

**To the Copenhagen Stock Exchange**

**Bavarian Nordic A/S – Notice convening ordinary general meeting**

Pursuant to Article 10 of the Articles of Association, the shareholders of Bavarian Nordic A/S are hereby convened to the ordinary General Meeting to be held:

**Thursday, 26 April 2007 at 16.00 hours**

At Radisson SAS Scandinavia Hotel, Amager Boulevard 70, DK-2300 Copenhagen S, Denmark with the following agenda:

1. The Directors' report on the Company's activities in the past year.
2. The presentation of the Annual Report for adoption.
3. A proposal from the Board of Directors regarding the application of profit or covering of loss pursuant to the Annual Report as adopted.
4. Election of Members to the Board of Directors.
5. Election of Auditors.
6. Any proposal from the Board of Directors or shareholders, including proposal for authorisation to the Company to acquire own shares.

**6 A) Stock Split**

Pursuing the strategy for the Company's capital- and share structure the Board accesses that the Company's shares would benefit from a split into smaller units. The Company's share capital is currently of a nominal value of DKK 76,514,160 divided into shares of DKK 10. In the opinion of the Board a split of the share to a nominal value less than DKK 10 per share would be in the best interest of the Company and its shareholders. A split would, if adopted, be completed at the earliest convenient time. It is therefore proposed that Article 4 of the Company's Articles of Association is amended to:

**"Article 4**

The Company's share capital amounts to DKK 76,514,160, in words Seventysixmillion-fivehundredfourteenthousandonehundredsixty 00/100 Danish kroner, divided into shares in the denomination of DKK 1 and multiples thereof. The share capital has been paid up in full."

**6 B) Authorisation for Increase of the Company's Share Capital**

The Board of Directors proposes that the current Article 5a of the Articles of Association, according to which the Board of Directors is authorised to increase the Company's share capital in the period until 30 June 2007, is replaced with a revised authorisation to the Board of Directors for increase of the Company's share capital. Such authorisation should be granted in order to improve the Company's possibilities for contracting with third parties, including contracting of acquisitions, engage in strategic alliances, develop and strengthen the Company's business, in return, in full or in part, for the issuing of new shares. It is therefore proposed that the current Article 5a is deleted and that the following authorisation is adopted into the Company's Articles of Association as Article 5a, observing Article 37 of the Danish Companies Act:

**"Article 5a**

For the period ending on 30 June 2008, the Board of Directors shall be authorised to increase the Company's share capital in one or more issues with a total of nominally DKK 20,000,000 (20,000,000 shares of DKK 1).

The share capital may be increased by cash payment or in other ways or by issuance of bonus shares to employees in the Company or its subsidiaries. If the share capital is increased by a cash payment at a subscription price below the value of the shares, the existing shareholders shall have pre-emption right to subscribe for the amount by which the share capital is increased, proportional to their shareholdings. If the share capital is increased by a cash payment other than in the situations mentioned in this Article 5a, subsection 2 or in other ways, such as by conversion of debts or in payment of a contribution in kind, the Company's existing shareholders shall not have pre-emption right. If the share capital is increased in other ways, the provisions of section 33 of the Danish Companies Act shall apply, and the subscription price or the value of the shares issued shall be fixed by the Board of Directors within the framework of the mandatory provisions under the Danish Companies Act, including sections 79 and 80 of the Act.

Terms and conditions of the subscription for shares shall be determined by the Board of Directors.

The new shares shall be negotiable instruments and shall be issued to bearer but they may be registered in the bearer's name in the company's register of shareholders. No restrictions shall apply to the transferability of the new shares, and no shareholder shall be obliged to have his shares redeemed – in whole or in part. The shares shall carry the right to dividend as from the date fixed by the Board of Directors but not later than the first financial year following the capital increase.”

#### 6 C) Authorization for issuing Warrants for Employees

The Board of Directors proposes that the existing authorization for issuance of warrants for the employees in the Company (Article 5b of the Articles of Association) is replaced because the existing authorization has been partly used. The Board of Directors thus proposes to be authorized to issue warrants for the management and employees in the Company and its subsidiaries and to implement capital increase in this relation. It is therefore proposed that the following authorization is adopted in the Company's Articles of Association as Articles 5c, observing Articles 40b of the Danish Companies Act:

#### “Article 5b

During the period ending 1 May 2010, the Company may issue up to 2,000,000 warrants, in one or more portions on resolution of the Board of Directors. The warrants may be issued to corporate management, employees in the Company or its subsidiaries, including to consultants and the Company's Board of Directors, for the subscription of up to shares of a nominal value of DKK 2,000,000 by cash contribution at a rate and on terms established by the Board of Directors. Notwithstanding the foregoing, the issuances of warrants to members of the Board of Directors may not exceed a nominal value of DKK 200,000. Holders of warrants shall have pre-emption right to subscribe to the shares, issued based on the warrants, meaning that the pre-emption rights to subscribe to warrants and new shares for existing shareholders' are deviated.

As a consequence of the exercise of awarded warrants, the Board of Directors is authorised during the period until 26 April 2012 to increase the share capital by a nominal value of DKK 2,000,000 in one or more portions on resolution of the Board of Directors by cash contribution at a rate and on other terms established by the Board of Directors without pre-emption rights to subscribe for existing shareholders.

