.
EPS adj. 2027e	n.a.	-0.19	n.a.

Upcoming events

Q2 Report	29 Aug 2025
Q3 Report	19 Nov 2025

Key facts

No. shares (m)	340.8
Market cap. (USDm)	36
Market cap. (SEKm)	341
Net IB Debt. (SEKm)	-168
Adjustments (SEKm)	0
EV (2025e) (SEKm)	172
Free float	72.3%
Avg. daily vol. ('000)	482
BBG	IVACC SS
Fiscal year end	December
Share price as of (CET)	19 Aug 2025 15:56

Key figures (SEK)	2024	2025e	2026e	2027e
Sales (m)	13	26	56	108
EBITDA (m)	-59	-53	-66	-48
EBIT (m)	-77	-71	-84	-67
EPS	-1.00	-0.33	-0.24	-0.19
EPS adj.	-1.00	-0.33	-0.24	-0.19
DPS	0.00	0.00	0.00	0.00
Sales growth Y/Y	31%	103%	115%	94%
EPS adj. growth Y/Y	+chg	+chg	+chg	+chg
EBIT margin	-603.8%	-275.0%	-151.5%	-61.8%
P/E adj.	n.m.	n.m.	n.m.	n.m.
EV/EBIT	neg.	neg.	neg.	neg.
EV/EBITA	neg.	neg.	neg.	neg.
EV/EBITDA	neg.	neg.	neg.	neg.
P/BV	0.5	1.2	1.7	2.5
Dividend yield	0.0%	0.0%	0.0%	0.0%
FCF yield	-15.8%	-17.4%	-23.4%	-17.2%
Equity/Total Assets	86.7%	91.3%	86.0%	75.5%
ROCE	-37.7%	-30.3%	-33.5%	-38.6%
ROE adj.	-37.7%	-30.3%	-33.6%	-38.6%
Net IB debt/EBITDA	0.6	3.2	1.3	0.6

Share price – 5-year

High/Low (12M) **SEK3.7/0.7**

Perf.	3M	6M	12M	YTD
Abs.	-20.08	0.52	-66.96	-2.86
Rel.	-21.17	6.07	-66.89	-5.56

Source: DNB Carnegie (estimates), FactSet, Infront & company data

Equity story

Near term: within 12M

We expect sales growth to accelerate as the launch of Strangvac in Europe gains renewed momentum, following necessary manufacturing updates and efforts to raise awareness of the product among veterinarians. After a sluggish start, investor confidence in Strangvac's potential needs to be restored, and we therefore view sales updates and order-related press releases as key near-term triggers for the stock. Additionally, securing a US distribution partner would be a significant milestone and an important catalyst for the equity story.

Long-term outlook: 5Y+

In our view, Strangvac is one of the most effective and safest vaccines against equine strangles currently available. With growing awareness of the product and launches in new markets, we expect it to capture a significant market share in the EU/UK and the US, with peak net sales projected to exceed SEK1bn by 2032.

Key risks:

- Continued sluggish sales development
- Failure to secure US market approval
- Additional financing needs if the above risks materialise

Company description

Intervacc operates in the large and growing animal health market and is among the leading developers of modern vaccines targeting bacterial infectious diseases caused by streptococcal and staphylococcal bacteria. Its technology platform, based on fused recombinant proteins, is at the forefront of the field, offering significant potential and broad immune responses against complex bacterial pathogens. A key advantage of Intervacc's vaccines is their DIVA property, which enables differentiation between vaccinated animals and those previously infected, an invaluable feature during outbreaks. The company has a scalable business model for the global market, outsourcing production to manufacturing partners while entering distribution agreements with major global players that manage marketing and sales.

Key industry drivers

- Growing demand for better treatments and vaccines of companion animals
- Rising interest of veterinary medicine

Industry outlook

- According to market research reports we have reviewed, the industry is expected to grow at a CAGR of 5–7% over the next decade

Largest shareholders, capital

HealthCap	25.9%
Avanza Pension	5.0%
AP4	4.6%

Cyclicality

Cyclicality: No

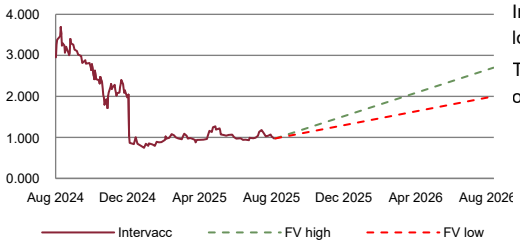
Key peers

We consider Swedencare, Vimian and Vivesto to be its closest listed peers in veterinary medicine.

Valuation and methodology

We value Intervacc using a DCF model, applying a WACC range of 12–16%. Over our 10-year explicit forecast period, we expect significant sales growth, exceeding SEK1bn by the end of the period. Sales are projected to roughly double each year until 2029, followed by a five-year CAGR of 25%. Growth is then expected to gradually slow to 3% in the subsequent decade, with a terminal growth rate of 2%. As the company matures, we forecast EBITA margins of 28–30% from 2030 onwards. Capital expenditure is projected to decline as a percentage of sales over time, stabilising at approximately 2%.

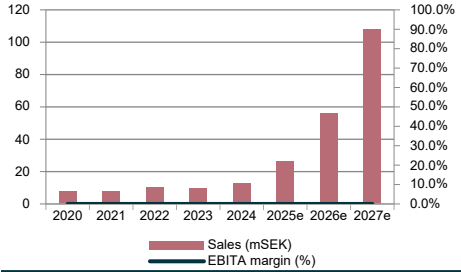
Fair value range 12M



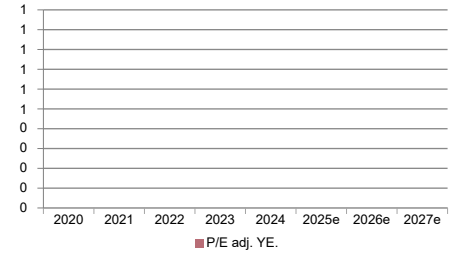
In our upper fair value range scenario, the company delivers strong growth, reducing uncertainty around its long-term potential and thereby making a 12% WACC assumption reasonable.

