



BAVARIAN NORDIC

Company Announcement

5 May 2011

This announcement does not constitute an offer to sell or the solicitation of an offer to buy the securities of Bavarian Nordic A/S (the "Securities") in the United States or in any other jurisdiction. The Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. The issuer of the Securities has not registered, and does not intend to register, any portion of the Offering in the United States or in any jurisdiction outside Denmark and the United Kingdom, and does not intend to conduct a public offering of the Securities in the United States or in any other jurisdiction outside Denmark and the United Kingdom. Copies of this announcement are not being made and may not be distributed or sent into the United States, Canada, Australia or Japan.

This announcement is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors, as that term is defined in the Prospectus Directive, that are also (i) "investment professionals" falling within Article 19(5) of the Financial Service and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (ii) "high net worth entities" and other persons to whom it may lawfully be communicated, falling within the meaning of Article 49(2)(a) to (d) of the Order (all such persons being "relevant persons"). The securities of Bavarian Nordic A/S (the "Securities") are only available to relevant persons and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Securities will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this announcement or any of its content.

Bavarian Nordic today publishes a prospectus in connection with a 1 for 1 rights issue of up to 12,962,052 new shares at DKK 54 per share (the "Offering")

Kvistgaard, Denmark, May 5, 2011 - Bavarian Nordic A/S (OMX: BAVA) (the "Company") today publishes a prospectus in connection with an offering of new shares with preemptive rights for the Company's existing shareholders to subscribe for new shares in the ratio 1:1 at DKK 54 per share of nominal value DKK 10 each, which means that shareholders will be allocated one (1) preemptive right for each existing share held and that one (1) preemptive right entitles shareholders to subscribe for one (1) new share against payment of the offer price.

Reference is made to the prospectus in its entirety for a description of the Company and the Offering.

Reasons for the Offering and use of proceeds

The proceeds from the Offering will be used to fulfil the group strategy within cancer and infectious diseases by giving the Company the financial flexibility to independently initiate the pivotal Phase 3 trial for PROSTVAC®. The Company expects to commence the Phase 3 trial for PROSTVAC® in the second half of 2011 and carry out the Phase 3 trial in the period 2011-2015. The total estimated cost of the Phase 3 trial, including all external and internal costs, is estimated to be approximately USD 150 million.

The net proceeds from the Offering are expected to amount to approximately DKK 655 million if the Offering is fully subscribed.

The Offering

The Offering comprises up to 12,962,052 new shares with a nominal value of DKK 10 each with preemptive rights for the Company's existing shareholders in a 1 for 1 ratio.

The Board of Directors of the Company has on 5 May 2011 resolved to utilise part of the authorisation in the articles of association to increase the Company's share capital by up to nominally DKK 129,620,520, equal to 12,962,052 shares of nominal value DKK 10 each.

Offer price

The new shares are offered at DKK 54 per share of nominal value DKK 10 each, free of brokerage.

Preemptive rights

Preemptive rights will be allocated to shareholders who are registered with VP Securities A/S on Tuesday, 10 May 2011 at 12.30 p.m. CET, as shareholders of the Company. Registered shareholders will be allocated one (1) preemptive right for each existing share with a nominal value of DKK 10 each held in the Company. Shares traded after Thursday, 5 May 2011, will be traded ex preemptive rights and, accordingly, will not entitle the holder to subscribe for new shares at the offer price.

Subscription ratio

One (1) preemptive right will entitle the holder to subscribe for one (1) new share against payment of the offer price.

Subscription period

The subscription period for the new shares commences on Wednesday, 11 May 2011 at 9.00 am CET, and closes on Wednesday, 25 May 2011 at 5.00 pm CET. Preemptive rights that are not exercised during the subscription period will lapse with no value, and the holder of such preemptive rights will not be entitled to compensation.

Trading in preemptive rights

The preemptive rights for the new shares may be traded on NASDAQ OMX Copenhagen A/S from Friday, 6 May 2011 at 9.00 am CET, until Thursday, 19 May 2011 at 5.00 pm CET.

The preemptive rights will be admitted to trading and official listing on NASDAQ OMX Copenhagen A/S under ISIN code DK0060307932.

Listing and trading of the new shares

The new shares will be registered under a temporary ISIN code (DK0060308070). The new shares will not be traded and officially listed on NASDAQ OMX Copenhagen A/S under the temporary ISIN code. The new shares are expected to be admitted to trading and official listing under the ISIN code of the Company's existing shares (DK0015998017) on Tuesday, 31 May 2011.

Expected timetable of principal events

Last day of trading in existing shares including preemptive rights:	5 May 2011.
First day of trading in existing shares excluding preemptive rights:	6 May 2011.
Trading period for preemptive rights commences:	6 May 2011.
Allocation time of preemptive rights:	10 May 2011 at 12.30 p.m. CET.
Subscription period for new shares commences:	11 May 2011.
End date of trading period of the preemptive rights:	19 May 2011 at 5.00 p.m. CET.
Subscription period for new shares closes:	25 May 2011 at 5.00 p.m. CET.
Announcement of the results of the Offering:	Not later than two business days after the end of the subscription period (expected to be on 27 May 2011)
Completion of the Offering:	The Offering will only be completed when and if the new shares subscribed are issued by Bavarian Nordic A/S after registration of the capital increase with the Danish Commerce and Companies Agency, which is expected to take place on 27 May 2011.
Admission of the new shares to trading and official listing under the ISIN code of the existing shares:	31 May 2011.

Underwriting

The Offering is not underwritten.

Joint Global Coordinators

Carnegie, Jefferies International Limited and Nordea Markets (Division of Nordea Bank Danmark A/S) are Joint Global Coordinators for the Offering.

Prospectus

Following publication the prospectus containing detailed information on Bavarian Nordic and the Offering will be available for inspection during normal business hours at Bavarian Nordic A/S' office, Hejreskovvej 10A, DK-3490 Kvistgaard, Denmark. The prospectus is furthermore available on the website - except to persons subject to legislation prohibiting this - at www.bavarian-nordic.com, and will be available from Carnegie Bank A/S on tel: +45 32 88 02 00 or e-mail: prospekter@carnegie.dk, Jefferies International Limited on tel: +44 20 7029 8000 or email: prospectus.bn@jefferies.com or Nordea Bank Danmark A/S on tel: +45 33 33 50 92 or e-mail: prospekt.ca@nordea.com.

Asger Aamund
Chairman of the Board

Contact

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

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 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

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.