

12 March 2013

Bavarian Nordic Announces 2012 Full Year Results

KVISTGAARD, Denmark, March 12, 2013 - Bavarian Nordic A/S (OMX: BAVA) today published its 2012 Annual Report. Revenue was DKK 1,017 million (DKK 524 million in 2011). The Group recorded a loss before tax of DKK 49 million (DKK 296 million loss in 2011). Revenue and results were significantly improved, compared to original expectations for the year. This was primarily due to the successful optimization of the production of smallpox vaccine which allowed for more doses to be delivered than anticipated, combined with lower production costs. A total of 8.3 million doses of IMVAMUNE® were delivered to the U.S. in 2012. Following the optimization and the increased deliveries, the infectious disease division became profitable with an EBIT of DKK 282 million (DKK 52 million loss in 2011).

At year-end 2012, the cash preparedness was DKK 670 million (DKK 704 million as of 31 December 2011), and this was also significantly improved compared to the original guidance.

For 2013, Bavarian Nordic expects revenue at the level of DKK 1,100 million and a break-even result before tax. The revenue will primarily be generated from deliveries of IMVAMUNE® to the U.S. Strategic National Stockpile. The cash preparedness at year-end is expected to be roughly DKK 600 million.

Group key figures are found at the end of this announcement. The full financial statements for 2012 are available in the annual report which can be downloaded from the Company's website: www.bavarian-nordic.com

Anders Hedegaard, President & CEO of Bavarian Nordic said: "Our financial results for 2012 were most satisfactory and reflect the progress we have achieved in our production and deliveries of smallpox vaccine for the U.S. Government. This part of our business is now profitable and will also contribute to our expected strong financial results in 2013 as we expect a new contract from the U.S. Government to be awarded soon for continued delivery of IMVAMUNE®. We also saw progress in our Phase 3 trial of PROSTVAC®, which is now active in 10 countries and will soon be initiated in all remaining planned countries."

Significant achievements in 2012 and up to the reporting date

- The PROSPECT Phase 3 trial of PROSTVAC® in prostate cancer began enrollment in Europe and is now active in 10 countries
- Promising Phase 2 data for CV-301 in breast cancer were presented at the European Society of Medical Oncology 2012 congress
- Productivity of IMVAMUNE® manufacturing significantly improved over the year, resulting in more deliveries to the U.S. Additionally, the Infectious Diseases division became profitable
- We delivered 8.3 million doses of IMVAMUNE® to the U.S. Strategic National Stockpile
- The U.S. Government expanded the population eligible to receive IMVAMUNE® in an emergency, which significantly increased the vaccine's future business potential
- A marketing application for IMVANEX® (IMVAMUNE®) was submitted to the European Medicines Agency. A decision on European approval is anticipated in 2013, and also from the Canadian health authorities for the application that was submitted in 2011
- Additional USD 55 million was awarded in funding by the U.S. Government to support the IMVAMUNE® Phase 3 trial, as well as new research and development to expand the use of the MVA-BN® vaccine platform technology into other diseases

- A new order contract for IMVAMUNE® was received from Canada to replenish its existing stockpile
- In January 2013, Bavarian Nordic announced that it will transform its manufacturing facility in Kvistgaard into a multipurpose facility to accommodate the production of clinical trial material as well as the future commercial production of PROSTVAC®
- In February 2013, James B. Breitmeyer was appointed new President of the Cancer Vaccine division. He has also joined the Bavarian Nordic executive management

Selected upcoming milestones

- Obtain new IMVAMUNE® delivery contract with the U.S. Government
- Deliver 7 million doses of IMVAMUNE® to the U.S. Strategic National Stockpile in 2013
- Complete enrolment in the IMVAMUNE® Phase 3 lot consistency trial
- Initiate Phase 3 non-inferiority trial of IMVAMUNE®
- Obtain marketing authorization for IMVAMUNE® in Canada
- Obtain marketing authorization for IMVANEX® (IMVAMUNE®) in the EU
- Initiate Phase 2 study with the freeze-dried version of IMVAMUNE® to support emergency use
- Report data from NCI-sponsored clinical trials of PROSTVAC®
- Report data from NCI-sponsored clinical trials of CV-301 and determine development strategy