The lower end of the range is based on a 16% WACC, reflecting the higher uncertainty related to a US approval of Strangvac, the pace of revenue ramp-up and balance sheet risks.

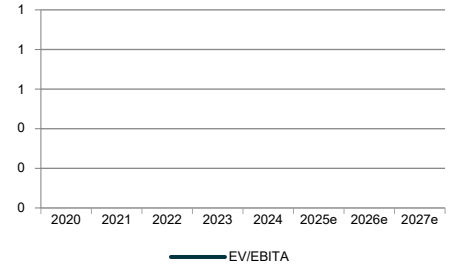
Key metrics



P/E 12-months forward



Long-term valuation trend



Source: DNB Carnegie (estimates) & company data

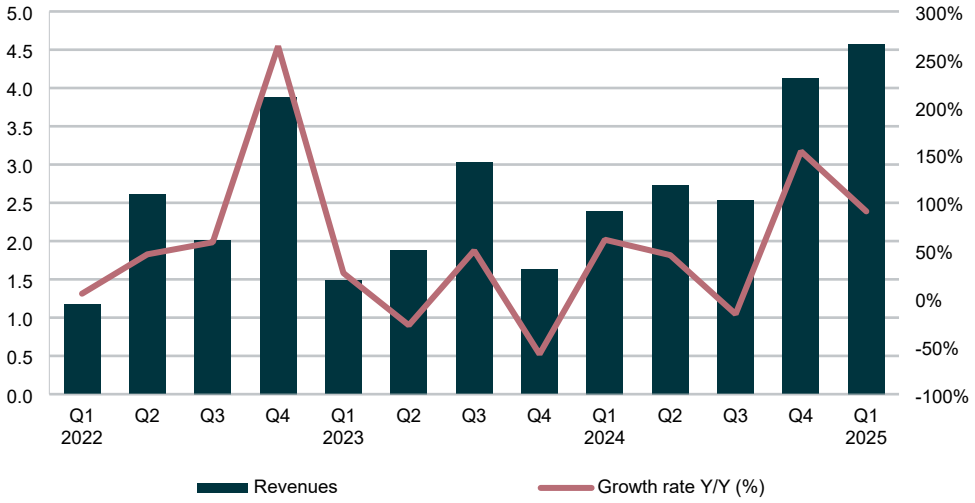
Sales momentum picking up

Since its approval in mid-2021 and subsequent European market entry in March 2022, Strangvac sales have been sluggish. We estimate that only a small fraction of the addressable horse population in Europe has been vaccinated to date. In response to the slow initial uptake, the company has implemented a series of initiatives over the past 24 months. These include:

1) Initiatives to drive awareness among key opinion leaders in the field about the vaccine and strangles
2) Improve the manufacturing process to increase flexibility, enabling a more scalable and stable production flow
3) Secured the publication of complementary guidelines and recommendations to address label limitations, offering veterinarians and horse owners practical guidance on the effective use of Strangvac

With these initiatives in place, we have seen promising signs in recent quarters of improved sales development, though volumes remain at relatively low levels.

Quarterly net sales 2022 - Q1 2025 (SEKm)



Source: Company data

As part of a joint effort between the company and its European distribution partner, Dechra, a key opinion leader meeting was held in Flyinge, Sweden, in late 2023. We believe this was a valuable opportunity to increase awareness of Strangvac and to present additional data from field studies, particularly regarding usage and dosing, that had not been included in the product label.

Following the meeting, a group of veterinarians published an article on strangles vaccination in Europe in July 2024 (Rendle, D. et al., Equine Veterinary Education, 2024). The article includes information on currently available vaccines, including Strangvac, and provides practical guidance, based on both clinical and field data, on how the vaccine should be used and which horses are recommended for vaccination.

Another challenge, as we understand it, has been achieving manufacturing flexibility to allow production at varying scales, from small to large volumes, depending on demand. At launch, the manufacturing process was optimised for large-scale production. This led to inefficiencies, as market uptake takes time and large production batches risk losing shelf-life, making them difficult, or even impossible, to resell. Although the shelf life has been extended since launch, producing large-scale batches has remained inefficient. In February 2025, a more flexible, upgraded manufacturing process was approved by the European Medicines Agency (EMA), followed by approval from UK authorities approximately one month later.

All the above-mentioned initiatives appear to have been crucial for distribution partner Dechra, which over the past 12 months has, in our view, become more active in launch activities. A campaign has been launched in the UK, and new markets have been announced open for sales during 2025, strengthening our confidence that better times lie ahead for Strangvac.

Beyond product-related achievements, the company has made important changes to its leadership team, in our view adding valuable marketing experience. Additionally, to financially support stronger marketing efforts for Strangvac, a rights issue was completed in early 2025, strengthening the company's financial position by SEK193m. We estimate that the capital injection provides sufficient funding for the company to reach positive cash flow sometime during 2027. The rights issue also resulted in industry player HealthCap becoming the largest shareholder, acquiring a 25.9% stake in the company. We view HealthCap's involvement positively, as its presence may serve as a form of validation for some investors. Perhaps even more importantly, it brings financial strength that could prove valuable if additional funding is required in the future.

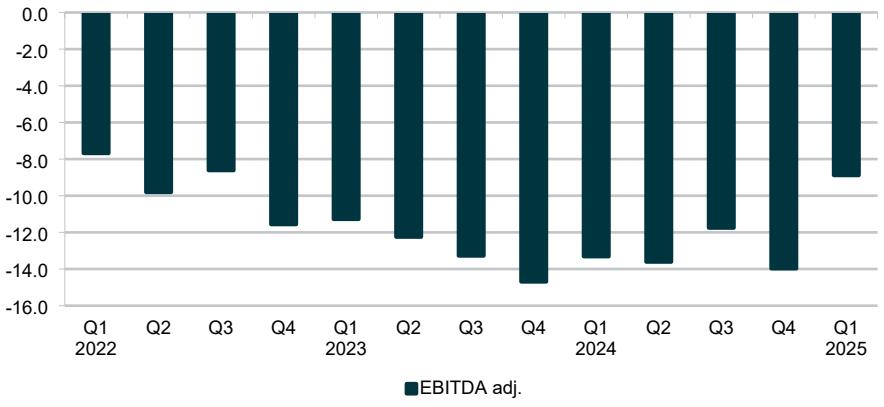
Q1 set a positive tone

As mentioned above, sales have picked up over the last two quarters, with revenues rising to SEK4.6m in Q1, up by 91% from SEK2.4m in the same period last year. We believe sales increases have primarily been driven by the intensified marketing efforts from partner Dechra, particularly in the UK, where the number of doses sold during the quarter was three times higher than the cumulative sales since the product's launch in 2022.

