



BAVARIAN NORDIC

Company Announcement

16 November 2011

After Initiation of PROSTVAC® Phase 3 Trial Bavarian Nordic Issues New Shares as Agreed Milestone Payment to Former Co-owners of BN ImmunoTherapeutics Inc.

Kvistgård, Denmark, November 16, 2011 - Bavarian Nordic A/S (OMX: BAVA) today announced that its Board of Directors has resolved to increase the Company's share capital and issue 213,716 new shares with a nominal value of DKK 10 to a price of DKK 38.65 per share. The new shares are issued as consideration for Reiner Laus, CEO and President and two former employees of the Company's subsidiary, BN ImmunoTherapeutics Inc., following the successful completion of a milestone related to the initiation of the Phase 3 trial with the prostate cancer vaccine, PROSTVAC®.

As previously announced, Reiner Laus and the two former employees are entitled to a consideration for their shares in BN ImmunoTherapeutics Inc, which Bavarian Nordic acquired in 2009 to obtain full ownership of the subsidiary. The consideration consists in part of payments that are triggered upon the successful completion of a number of pre-defined development milestones, including the initiation of the PROSTVAC® Phase 3 trial.

The completion of above-mentioned milestone triggers a payment for Reiner Laus and two former employees of BN ImmunoTherapeutics Inc. totalling DKK 8.3 million, which are paid through the issue of 213,716 new shares, each with a nominal value of DKK 10.

Reference is made to the Company's announcements no. 26/2009, no. 32/2009 and no. 31/2011.

Issue of new shares and authorisation to increase the capital stock

Pursuant to section 5a in the Company's articles of association, the Board of Directors of Bavarian Nordic is authorised to increase the Company's share capital in one or more issues with a total of nominally DKK 130,814,070, corresponding to 13,081,407 shares with a nominal value of DKK 10 each.

A total of 213,716 new shares with a nominal value of DKK 10 will be issued. The offering of new shares will be made to Reiner Laus and the two former employees in the subsidiary. Existing shareholders will not have pre-emption rights.

The issue of shares will be made through debt conversion.

The subscription price is determined as the as the average share price ("closing price") for the Company's share on NASDAQ OMX Copenhagen A/S in a period of 15 business days prior to November 16, 2011.

The new shares are expected to be admitted to trading and official listing on NASDAQ OMX Copenhagen A/S before the end of 2011.

Following registration of the new shares, Bavarian Nordic's nominal share capital will be DKK 260,943,610 corresponding to 26,094,361 shares with a nominal value of DKK 10 each.

Asger Aamund
Chairman of the Board

Contact

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About Bavarian Nordic

Bavarian Nordic is a vaccine-focused 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 pipeline targets cancer and infectious diseases, and includes ten development programs. In oncology, the company's lead program is PROSTVAC[®], a therapeutic vaccine candidate for advanced prostate cancer that is the subject of an ongoing pivotal Phase 3 trial and is being developed under a collaboration agreement with the National Cancer Institute. In infectious diseases, the company's lead program is IMVAMUNE[®], a third-generation smallpox vaccine candidate that is being developed and supplied for emergency use to the U.S. Strategic National Stockpile under a contract with the U.S. Government. For more information, 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.