Webcast and conference call

The Company will host a conference call today at 2.00 pm CET (9.00 am EDT). President and CEO, Anders Hedegaard will present the annual results followed by a Q&A session. Additional participants from Bavarian Nordic are James Breitmeyer, Executive Vice President and Division President Cancer Vaccines, Paul Chaplin, Executive Vice President and Division President Infectious Diseases, Ole Larsen, Executive Vice President & CFO and Rolf Sass Sørensen, Vice President Investor Relations. Dial-in numbers for the conference call are: Denmark: +45 32 72 80 18, UK: +44 (0) 844 571 8957, USA: +1 866 682 8490. A webcast of the conference call will be broadcast simultaneously at www.bavarian-nordic.com/webcast. On this page, the accompanying presentation will be available prior to the conference call.

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 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 clinical Phase 1 and Phase 2 trials, PROSTVAC® has been tested in nearly 600 patients. In infectious diseases, the company's lead program is IMVAMUNE®, a non-replicating 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.

Group Key Figures 2008-2012

DKK million	2012	2011	2010	2009	2008
Income statement					
Revenue	1,016.6	523.6	314.1	74.8	208.8
Production costs	513.6	403.4	444.5	140.1	196.7
Research and development costs	357.4	261.7	188.6	164.0	129.6
Distribution and administrative costs	177.3	166.8	155.1	111.9	92.0
Income before interest and tax (EBIT)	(31.7)	(308.3)	(474.1)	(341.2)	(209.5)
Financial items, net	(17.0)	11.9	(9.4)	10.1	26.2
Income before company tax	(48.7)	(296.4)	(483.4)	(331.1)	(183.3)
Net profit for the year	(240.0)	(268.4)	(389.9)	(266.3)	(150.4)
Balance sheet					
Total non-current assets	644.3	865.2	850.6	715.1	594.2
Total current assets	894.9	1,111.4	616.5	556.0	1,100.0
Total assets	1,539.2	1,976.6	1,467.1	1,271.1	1,694.3
Equity	999.7	1,207.6	810.4	704.2	1,015.1
Non-current liabilities	54.2	105.4	106.5	113.0	52.7
Current liabilities	485.3	663.6	550.2	453.9	626.5
Cash Flow Statement					
Securities, cash and cash equivalents	549.9	584.0	355.7	185.0	795.9
Cash flow from operating activities	20.1	(375.2)	(239.9)	(484.0)	(22.4)
Cash flow from investment activities	71.0	(261.8)	(45.8)	26.1	(81.5)
Investment in tangible assets	20.9	31.2	45.7	50.6	12.0
Cash flow from financing activities	(9.6)	642.4	471.0	(30.8)	(15.1)
Financial Ratios (in DKK) ¹⁾					
Earnings (basic) per share of DKK 10 ²⁾	(9.2)	(10.3)	(14.9)	(10.2)	(5.8)
Net asset value per share (historical)	38.3	46.3	62.5	88.6	129.9
Net asset value per share (adjusted) ³⁾	38.3	46.3	31.1	27.0	38.9
Share price at year-end (historical)	50	38	245	144	132
Share price at year-end (adjusted) ³⁾	50	38	190	94	86
Share price/Net asset value per share (historical)	1.3	0.8	3.9	1.6	1.0
Share price/Net asset value per share (adjusted) ^{2) + 3)}	1.3	0.8	6.1	3.5	2.2
Number of outstanding shares at year-end	26,094	26,094	12,962	7,952	7,816
Equity share	65%	61%	55%	55%	60%
Number of employees, converted to full-time, at year-end	450	439	402	354	294

1) Earnings per share (EPS) is calculated in accordance with IAS 33 "Earning per share". The financial ratios have been calculated in accordance with "Anbefalinger og Nøgletal 2010" (Recommendations and Financial ratios 2010).

2) Due to rights issue in 2011 earnings per share and net asset value per share for 2008-2011 have been recalculated based on the average number of shares for 2012/outstanding shares at year-end 2012.

3) Year-end share prices for 2008-2010 have been adjusted for subsequent capital increases.