With the work to improve the manufacturing process now completed, operating expenses declined in Q1 to SEK-18.8m (SEK-20.5m), despite higher sales. However, we believe this reduction is somewhat temporary, as we expect marketing efforts to ramp up gradually over the coming quarters.

Higher sales in Q1, combined with lower expenses, led to significantly improved results, with EBIT at SEK-13.5m (SEK-18.0m). This improvement was also reflected in operational cash flow, which improved to SEK-11.7m from SEK-16.3m. The company exited the first quarter with a strong cash position of SEK219.1m following the recent capital raise. As we noted above, we believe this is sufficient to support operations until positive cash flow is achieved.

Quarterly EBITDA adj. 2022 - Q1 2025 (SEKm)



Source: Company data

Focused strategy on Strangvac

Despite its strengthened financial position, we expect the company to maintain a strong focus on Strangvac, supporting its continued early-stage market introduction. To enable this, the company has scaled back other platform opportunities to concentrate on driving sales and improving profitability.

Another key priority is advancing Strangvac towards availability in the US market. While the process has been ongoing for some time, recent developments suggest renewed activity and looking forward to an update in Q2. However, we anticipate that additional clinical testing will

be required, which is likely to drive some increase in costs over the coming quarters. The company has not provided a timeline for US approval, but our current, and conservative, estimate is that approval could be achieved in 2027, with a market launch in 2028. We believe that, well before this occurs, a commercial partnership should ideally be secured to support market entry and scale-up. In our view, Strangvac represents an attractive asset for established players in the veterinary field, which could potentially make a favourable licence deal include an upfront payment (not included in our estimates). While the number of potential partners is smaller compared to human medicine, Strangvac stands out as a highly innovative vaccine, something that remains relatively scarce in the veterinary pharmaceutical industry.

The company has not completely paused other programmes. In 2024, it was awarded funding from the Eurostars 3 programme to advance development of the early-stage vaccine candidate against Streptococcus suis infections in pigs, INV274. Approximately SEK19m (10%) of the rights issue proceeds has been allocated to support this development. Combined with the Eurostars grant, these funds will finance the project through the preclinical phase and preparations for GMP manufacturing. Given the early stage of development, we have not included any forecasts for INV274 in our current modelling.

Intervacc product pipeline

Product	Indication	Region	Design of the vaccine	Preclinical phase	Clinical development / Regulatory Phase	Market
Strangvac	Strep. equi.	Europe				
		US				
		Oceania				
INV274	Strep. suis					
INV412	Strep. aureus					

Source: Company

Strong belief in Strangvac longer-term story

Strangvac was developed to provide a safe, effective and easy-to-administer vaccine for the prevention of strangles, offering clear advantages over existing alternatives. It is composed of three antigens, two fusion proteins and an enzyme, which together represent eight of the most prevalent Streptococcus equi proteins. As a result, Strangvac is likely to offer protection against all known strains of the bacterium. Since it contains neither live nor attenuated components of Streptococcus equi, there is no risk that the vaccine itself could cause the disease.

Strangvac was approved in the EU, UK and Norway in 2021 and launched in selected European markets during the first half of 2022. Approval was based on data from experimental challenge studies that demonstrated strong protective efficacy and a favourable safety profile. The primary vaccination schedule consists of two intramuscular doses administered 28 days apart to induce active immunity. In clinical evaluations, the vaccine has shown a robust safety profile and high efficacy, with protection observed in up to 94% of horses following the third dose.

A key feature of Strangvac is its DIVA (Differentiating Infected from Vaccinated Animals) capability. Unlike traditional live or attenuated vaccines, Strangvac does not include bacterial DNA or antigens commonly used in diagnostic tests for strangles. This enables accurate identification of infected animals during surveillance and outbreak control, without interference from vaccine-induced antibodies.

We view this capability, alongside Strangvac's improved safety profile and demonstrated protective efficacy in challenge studies, as a significant differentiator that positions the vaccine favourably against currently available strangles vaccines.

Competition does not impress

Several vaccines have been developed for the prevention and treatment of strangles, but we believe only two to three remain actively marketed today. While published data on their safety

and efficacy is limited, our impression is that these vaccines provide only modest protection, and some safety concerns.

Strepvax II, marketed by Boehringer Ingelheim, remains actively available in the US. It is an intramuscular, killed bacterial extract vaccine containing purified antigens from Streptococcus equi cells. The primary vaccination schedule consists of three doses administered at three-week intervals. However, the unclear efficacy of annual boosters, and the perceived need for them, appear to limit broader uptake. Overall, publicly available data on the vaccine's effectiveness is limited. Some sources suggest it may reduce disease outbreaks by approximately 50%, but we have not been able to independently verify these claims.

While Strepvax II has demonstrated effectiveness in preventing strangles, its duration of immunity remains uncertain. Additionally, the vaccine lacks DIVA capability, which can complicate disease surveillance and outbreak control.

The vaccine is generally well tolerated, with a reduced risk of adverse reactions due to its purified antigen composition. Nonetheless, some horses may experience local or systemic hypersensitivity responses.

Equivac S is a Zoetis-manufactured vaccine used for the control of equine strangles. It is licensed and primarily marketed in Australia, with availability in New Zealand as well. Similar to Strepvax II, Equivac is a cell-free extract vaccine administered intramuscularly. The typical vaccination regimen includes a series of three doses administered at intervals of at least two weeks, followed by a booster within 12 months. However, results from a study conducted in Australia (El-Hage, C. et al., Australian Veterinary Journal, 2019) suggest that the vaccine's effectiveness is limited. Mean antibody levels exceeded the test cut-off in only four horses (22%), and this response was confined to just one of the two tested Streptococcus equi-specific cell wall proteins.

