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## Company Announcement

4 April 2011

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## Bavarian Nordic plans a DKK 650 Million Rights Issue

*Kvistgård, Denmark, April 4, 2011* - Bavarian Nordic A/S (OMX: BAVA) has today convened the Annual General Meeting to be held on April 26, 2011. In that respect, the board has proposed to extend the current authorisation to increase the Company's share capital with the purpose of carrying out a rights issue with pre-emptive rights for existing shareholders.

As previously announced together with the publication of the 2010 Annual Report, the Company has reviewed various options to fund the continued development of PROSTVAC®, in particular opportunities to pursue an independent development in parallel with continuing the partnership discussions. Accordingly, the Company has concluded a rights issue to be the most suitable approach.

The rights issue is expected to be completed in the first half of 2011, subject to market conditions. The Company expects proceeds from the rights issue of approximately DKK 650 million, which in combination with positive cash flow from existing contracts for the Company's smallpox vaccine, IMVAMUNE®, would, the Company believes, enable the Company to pursue the independent development of PROSTVAC®, including the completion of the pivotal Phase 3 trial.

The total costs for completing the pivotal Phase 3 trial with PROSTVAC® are estimated to be approximately DKK 850 million, including internal costs, production of clinical trial material, contract research costs and validation of the commercial manufacturing process.

In parallel with the initiation of Phase 3, the Company will continue its discussions with potential partners among global pharmaceutical companies with the aim of entering into a collaboration agreement on co-development and commercialization of PROSTVAC®.

Bavarian Nordic has engaged Carnegie, Jefferies International Limited and Nordea Markets (Division of Nordea Bank Danmark A/S) as Joint Global Coordinators in the Rights Issue.

Asger Aamund  
Chairman of the Board

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**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 are 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](http://www.bavarian-nordic.com)

PROSTVAC® is a registered trademark in the U.S.

**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.