

Bavarian Nordic Announces Exercise of Clinical Option by the US Government under Contract for Freeze-dried IMVAMUNE Smallpox Vaccine

- Award of approximately USD 37 million will support clinical work required for product approval

COPENHAGEN, Denmark, November 21, 2017 - Bavarian Nordic A/S (OMX: BAVA, OTC: BVNRY) announced today that the Biomedical Advanced Research and Development Authority (BARDA) have exercised an option under the recently announced contract for freeze-dried IMVAMUNE®. The option, which represents approximately USD 37 million of the total contract of up to USD 539 million, will cover development costs associated with the Phase 3 study required for the eventual approval of the freeze-dried product.

“We are very excited about receiving this notification and the speed by which this option was awarded, which is yet another example of the excellent partnership we have with BARDA and the US Government, and a highly encouraging signal for the future of freeze-dried IMVAMUNE,” said Paul Chaplin, President and Chief Executive Officer of Bavarian Nordic.

As previously confirmed with regulators, this study will be a lot consistency study in healthy volunteers across several consecutive production lots of freeze-dried IMVAMUNE, similar to the prior completed Phase 3 study of liquid-frozen IMVAMUNE. The requirement of only one Phase 3 study was confirmed at an End of Phase 2 meeting with the regulatory authorities, following a prior Phase 2 study showing bioequivalence between the freeze-dried and liquid-frozen formulations of IMVAMUNE.

The contents of this announcement do not affect the Company’s expectations for the financial results for 2017. The contract option is expected to be revenue recognized between 2018 and 2022.

Federal funding acknowledgements

This project has been funded in whole or in part with federal funds from the HHS Office of the Assistant Secretary for Preparedness and Response, Biomedical Advanced Research and Development Authority, under Contract No. HHSO100201700019C.

About Bavarian Nordic

Bavarian Nordic is a fully integrated biotechnology company focused on the development of innovative and safe therapies against cancer and infectious diseases. Using our live virus vaccine platform technology, MVA-BN®, we have created a diverse portfolio of proprietary and partnered product candidates intended to improve the health and quality of life for children and adults. We supply our IMVAMUNE® non-replicating smallpox vaccine to the U.S. Strategic National Stockpile and other government stockpiles. The vaccine is approved in the European Union (under the trade name IMVANEX®) and in Canada. Registration studies are currently underway in the U.S. In addition to our long-standing collaboration with the U.S. government on the development of IMVAMUNE® and other medical countermeasures, our infectious disease pipeline comprises a proprietary RSV program as well as vaccine candidates for Ebola, HPV, HBV and HIV, which are developed through a strategic partnership with Janssen. Additionally, in collaboration with the National Cancer Institute, we have developed a portfolio of active cancer immunotherapies, designed to alter the disease course by eliciting a robust and broad anti-cancer immune response while maintaining a favorable risk-benefit profile. Through multiple industry collaborations, we seek to explore the potential synergies of combining our immunotherapies with other immune-modulating agents, e.g. checkpoint inhibitors. For more information visit www.bavarian-nordic.com or follow us on Twitter [@bavariannordic](https://twitter.com/bavariannordic).

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. All such forward-looking statements are expressly qualified by these cautionary statements and any other cautionary statements which may accompany the forward-looking statements. 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.

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