We believe all of the above intramuscular vaccines have similarities, and most likely they have a weak efficacy.

Equilis Strep E (also known as Strepguard in the US), is the original name for a live-attenuated aroA deletion mutant vaccine developed by MSD Animal Health for use in Europe, administered submucosally into the upper lip of horses using a two-dose primary vaccination schedule, followed by annual boosters. The vaccine was introduced in the mid-2000s but faced challenges related to short duration of protection, adverse events and limited market uptake. As we understand it, it was voluntarily withdrawn in some countries due to the risk of clinically-adverse reactions following vaccination, believed to be associated with bacterial replication.

It is also important to note that Strepguard does not support DIVA (Differentiating Infected from Vaccinated Animals), which can hinder surveillance and outbreak management. Based on available information, we believe the adverse reaction profile is similar to that of Strepvax II.

Pinnacle IN, marketed by Zoetis in the US, is another vaccine currently available for the prevention of strangles in horses. It is an intranasal, two-dose modified live vaccine targeting Streptococcus equi. While it offers a non-injectable administration route, its use has been associated with side effects such as a painful build-up of infection fluid in the lower jaw and nasal discharge (we believe this is very rare but still may complicate vaccination schedules). No data about efficacy have been found, but some articles suggests higher protection than Strepvax II.

As a live modified vaccine, Pinnacle IN carries certain risks. Accidental contamination of other sites can occur, and issues have been reported when it is administered concurrently with other intramuscular vaccines. For similar reasons, invasive procedures, such as joint injections, should not be performed at the same time as vaccination. Vaccination may be considered when Streptococcus equi is endemic on the premises or for horses at high risk of exposure. However, vaccination during an active outbreak is not recommended, as it increases the risk of adverse reactions and complications.

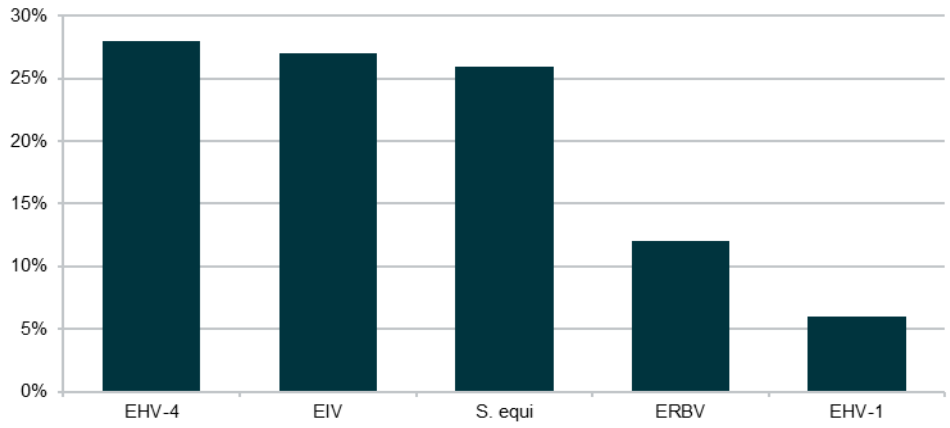
While generally well tolerated, some horses may experience mild, transient upper respiratory signs post-vaccination. Rarely, more serious reactions such as abscess formation or purpura hemorrhagica have been reported. The most common symptom of purpura is swelling of the legs, head, neck or whole body. This condition is often fatal, due to death of the skin, heart muscle, lung tissue, or GI tract tissue.

Clear reasons for strangles vaccination

Horses travel within and between countries, or even around the world to attend equine events, which creates a risk of transmission of infectious diseases. For example, there are approximately 300 outbreaks of strangles diagnosed each year in the UK, and 100 per year in Sweden, with a similarly high prevalence of the disease believed to occur throughout Europe. However, the true prevalence of strangles outbreaks may be even higher as not all cases are reported to veterinarians or confirmed through laboratory diagnosis.

The latest annual analysis (January–December 2024) from the Equine biosurveillance programme, an ongoing national surveillance study managed by Merck Animal Health in partnership with the University of California, Davis, Equine Infectious Disease Research Laboratory, reveals that equine influenza remains one of the most frequently diagnosed respiratory diseases, alongside equine herpesvirus type 4 (EHV-4) and Streptococcus equi subspecies equi (strangles). We believe this highlights the need for vaccinating horse for strangles, and perhaps eventually this type of vaccination becoming mandatory.

Percentage of total positive cases 2008-2024



Source: Merck Animal Health, Biosurveillance program disease incidence

EHV1-4 – equine herpesvirus types, EIV – equine influenza virus, ERBV – equine rhinitis A/B viruses

Estimates and estimate changes

We have revised our estimates to reflect a longer adoption period for new veterinary vaccines in Europe. While this lowers near-term sales and earnings expectations, it strengthens our confidence in the company's ability to meet or even exceed our forecasts.

