



BAVARIAN NORDIC

Company Announcement

24 August 2009

Bavarian Nordic in negotiations with the US authorities for the further development of IMVAMUNE®

Kvistgaard, Denmark, August 24, 2009 - Bavarian Nordic A/S (OMX: BAVA) announced today that the US authorities have initiated negotiations for a new contract to develop a freeze-dried version of the IMVAMUNE® smallpox vaccine. This potential new project will have no influence on the ongoing RFP-3 BARDA (Biomedical Advanced Research and Development Authority) contract for the procurement of 20 million doses of IMVAMUNE® and the licensure of the current liquid-frozen formulation, but represents an additional business opportunity.

Earlier this year BARDA published a Broad Agency Announcement (BAA) soliciting proposals for the advanced development of medical countermeasures against chemical, biological, radiological and nuclear (CBERN) threats. In June, Bavarian Nordic submitted a proposal for the development of a freeze-dried formulation of the MVA-based smallpox vaccine, IMVAMUNE®. The proposal included the validation of the production process and the preclinical and clinical development to support the use of the new freeze-dried formulation of IMVAMUNE® following a declared emergency.

A freeze-dried formulation of IMVAMUNE® offers various new advantages in terms of increased shelf-life and improved stability of the vaccine compared to the current liquid-frozen formulation. Additionally, this will improve the cold-chain shipping logistics and storage. These are all important criteria for governments around the world that prioritise their bio terror preparedness.

The new technology for freeze-drying the vaccine will also be applicable for other MVA-BN® based vaccines.

Anders Hedegaard, President & CEO of Bavarian Nordic said: *"We are happy about entering into negotiations with the US government on yet another RFP for IMVAMUNE®. It clearly demonstrates their desire to expand the ongoing collaboration beyond the existing contract to deliver 20 million doses of IMVAMUNE® and we look forward to exploring this exciting opportunity."*

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Chairman

Contact

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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.

About Bavarian Nordic

Bavarian Nordic A/S is a leading industrial 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 is focused

in the three areas; biodefence, cancer and infectious diseases, and includes seven development programmes. Two programmes are ready for Phase III: IMVAMUNE®, a third-generation smallpox vaccine is being developed under a contract with the US government, and PROSTVAC™, a therapeutic vaccine for advanced prostate cancer is being developed under a collaboration agreement with the National Cancer Institute.

Bavarian Nordic is listed on NASDAQ OMX Copenhagen under the symbol BAVA.

For more information please visit www.bavarian-nordic.com