

Company Announcement

March 11, 2015

Bavarian Nordic Announces 2014 Full Year Results

KVISTGAARD, Denmark, March 11, 2015 - Bavarian Nordic A/S (OMX: BAVA, OTC: BVNRY) today published its 2014 annual report. Revenue was DKK 1,217 million / USD 175 million (DKK 1,213 million / USD 175 million in 2013). The Group recorded an EBIT of DKK 17 million / USD 2 million (DKK 33 million / USD 5 million in 2013) and a net profit of DKK 26 million / USD 4 million (DKK 47 million loss / USD 7 million loss). Revenue and results were in line with the expectations for the year. At year-end 2014, the cash preparedness was DKK 1,000 million / USD 144 million (DKK 652 million / USD 94 million as of 31 December 2013).

For 2015, Bavarian Nordic expects revenue at the level of DKK 1,000 million / USD 144 million and a break even result before interest and tax (EBIT). The cash preparedness at year-end is expected to be in the level of DKK 1,100 million / USD 159 million.

Danish kroner (DKK) is the Company's functional currency. For convenience, the Company presents selected figures in USD above. These are based on a USD/DKK exchange rate of 6.9395, which is the official exchange rate of Danmarks Nationalbank, the central bank of Denmark, on March 10, 2015.

Consolidated key financial figures are found at the end of this announcement. The full financial statements for 2014 are available in the annual report which can be downloaded from the Company's website: www.bavarian-nordic.com.

Paul Chaplin, President & CEO of Bavarian Nordic, said: "2014 was a strong year for Bavarian Nordic where we met our financial and operational targets and even exceeded our own expectations, as new opportunities surfaced during the year. Our technology has received strong recognition by the closing of important deals, with Johnson & Johnson and Bristol-Myers Squibb, two industry leaders, in each of our business areas. We are in a transitional phase, preparing for expanding the pipeline in areas of unmet medical needs, while also continuing our efforts to expand our manufacturing capabilities that allows us to deliver according to current and future supply agreements."

Significant achievements in 2014 and up to the reporting date

- The U.S. Government exercised an option valued at USD 118 million for additional 4 million doses of IMVAMUNE smallpox vaccine, bringing the total number of doses delivered to-date to 28 million.
- The U.S. Government also exercised an option valued at almost USD 22 million under the existing development contract for freeze-dried IMVAMUNE to fund the transfer of the validated manufacturing process to a commercial manufacturing line with a larger capacity.
- Contracts were signed with the Canadian Government for the delivery of more than 60,000 doses of IMVAMUNE with options for up to an additional 450,000 doses.
- A licensing and supply agreement was entered with Janssen on MVA-BN® Filo vaccine, which is being investigated in a prime-boost regimen with Janssen AdVac® vaccine against Ebola. The agreement has a potential value of up to USD 187 million and includes an equity investment in Bavarian Nordic. Janssen furthermore obtained an exclusive option to collaborate on MVA-BN in three additional infectious disease targets.
- A first-in-human trial investigating MVA-BN Filo as an Ebola vaccine was initiated.
- Enrollment was completed in the phase 3 study of PROSTVAC prostate cancer immunotherapy. 1,298 patients were enrolled in more than 200 centers across 15 countries.

- Two new programs were added to the pipeline, both sponsored by our partner, the National Cancer Institute: A phase 2 combination study of CV-301 immunotherapy and BCG (Bacillus Calmette-Guerin) treatment was initiated in patients with bladder cancer and a phase 1 study of MVA-BN Brachyury (a tumor-associated antigen which is overexpressed in major solid tumor indications) was initiated in patients with advanced cancer
- In February 2015, updated long-term survival data from an NCI sponsored combination study of PROSTVAC and Yervoy were presented. For patients receiving PROSTVAC and high doses of Yervoy, a median overall survival of 37.2 months was shown, compared to a predicted survival of 18.5 months. Furthermore, approximately 20% of these remain alive at 80 months.
- In March 2015, Bavarian Nordic entered into an exclusive agreement with Bristol-Myers Squibb for PROSTVAC, under which the Company could receive up to USD 975 million, inclusive of USD 60 million upfront and potential exercise payment; potential development, regulatory and commercialization milestone payments; additional tiered double-digit royalties on future sales. In addition, the companies will collaborate to explore the combination of PROSTVAC with agents from Bristol-Myers Squibb's immune-oncology portfolio.
- Asger Aamund, founder and chairman of the board since the inception of Bavarian Nordic in 1994 stepped down. Gerard van Odijk, was elected the new chairman of the board. He has served as member of the board since 2008.
- Paul Chaplin, Ph.D. was appointed President & CEO of Bavarian Nordic. He succeeded Anders Hedegaard who decided to seek new challenges outside the company after 7 years serving as CEO. Paul Chaplin has been with Bavarian Nordic for more than 15 years, the last 10 years as part of the executive management team.