Overview estimate changes

				New estimaste			Old estimates			Abs. Change			%change		
(SEKm)	2022	2023	2024	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e
Revenues	9.7	8.0	11.8	24.7	54.5	106.2	33.4	111.3	259.7	-8.7	-56.8	-153.5	-26%	-51%	-59%
Gross profit*	0.7	-13.8	-3.5	11.0	26.9	60.5	14.2	66.8	166.2	-3.2	-39.9	-105.7	-23%	-60%	-64%
Opex	-68.5	-81.5	-74.8	-86.0	-116.9	-135.9	-81.1	-106.6	-155.8	-4.9	-10.3	19.9	6%	10%	-13%
EBITDA	-43.6	-69.0	-58.7	-54.9	-69.9	-54.3	-46.6	-18.2	36.4	-8.3	-51.7	-90.6	-18%	-283%	-249%
D&A	-20.9	-24.6	-18.5	-18.8	-18.8	-19.1	-18.7	-19.6	-26.0	-0.1	0.8	6.9	-1%	4%	-26%
EBIT	-64.4	-93.6	-77.3	-73.7	-88.7	-73.4	-65.3	-37.8	10.4	-8.4	-50.9	-83.8	-13%	-135%	-807%
Pre tax profit	-64.2	-91.5	-75.5	-70.3	-86.9	-72.9	-63.6	-36.8	10.4	-6.7	-50.1	-83.3	-11%	-136%	-802%
Profit/loss	-64.2	-102.9	-75.5	-70.3	-86.9	-72.9	-63.6	-38.3	9.2	-6.7	-48.6	-82.1	-11%	-127%	888%
EPS	-1.27	-1.36	-1.00	-0.21	-0.25	-0.21	-0.84	-0.51	0.12	0.6	0.3	-0.3	75%	50%	275%
EPS adj.	-1.16	-1.54	-1.00	-0.33	-0.24	-0.19									
Net sales growth Y/Y (%)	85%	-17%	47%	110%	120%	95%	170%	233%	133%	61%	113%	38%	-36%	-48%	-29%
Gross margin %	7%	-172%	-30%	45%	49%	57%	43%	60%	64%	2%	11%	7%	5%	-18%	-11%
EBITDA margin %	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	14%	Na.	Na.	Na.	Na.	Na.	Na.
EBIT margin %	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	4%	Na.	Na.	Na.	Na.	Na.	Na.

*gross profit is an estimate of revenues less goods for resale

Source: DNB Carnegie (estimates) & company

Quarterly estimates 2024–26 (SEKm)

	2024				2025				2026			
SEKm	Q1	Q2	Q3	Q4	Q1	Q2e	Q3e	Q4e	Q1e	Q2e	Q3e	Q4e
Operating income												
Revenues	2.4	2.7	2.5	4.1	4.6	6.1	5.8	8.2	9.6	13.4	14.2	17.3
Other operating income	0.1	0.5	0.1	0.3	0.7	0.2	0.2	0.2	0.3	0.3	0.3	0.4
Total	**2.5**	**3.3**	**2.6**	**4.5**	**5.2**	**6.3**	**6.0**	**8.4**	**9.9**	**13.7**	**14.5**	**17.7**
Operating expenses												
Goods for resale, raw materials and consumables	-2.0	-2.2	-7.9	-3.3	-2.2	-3.7	-3.3	-4.5	-5.2	-7.0	-7.1	-8.3
Other external costs	-8.6	-8.9	-7.4	-9.2	-6.2	-8.6	-11.3	-14.5	-16.0	-15.4	-15.6	-17.0
Employee benefit expenses	-4.9	-5.8	-5.1	-5.8	-5.7	-6.4	-6.8	-7.7	-8.2	-8.3	-8.0	-9.6
Depreciation of equipment and intangible assets	-4.7	-4.7	-4.7	-4.5	-4.7	-4.7	-4.7	-4.7	-4.7	-4.7	-4.7	-4.7
Other operating expenses	-0.3	0.0	-0.1	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total operating expenses	**-20.5**	**-21.5**	**-25.1**	**-23.0**	**-18.8**	**-23.4**	**-26.1**	**-31.4**	**-34.1**	**-35.4**	**-35.4**	**-39.6**
Operating profit/loss	**-18.0**	**-18.3**	**-22.5**	**-18.5**	**-13.5**	**-17.1**	**-20.1**	**-23.0**	**-24.2**	**-21.7**	**-20.9**	**-21.9**
Net financial items	0.6	0.4	0.3	0.4	0.4	1.2	1.0	0.8	0.6	0.5	0.4	0.3
Profit/loss before taxes	**-17.4**	**-17.8**	**-22.2**	**-18.1**	**-13.2**	**-15.9**	**-19.1**	**-22.2**	**-23.6**	**-21.2**	**-20.5**	**-21.6**
Tax on profit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net loss for the period	**-17.4**	**-17.8**	**-22.2**	**-18.1**	**-13.2**	**-15.9**	**-19.1**	**-22.2**	**-23.6**	**-21.2**	**-20.5**	**-21.6**
Gross profit*	**0.4**	**0.6**	**-5.4**	**0.8**	**2.4**	**2.4**	**2.5**	**3.7**	**4.4**	**6.4**	**7.1**	**9.0**
EBITDA	**-13.3**	**-13.6**	**-17.9**	**-14.0**	**-8.9**	**-12.4**	**-15.4**	**-18.3**	**-19.5**	**-17.0**	**-16.2**	**-17.2**
EBIT	**-18.0**	**-18.3**	**-22.5**	**-18.5**	**-13.5**	**-17.1**	**-20.1**	**-23.0**	**-24.2**	**-21.7**	**-20.9**	**-21.9**
Gross margin*	17%	21%	-212%	21%	52%	39%	43%	45%	46%	48%	50%	52%
EBITDA margin	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.
EBIT margin	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.

gross profit is an estimate of revenues less goods for resale

Source: DNB Carnegie (estimates) & company

Full-year updated estimates 2022–29e

SEKm	2022	2023	2024	2025e	2026e	2027e	2028e	2029e
Operating income								
Revenues	9.7	8.0	11.8	24.7	54.5	106.2	223.0	381.5
Other operating income	3.4	1.8	1.0	1.3	1.3	2.0	2.0	2.0
Total	**13.1**	**9.8**	**12.8**	**26.0**	**55.8**	**108.2**	**225.0**	**383.5**
Operating expenses								
Goods for resale, raw materials and consumables	-9.0	-21.8	-15.3	-13.7	-27.6	-45.7	-75.8	-125.9
Other external costs	-26.9	-36.6	-34.2	-40.6	-64.0	-76.5	-93.6	-118.3
Employee benefit expenses	-19.6	-19.7	-21.5	-26.6	-34.1	-40.3	-49.0	-64.8
Depreciation of equipment and intangible assets	-20.9	-24.6	-18.5	-18.8	-18.8	-19.1	-19.0	-19.8
Other operating expenses	-1.2	-0.7	-0.5	0.0	0.0	0.0	0.0	0.0
Total operating expenses	**-77.5**	**-103.4**	**-90.1**	**-99.7**	**-144.5**	**-181.6**	**-237.4**	**-328.8**
Operating profit/loss	**-64.4**	**-93.6**	**-77.3**	**-73.7**	**-88.7**	**-73.4**	**-12.5**	**54.6**
Net financial items	0.3	2.1	1.8	3.4	1.8	0.5	0.0	0.0
Profit/loss before taxes	**-64.2**	**-91.5**	**-75.5**	**-70.3**	**-86.9**	**-72.9**	**-12.5**	**54.6**
Tax on profit	0.0	-11.4	0.0	0.0	0.0	0.0	0.0	0.0
Net loss for the period	**-64.2**	**-102.9**	**-75.5**	**-70.3**	**-86.9**	**-72.9**	**-12.5**	**54.6**
Gross profit*	**0.7**	**-13.8**	**-3.5**	**11.0**	**26.9**	**60.5**	**147.1**	**255.6**
EBITDA	**-43.6**	**-69.0**	**-58.7**	**-54.9**	**-69.9**	**-54.3**	**6.5**	**74.5**
EBIT	**-64.4**	**-93.6**	**-77.3**	**-73.7**	**-88.7**	**-73.4**	**-12.5**	**54.6**
Gross margin*	7%	-172%	-30%	45%	49%	57%	66%	67%
EBITDA margin	neg.	neg.	neg.	neg.	neg.	neg.	3%	20%
EBIT margin	neg.	neg.	neg.	neg.	neg.	neg.	-6%	14%
**gross profit is an estimate of revenues less goods for resale*								

