

Company Announcement

30 September 2010

Bavarian Nordic Realigns for Expansion

- Creation of two business divisions; Cancer Vaccines and Infectious Diseases
- Changes in executive management

Kvistgård, Denmark, September 30, 2010 - Bavarian Nordic A/S (OMX: BAVA) announced today the reorganization of the company's primary business areas into two divisions; Cancer Vaccines and Infectious Diseases each led by its own Division President reporting to the President & CEO of the Company.

The establishment of two divisions facilitates a stronger and more effective management structure and offers a number of benefits to the company, including:

- Optimization of resource management and investments
- Acceleration of development and in-licensing of new products within cancer and infectious diseases
- Multiple funding options and separate strategic partnership opportunities

Reiner Laus ¹⁾, Executive Vice President and CEO of BN ImmunoTherapeutics, Inc., Bavarian Nordic's wholly-owned cancer research unit in California, USA has been appointed Division President Cancer Vaccines. The division's main short-term strategic objectives are driving PROSTVAC™ to the market through partnership, broadening the portfolio by acquisitions and developing new cancer targets.

Paul Chaplin ²⁾, Executive Vice President and Chief Scientific Officer, has been appointed Division President Infectious Diseases. The division's main short-term strategic objectives are the continued delivery of IMVAMUNE® under the contract with the US government, while also securing new IMVAMUNE® orders and developing new late-stage vaccine candidates for infectious diseases beyond biodefence, supported by partnerships and/or acquisitions.

In order to provide strong leadership and accountability within the new structure, the executive management will be consolidated. As a consequence, Executive Vice President Steen Vangsgaard & Executive Vice President Anders Gram will be leaving Bavarian Nordic. Morten M. Rasmussen will continue as Senior Vice President, Legal/IP reporting to Anders Hedegaard. The executive management team hereafter consists of:

- Anders Hedegaard, President & CEO
- Paul Chaplin, Executive Vice President and Division President Infectious Diseases
- Reiner Laus, Executive Vice President and Division President Cancer Vaccines
- Ole Larsen, Executive Vice President and Chief Financial Officer

The changes, which will have no immediate impact on the legal structure of the Group, will take effect as of today.

Bavarian Nordic's President & CEO, Anders Hedegaard commented: *"The establishment of divisions provides the optimum conditions for future growth within our primary business areas; cancer and infectious diseases, including our biodefence programmes. The new organizational structure is ideal for generating short-term results. At the same time we are looking into expanding our activities in both areas by seeking strategic partnerships, which facilitate separate collaboration agreements with global pharma companies."*

Asger Aamund
Chairman of the Board

Contact

Anders Hedegaard, President & CEO. Phone +45 23 20 30 64

1)

Reiner Laus, Executive Vice President and Division President Cancer Vaccines

Dr. Laus is co-founder of BN ImmunoTherapeutics, formed by Bavarian Nordic in 2005 to conduct research and development in the field of recombinant poxviral vaccines for the immunotherapy of cancer. Since 2008, Dr. Laus has been member of the executive management of Bavarian Nordic. Before joining the company, Dr. Laus held the position as Vice President of Research and Development at Dendreon Corporation, where he worked for 11 years since the inception of the company. During his tenure at Dendreon, Dr. Laus was a key player in the development of PROVENGE, the first cancer vaccine to get approved by the FDA. Previously, Dr. Laus held appointments at the University of Kiel, Germany and at Stanford University, California. Dr. Laus received his M.D. from the University of Kiel.

2)

Paul Chaplin, Executive Vice President and Division President Infectious Diseases

Dr. Chaplin has been Chief Scientific Officer at Bavarian Nordic since 2000 and a member of the executive management team since 2004. Dr. Chaplin has managed the development of IMVAMUNE® since its conception, together with the other programmes based on MVA-BN® technology for infectious diseases. Since joining Bavarian Nordic A/S in 1999, Dr. Chaplin has played a key role in developing the company's MVA-BN® vaccine technology and is a key inventor on 98 granted patents and a further 67 pending applications. He is the Principal Investigator of the company's current RFP-3 contract under Project BioShield, as well as the prior contracts with the U.S. authorities for the development of IMVAMUNE®, which have raised more than USD 600 million, including more than USD 1 billion in potential contract options. Prior joining Bavarian Nordic A/S, Dr. Chaplin worked for several years both in the UK and Australia developing vaccines against infectious diseases. He received his PhD from Bristol University, UK.

About Bavarian Nordic

Bavarian Nordic is a leading industrial biotechnology company developing and producing novel vaccines for the treatment and prevention of life-threatening diseases with a large unmet medical need. The company's clinical pipeline targets cancer and infectious diseases, and includes seven development programmes. Two programmes under preparation for Phase III: PROSTVAC™, a therapeutic vaccine for advanced prostate cancer is being developed under a collaboration agreement with the National Cancer Institute, and IMVAMUNE®, a third-generation smallpox vaccine is being developed under a contract with the US government.

Bavarian Nordic is listed on NASDAQ OMX Copenhagen under the symbol BAVA.

For more information please visit www.bavarian-nordic.com

Forward-looking statements

This announcement includes "forward-looking statements" that involve risks, uncertainties and other factors, many of which are outside of our control that could cause actual results to differ materially from the results discussed in the forward-looking statements. Forward-looking statements include statements concerning our plans, objectives, goals, future events, performance and/or other information that is not historical information. We undertake no obligation to publicly update or revise forward-looking statements to reflect subsequent events or circumstances after the date made, except as required by law.