Selected upcoming milestones

- Manufacture and deliver MVA-BN Filo vaccine to Janssen (targeting 2 million doses to contribute to the prime-boost regimen) (2015)
- Initiation of Phase 2 and Phase 3 clinical trials of the Ebola prime-boost vaccine regimen
- Potential new orders for MVA-BN Filo
- Potential expanded collaboration with Janssen on additional infectious disease targets
- Complete Phase 2 study of freeze-dried IMVAMUNE to support a pre-EUA submission (requirement for stockpiling) (2015)
- Complete transfer of validated freeze-dried manufacturing process to a commercial scale facility (2015)
- Secure IMVANEX/IMVAMUNE orders from rest of world
- Investigational New Drug submission for MVA-BN RSV followed by initiation of Phase 1 study (H1, 2015)
- Advance clinical studies exploring the therapeutic potential of PROSTVAC in combination with Yervoy and other potential checkpoint inhibitors as part of the clinical collaboration with Bristol-Myers Squibb
- Finalize validation of the PROSTVAC commercial manufacturing process and prepare launch material
- Interim analyses of the PROSTVAC Phase 3 clinical trial

Webcast and conference call

The Company will host a conference call today at 2.00 pm CET (9.00 am EDT). President and CEO, Paul Chaplin will present the annual results followed by a Q&A session with participation of the Company's executive management. 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 <http://www.bavarian-nordic.com/investor/events.aspx?event=4207>. On this page, the accompanying presentation will be available prior to the conference call.

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About Bavarian Nordic

Bavarian Nordic is an international biotechnology company developing and manufacturing novel cancer immunotherapies and vaccines for infectious diseases. Lead product candidates are PROSTVAC, an

immunotherapy product candidate for advanced prostate cancer that is the subject of an ongoing pivotal Phase 3 clinical trial, and IMVAMUNE®, a non-replicating smallpox vaccine candidate in Phase 3 development, which is being developed and supplied for emergency use to the U.S. Strategic National Stockpile under a contract with the U.S. Government. The vaccine is approved in Canada under the trade name IMVAMUNE and in the European Union under the trade name IMVANEX. Bavarian Nordic's shares are listed on NASDAQ OMX Copenhagen under the symbol BAVA (Reuters: BAVA.CO, Bloomberg: BAVA.DC). The company has a sponsored Level 1 ADR program listed in the US (OTC) under the symbol BVNRY. 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.

Consolidated Key Figures

DKK million	2014	2013	2012	2011	2010
Income statement					
Revenue	1,216.8	1,212.5	1,016.6	523.6	314.1
Production costs	495.1	484.7	513.6	403.4	444.5
Research and development costs	478.9	496.6	340.1	261.7	188.6
Distribution and administrative costs	226.1	197.8	194.6	166.8	155.1
Income before interest and tax (EBIT)	16.7	33.4	(31.7)	(308.3)	(474.1)
Financial items, net	47.7	(27.2)	(17.0)	11.9	(9.4)
Income before company tax	64.4	6.2	(48.7)	(296.4)	(483.4)
Net profit for the year	25.9	(46.7)	(240.0)	(268.4)	(389.9)
Balance sheet					
Total non-current assets	568.1	551.8	644.3	865.2	850.6
Total current assets	1,319.1	900.4	894.9	1,111.4	616.5
Total assets	1,887.3	1,452.2	1,539.2	1,976.6	1,467.1
Equity	1,252.1	976.3	999.7	1,207.6	810.4
Non-current liabilities	51.9	86.7	54.2	105.4	106.5
Current liabilities	583.3	389.3	485.3	663.6	550.2
Cash Flow Statement					
Securities, cash and cash equivalents	979.7	532.1	549.9	584.0	355.7
Cash flow from operating activities	338.7	147.1	20.1	(375.2)	(239.9)
Cash flow from investment activities	(503.7)	(146.5)	71.0	(261.8)	(45.8)
- Investment in intangible assets	(53.6)	(111.0)	(24.3)	(16.5)	(16.2)
- Investment in property, plant and equipment	(52.4)	(44.4)	(20.9)	(31.2)	(45.7)
Cash flow from financing activities	216.2	(7.1)	(9.6)	642.4	471.0
Financial Ratios (in DKK) ¹⁾					
Earnings (basic) per share of DKK 10	1.0	(1.8)	(9.2)	(12.1)	(25.7)
Net asset value per share (historical)	45.2	37.4	38.3	46.3	62.5
Net asset value per share (adjusted) ²⁾	45.2	35.3	36.1	43.6	29.3
Share price at year-end (historical)	198	89	50	38	245
Share price at year-end (adjusted) ³⁾	198	89	50	38	190
Share price/Net asset value per share (historical)	4.4	2.4	1.3	0.8	3.9
Share price/Net asset value per share (adjusted) ^{2) + 3)}	4.4	2.5	1.4	0.9	6.5
Number of outstanding shares at year-end	27,671	26,094	26,094	26,094	12,962
Equity share	66%	67%	65%	61%	55%
Number of employees, converted to full-time, at year-end	422	426	450	439	402

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

2) Due to issue of new shares in 2014, net asset value per share for 2010-2013 have been recalculated based on outstanding shares at year-end 2014

3) Year-end share price for 2010 has been adjusted for rights issue in May 2011