Source: DNB Carnegie (estimates) & company

Valuation and risks

Our valuation of Intervacc is based on a DCF model, indicating a fair value range of SEK 2.00–2.70 per share. The model is built on a detailed 10-year forecast, primarily focused on Strangvac. At the lower end of our fair value range, we apply a higher-risk scenario using a 16% WACC to reflect remaining uncertainties related to US approval of Strangvac, the pace of sales ramp-up and balance sheet risks, given the company's continued loss-making position. In contrast, the upper end of the range assumes reduced risk related to the company's growth trajectory and financial position, and is based on a lower WACC of 12%.

DCF assumptions

We believe Strangvac is an attractive asset still in its early stages, and we forecast strong sales growth for many years ahead. Over our forecast period, we estimate that the company's revenues will grow significantly, reaching SEK1.2bn by 2034, where US market representing half of total sales. In our modelling, we expect Intervacc to become cash flow positive at the operating level by 2028 and to achieve profitability by 2029. Based on these assumptions, we believe the company's current funding is sufficient to support the business until these milestones are reached.

In our longer-term scenario, we estimate that Intervacc could become a highly profitable company, achieving strong margins on its vaccine while leveraging commercial partners to ensure broad market reach. We forecast EBITDA margins to exceed 30% as Strangvac sales mature by 2032. In our model, we assume sales will peak in 2035 and then gradually decline through 2040, as new treatments are expected to emerge and take over the market. With that said, for now we are not aware of any competing vaccines in development.

DCF table (SEKm)

DCF assumptions - Summary	2025e	2026e	2027e	Average year 4-5	6-10	11-15	16-20	Terminal period
Total sales growth	103.1%	114.6%	94.0%	90.5%	27.4%	-6.8%	-15.0%	0.0%
EBITDA margin	-203.7%	-118.2%	-44.6%	11.2%	29.5%	30.1%	16.6%	12.0%
Depreciation % of sales	-71.3%	-33.2%	-17.1%	-6.9%	-2.4%	-2.0%	-2.0%	-2.0%
EBITA margin	-275.0%	-151.5%	-61.8%	4.4%	27.1%	28.1%	14.6%	10.0%
Amortisations % of sales	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT margin	-275.0%	-151.5%	-61.8%	4.4%	27.1%	28.1%	14.6%	10.0%
Capex % of sales	-5.8%	-4.5%	-2.8%	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
Paid tax rate	0.0%	0.0%	0.0%	-20.6%	-20.6%	-20.6%	-20.6%	-20.6%
NWC to sales	9.5%	24.5%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%
Sales	26	56	108	308	991	1 070	545	384
EBITDA	**-53**	**-66**	**-48**	**41**	**298**	**324**	**96**	**46**
Capex	-2	-3	-3	-6	-20	-21	-11	-8
Taxes	0	0	0	-4	-57	-62	-18	8
Other	-8	-11	-4	-23	-27	12	16	144
Free cash flow	**-62**	**-80**	**-55**	**8**	**194**	**252**	**83**	**190**
Discounted FCF	-58	-64	-38	3	60	41	7	11
Share of total discounted FCF	-14%	-16%	-10%	2%	75%	52%	9%	3%

Valuation	SEKm	Per share
EV (discounted FCF)	400	1.2
- Net debt (2024)	34	0.1
+ Associates	0	0.0
- Minority interest	0	0.0
- Outstanding warrants	0	0.0
Other debt adjustments	193	0.6
Equity value at YE (25)	**627**	**1.8**
Time adjustment	61	0.2
Dividend	0	0.0
Current equity value	**689**	**2.0**

WACC assumptions	
Risk-free rate	4.0%
Market risk premium	4.0%
Adjusted Beta	300.0%
Country risk premium	0.0%
Liquidity risk premium	0.0%
ESG risk (-1% to +1%)	0.0%
Cost of equity	**16.0%**
Risk-free rate	4.0%
Credit spread	1.6%
Cost of debt (Rf + credit spread)	5.6%
Taxes	20.6%
After-tax cost of debt	4.4%
Equity weight	**100.0%**
WACC	**16.0%**

Source: DNB Carnegie (estimates)

Sensitivity analysis DCF / WACC

Wacc	10%	11%	12%	13%	14%	15%	16%	17%	18%
DCF	3.3	3.0	2.7	2.5	2.3	2.2	2.0	1.9	1.8

Source: DNB Carnegie (estimates)

Risks

Here, we outline the key risks we believe apply to Intervacc. It is not intended to be a comprehensive list of the risks the company may face but rather includes those we consider most relevant, not presented in any particular order.

Regulatory risks: The bar for developing new treatments and vaccines is high, though somewhat lower for veterinary indications compared to human medicine. However, we believe the regulatory authorities overseeing veterinary services are smaller in scale, which may result in slower communication and potential delays. It looks like the process in the US may be on track again, but any clear timeline for US approval has yet to be communicated.