The new shares issued based on warrants shall have the same rights according to the Articles of Association as existing shares. The new shares shall be negotiable and be issued to the bearer, but may be registered in the Company's Stock Register. No restrictions in the transferability of the new shares shall apply and no shareholder shall be obliged to allow for their shares to be redeemed. The new shares shall be eligible for dividends from the time of subscription”

#### 6 D) Resolution on change of Article 8 of the Articles of Association (Keeper of Stock Register)

Due to the Company's current keeper of the Company's Stock Register has assigned its business with regards to Stock Registers and the Board has decided to acquire Stock Register services from the assignee the Board proposes that Article 8 of the Articles of Association is amended to:

#### “Article 8

As resolved by the Board of Directors, the Company's Stock Register may be kept either by the appropriate officer of the Company, or by a secretary outside the Company to be designated by the Board of Directors. The Company's Stock Register is kept by VP Investor Services A/S (VP Services A/S), Postboks 20, DK – 2630 Taastrup.”

#### 6 E) Resolution on change of Article 10, sub-section 6 of the Articles of Association (Distribution of printed information)

Article 10, sub-section 6 of the Company's Articles of Association establishes that the complete agenda and the printed annual report shall be circulated to all shareholders of record. Being a part of the Company's strategy to increase the level of electronic communication with shareholders, the Company wishes to limit said obligation to include only shareholders on record who have requested so in writing.

It is therefore proposed to amend Article 10, sub-section 6 of Articles of Association to the following:

#### “Article 10(6)

During the last eight days prior to each General Meeting, the agenda and the complete proposals to be considered at the General Meeting, and with respect to the Annual General Meeting moreover the audited annual report with the audit report, shall be available for the inspection of shareholders at the Company's offices. At the same time, copies of this material shall be circulated to all shareholders of record who have so requested in writing.”

#### 6 F) Authorisation to Acquire own Shares

The Board of Directors proposes that the Board of Directors is authorised on behalf of the Company to acquire own shares in the Company. Such authorisation has been given in previous years.

It is therefore proposed that the following authorisation is granted to the Company's Board of Directors pursuant to Article 48; subsection 2 of the Danish Companies Act:

The General Meeting hereby authorises the Board of Directors to acquire own shares on behalf of the Company, observing Articles 48 of the Danish Companies Act. The Company may only acquire own shares for a total nominal value of 10% of the Company's share capital. The remuneration paid for the Company's shares may not deviate by more than 10% from the bid rate established by the Copenhagen Stock Exchange at the time of acquisition. The bid rate shall be the closing rate at the Copenhagen Stock Exchange – all trades at 17.00 hours.

This authorisation is granted to the Company's Board of Directors for the period until the next ordinary General Meeting, however for a maximum of 18 months.

The adoption of the proposals referred to in items 6A, 6B, 6C, 6D and 6E require a special majority, cf. Article 78 of the Danish Companies Act and Article 16 of the Articles of Association. According to this, the adoption of such proposals require the affirmative votes of at least two-thirds of the votes cast and the votes represented at the General Meeting, and that at least half of the share capital is represented at the General Meeting. In the event that less than half of the share capital is represented at the General Meeting, but the resolution is passed by at least two-thirds of the votes cast as well as of the votes represented at the General Meeting, the resolution may be passed by two-thirds of the votes cast as well as of the votes represented at a new General Meeting convened within 14 days after the date of the preceding General Meeting.

Pursuant to Article 11 of the Articles of Association, shareholders who wish to attend the General Meeting shall order admission cards no later than Monday 23 April 2007. Admission cards may be ordered from Bavarian Nordic A/S (by tel: +45 3326 8383; by fax: +45 3326 8380) or, for registered Shareholders, who receive the agenda/summon and the Annual Report by mail, by submission of the enclosed order form. Shareholders who are not registered in the Company's Stock Register but wish to attend the General Meeting must prove their title to the shares by presenting documentation from the shareholder's financial institute. Such documentation must not have been issued earlier than 14 days before the General Meeting. The shareholder must furthermore issue a statement in writing to the effect that the shares have not, and will not, be transferred to any third parties before the General Meeting is held.

Kvistgård, 3 April 2007

Asger Aamund  
Chairman

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#### **About Bavarian Nordic A/S:**

*Bavarian Nordic (CSE: BAVA) is a leading international biopharmaceutical company developing and producing innovative vaccines to prevent and treat infectious diseases and cancer. With operations in Denmark, Germany, the USA, and Singapore, Bavarian Nordic employs over 200 people. Bavarian Nordic's patented technology, MVA-BN<sup>®</sup>, is as been demonstrated in clinical studies, one of the world's safest, multivalent vaccine vectors for the development of vaccines against various infectious diseases such as smallpox, HIV/AIDS, as well as against breast and prostate cancer. Several MVA-BN<sup>®</sup>-based HIV and smallpox vaccines are in clinical Phase I and Phase II trials. Bavarian Nordic has ongoing development contracts with the US government to develop IMVAMUNE<sup>®</sup> as a safe third-generation smallpox vaccine. Bavarian Nordic has supplied several other governments with smallpox vaccines. For more information please visit [www.bavarian-nordic.com](http://www.bavarian-nordic.com)*

#### **"Safe Harbour" Statement Under the Private Securities Litigation Reform Act of 1995:**

*Except for the historical information contained herein, this release contains "forward-looking statements" within the meaning of the Private Securities Reform Act of 1995. No "forward-looking statement" can be guaranteed, and actual results may differ materially from those projected. Bavarian Nordic undertakes no obligation to publicly update any "forward-looking statement", whether as a result of new information, future events, or otherwise. Additional information regarding risks and uncertainties is set forth in the current Annual Report, which we incorporate by reference.*

#### **Stockwise Resumé**

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