Competitive risks: We believe that currently approved vaccines have a first-mover advantage, having been on the market for several years. In our view, however, Strangvac offers a more attractive product profile. When assessing the competitive landscape, activity in vaccine development for this indication appears limited, and we have not identified any competing products currently in development.

Market acceptance risks. Establishing a new product on the market is always challenging, and we believe this is especially true in the veterinary field. Clinical documentation requirements are less extensive than in human medicine, resulting in more limited supporting data, which can make the case for commercial adoption less persuasive.

Financing risks: Following the recent capital raise, near-term financial risk is low. However, if sales do not improve as we forecast, entering the second half of 2026, these risks are likely to resurface and may become a concern for investors.

Technological and intellectual property risks. Intervacc has secured a broad portfolio of patents that protect Strangvac from competition until at least the early 2030s, and likely beyond. As a biological product, we believe it would be both difficult and costly to develop a biosimilar. To our knowledge, no biosimilar veterinary vaccines have been approved to date.

Financial statements

Profit & loss (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Sales	37	15	8	8	10	10	13	26	56	108
COGS	-30	-12	-2	-3	-9	-22	-15	-14	-28	-46
Gross profit	**6**	**4**	**5**	**5**	**1**	**-12**	**-3**	**12**	**28**	**63**
Other income & costs	-23	-25	-25	-28	-45	-57	-56	-65	-94	-111
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
EBITDA	**-16**	**-22**	**-20**	**-23**	**-44**	**-69**	**-59**	**-53**	**-66**	**-48**
Depreciation PPE	0	0	0	0	0	0	0	0	0	0
Depreciation lease assets	0	0	0	0	0	0	0	0	0	0
Amortisation development costs	0	0	0	0	-15	-18	-17	-17	-17	-17
Amortisation other intangibles	-15	0	0	0	0	-1	-1	-1	-1	-1
Impairments / writedowns	0	0	0	0	0	0	0	0	0	0
EBITA	**-31**	**-22**	**-20**	**-24**	**-59**	**-88**	**-77**	**-71**	**-84**	**-67**
Amortization acquisition related	0	-6	-6	-6	-6	-6	0	0	0	0
Impairment acquisition related	0	0	0	0	0	0	0	0	0	0
EBIT	**-31**	**-28**	**-26**	**-29**	**-64**	**-94**	**-77**	**-71**	**-84**	**-67**
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
Net financial items	0	0	0	0	0	2	2	3	2	1
of which interest income/expenses	0	0	0	0	0	0	0	0	0	0
of which interest on lease liabilities	0	0	0	0	0	0	0	0	0	0
of which other items	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	**-31**	**-28**	**-26**	**-29**	**-64**	**-91**	**-76**	**-68**	**-83**	**-66**
Taxes	4	0	0	0	0	-11	0	0	0	0
Post-tax minorities interest	0	0	0	0	0	0	0	0	0	0
Discontinued operations	0	0	0	0	0	0	0	0	0	0
Net profit	**-27**	**-28**	**-26**	**-29**	**-64**	**-103**	**-76**	**-68**	**-83**	**-66**
Adjusted EBITDA	-16	-22	-20	-23	-44	-69	-59	-53	-66	-48
Adjusted EBITA	-31	-22	-20	-24	-59	-88	-77	-71	-84	-67
Adjusted EBIT	-31	-28	-26	-29	-64	-94	-77	-71	-84	-67
Adjusted net profit	-27	-22	-20	-23	-58	-97	-76	-68	-83	-66
Sales growth Y/Y	+chg	-58.2%	-50.6%	2.7%	34.2%	-6.3%	31.1%	103.1%	114.6%	94.0%
EBITDA growth Y/Y	-chg	-chg	+chg	-chg	-chg	-chg	+chg	+chg	-chg	+chg
EBITA growth Y/Y	-chg	+chg	+chg	-chg	-chg	-chg	+chg	+chg	-chg	+chg
EBIT growth Y/Y	-chg	+chg	+chg	-chg	-chg	-chg	+chg	+chg	-chg	+chg
EBITDA margin	-44.0%	-141.8%	-258.2%	-299.6%	-418.3%	-706.8%	-459.0%	-203.7%	-118.2%	-44.6%
EBITA margin	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
EBIT margin	-84.3%	-182.1%	-339.9%	-378.9%	-618.6%	na	-603.8%	-275.0%	-151.5%	-61.8%
Tax rate	11.5%	na	na	na	na	-12.5%	na	na	na	na

Cash flow (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
EBITDA	-16	-22	-20	-23	-44	-69	-59	-53	-66	-48
Paid taxes	0	1	0	0	0	0	0	0	0	0
Change in NWC	11	18	-1	-2	-27	4	1	-8	-11	-4
Interests paid	0	0	0	0	0	2	2	3	2	1
Actual lease payments	0	0	0	0	0	0	0	0	0	0
Non cash adjustments	1	-1	0	0	0	0	3	0	1	0
Discontinued operations	0	0	0	0	0	0	0	0	0	0
Total operating activities	**-4**	**-3**	**-20**	**-25**	**-70**	**-46**	**-53**	**-57**	**-75**	**-52**
Capex tangible assets	-1	0	0	-1	-1	0	0	-2	-3	-3
Capitalised development costs	-23	-39	-10	-22	-4	-1	0	0	0	0
Capex - other intangible assets	0	-1	-1	0	-1	-1	-1	-1	-3	-4
Acquisitions/divestments	0	0	0	0	0	0	0	0	0	0
Other non-cash adjustments	1	1	0	0	0	0	0	0	0	0
Total investing activities	**-23**	**-39**	**-11**	**-23**	**-6**	**-2**	**-1**	**-2**	**-5**	**-7**
Dividend paid and received	0	0	0	0	0	0	0	0	0	0
Share issues & buybacks	50	58	143	0	6	91	0	193	0	0
Change in bank debt	0	0	0	0	0	0	0	0	0	0
Other cash flow items	-7	0	0	0	0	0	0	0	0	0
Total financing activities	**42**	**58**	**143**	**0**	**6**	**91**	**0**	**193**	**0**	**0**
Operating cash flow	-4	-3	-20	-25	-70	-46	-53	-57	-75	-52
Free cash flow	-28	-42	-31	-49	-76	-48	-54	-59	-80	-59
Net cash flow	15	16	112	-49	-70	43	-54	134	-80	-59
Change in net IB debt	22	16	112	-49	-70	43	-54	134	-80	-59
Capex / Sales	2.3%	2.7%	-2.0%	8.9%	8.5%	0.6%	0.0%	5.8%	4.5%	2.8%
NWC / Sales	8.7%	-21.0%	-162.7%	-137.9%	35.4%	66.0%	-35.9%	-5.1%	14.5%	14.4%

Source: DNB Carnegie (estimates) & company data

Financial statements, cont.

Balance sheet (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Acquired intangible assets	29	24	18	12	6	0	0	0	0	0
Other fixed intangible assets	6	7	8	8	9	9	9	9	11	15
Capitalised development	100	139	149	171	161	144	127	110	92	75
Tangible assets	1	1	0	1	1	1	1	2	4	6
Lease assets	0	0	0	0	0	0	0	0	0	0
Other IB assets (1)	0	0	0	0	0	0	0	0	0	0
Other non-IB assets	11	11	11	11	11	0	0	0	0	0
Fixed assets	**149**	**181**	**186**	**203**	**189**	**155**	**137**	**120**	**107**	**96**
Inventories (2)	11	1	2	7	27	10	11	18	29	39
Receivables (2)	3	1	0	0	1	1	1	3	5	9
Prepaid exp. & other NWC items (2)	3	1	2	3	2	5	3	4	8	8
IB current assets (1)	0	0	0	0	0	0	0	0	0	0
Other current assets	1	0	0	1	0	1	0	1	1	1
Cash & cash equivalents (1)	37	53	164	116	46	88	34	169	89	30
Current assets	**54**	**56**	**169**	**126**	**76**	**105**	**50**	**195**	**131**	**88**
Total assets	**203**	**237**	**355**	**329**	**265**	**260**	**187**	**315**	**238**	**184**
Shareholders' equity	190	220	338	308	250	238	162	288	205	139
Minorities	0	0	0	0	0	0	0	0	0	0
Other equity	0	0	0	0	0	0	0	0	0	0
Total equity	**190**	**220**	**338**	**308**	**250**	**238**	**162**	**288**	**205**	**139**
Deferred tax	0	0	0	0	0	0	0	0	0	0
LT IB debt (1)	1	0	0	0	0	0	0	0	0	0
Other IB provisions (1)	0	0	0	0	0	0	0	0	0	0
Lease libilities	0	0	0	0	0	0	0	0	0	0
Other non-IB liabilities	0	0	0	0	0	0	0	0	0	0
LT liabilities	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
ST IB debt (1)	0	0	0	0	0	0	0	0	0	0
Payables (2)	7	5	10	10	6	8	11	12	16	24
Accrued exp. & other NWC items (2)	3	11	6	10	8	11	9	10	12	15
Other ST non-IB liabilities	1	1	1	1	1	2	4	5	6	6
Liabilities - assets held for sale	0	0	0	0	0	0	0	0	0	0
Current liabilities	**12**	**17**	**17**	**21**	**15**	**22**	**25**	**27**	**33**	**45**
Total equity and liabilities	**203**	**237**	**355**	**329**	**265**	**260**	**187**	**315**	**238**	**184**
Net IB debt (=1)	-35	-52	-164	-115	-45	-88	-34	-168	-89	-30
Net working capital (NWC) (=2)	6	-13	-12	-10	17	-4	-5	2	14	18
Capital employed (CE)	191	221	338	309	250	238	162	288	205	139
Capital invested (CI)	43	18	14	11	33	6	5	13	29	39
Equity / Total assets	94%	93%	95%	94%	94%	92%	87%	91%	86%	76%
Net IB debt / EBITDA	2.2	2.4	8.4	5.0	1.0	1.3	0.6	3.2	1.3	0.6

Per share data (SEK)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Adj. no. of shares in issue YE (m)	43.29	43.40	50.29	50.40	50.40	75.74	75.74	340.8	340.8	340.8
Diluted no. of Shares YE (m)	43.29	43.40	50.29	50.40	50.40	75.74	75.74	340.8	340.8	340.8
EPS	-1.27	-0.64	-0.55	-0.58	-1.27	-1.63	-1.00	-0.33	-0.24	-0.19
EPS adj.	-1.27	-0.51	-0.42	-0.47	-1.16	-1.54	-1.00	-0.33	-0.24	-0.19
CEPS	-0.59	-0.50	-0.41	-0.46	-0.86	-1.24	-0.75	-0.24	-0.19	-0.14
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BVPS	4.40	5.06	6.71	6.12	4.96	3.14	2.14	0.84	0.60	0.41

Performance measures	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
ROE	-28.8%	-13.6%	-9.2%	-9.1%	-23.0%	-42.1%	-37.7%	-30.3%	-33.6%	-38.6%
Adj. ROCE pre-tax	na	-10.7%	-7.1%	-7.3%	-20.8%	-35.0%	-37.7%	-30.3%	-33.5%	-38.6%
Adj. ROIC after-tax	na	-71.6%	-123.2%	-187.7%	-263.7%	-499.3%	-1378.4%	-775.8%	-400.2%	-198.6%

Valuation	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
FCF yield	-8.3%	-12.4%	-9.2%	-14.3%	-22.3%	-14.1%	-15.8%	-17.4%	-23.4%	-17.2%
Dividend yield YE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend + buy backs yield YE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV/Sales YE	4.93	34.78	>50	>50	>50	33.11	3.26	6.63	4.52	2.87
EV/EBITDA YE	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.
EV/EBITA YE	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.
EV/EBITA adj. YE	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.
EV/EBIT YE	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.
P/E YE	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
P/E adj. YE	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
P/BV YE	1.13	2.66	5.86	6.48	3.90	1.73	0.47	1.18	1.66	2.46
Share price YE (SEK)	4.99	13.4	39.3	39.6	19.4	5.43	1.00	0.98		

Source: DNB Carnegie (estimates) & company data

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