Interim Financial Report

for the Period January 1 to March 31, 2015

Bavarian Nordic A/S
Hejreskovvej 10A
DK-3490 Kvistgaard
Denmark
CVR-No. DK 16 27 11 87

Management's Review

Financial Statement for the Period January 1 – March 31, 2015

Financial statements are un-audited. Comparison figures for the same period 2014 are stated in parentheses.

Revenue generated for the three months ended March 31, 2015 was DKK 235 million (DKK 286 million), which is in line with the Company's expectations. Revenue was primarily generated from the sale of Ebola Bulk Drug Substance (BDS) to Janssen, DKK 144 million (DKK 0 million), sale of the last 276 thousand doses of IMVAMUNE® under the 8 million dose order from U.S. Government, DKK 65 million (DKK 254 million) and sale of IMVAMUNE to the Public Health Agency of Canada, DKK 15 million (DKK 0 million).

The production costs totaled DKK 92 million (DKK 144 million). Costs related directly to revenue amounted to DKK 75 million (DKK 144 million). Other production costs totaled DKK 17 million (DKK 0 million). In first quarter 2015 the scrap rates have been higher than the level realized in 2014, but still at a normal level for production of live vaccines.

Research and development costs totaled DKK 119 million (DKK 89 million), see distribution in note 5.

Distribution costs totaled DKK 17 million (DKK 11 million) and administrative costs totaled DKK 47 million (DKK 38 million).

Income before interest and taxes (EBIT) was negative by DKK 40 million (income of DKK 3 million).

Financial items totaled a net income of DKK 103 million (DKK 1 million net income), of which DKK 98 million is related to exchange rate adjustments.

Income before tax was an income of DKK 63 million (income of DKK 4 million).

Tax on income was an expense of DKK 18 million (expense of DKK 3 million).

For the first three months of 2015, Bavarian Nordic reported a net income of DKK 45 million (net income of DKK 1 million).

In the first quarter of 2015, management has reassessed the accounting treatment of acquired licenses and it has been decided to treat acquired licenses as a development project under current assets instead of an intangible asset. The carrying amount of acquired licenses as per December 31, 2014 (DKK 28 million) has been reclassified. For further description see note 1. In accordance with the license agreement with National Cancer Institute (NCI) the Group has an obligation to pay 10% of the received upfront option payment from Bristol-Myers Squibb to NCI. This payment has been recognized as part of the development project.

Prepayments from customers have increased by DKK 495 million compared to December 31, 2014. The second upfront payment from Janssen of USD 35.8 million was received in January and the upfront option payment of USD 60 million from Bristol-Myers Squibb was received in March. In the first quarter of 2015, DKK 125 million has been revenue recognized along with the deliveries to Janssen.

As of March 31, 2015 the Group's cash preparedness was DKK 1,619 million (DKK 535 million), including unutilized credit lines of DKK 11 million (DKK 120 million). Cash flow from operating activities was DKK 599 million (DKK -80 million). Cash flow from investment activities was DKK -14 million (DKK -38 million). Cash flow from financing activities was DKK 11 million (DKK -2 million) and relates to warrant exercise. The net change in cash and cash equivalents was DKK 596 million (DKK -120 million).

The Group's equity as of March 31, 2015 stood at DKK 1,269 million (DKK 979 million).

Financial Expectations

The Company maintains its 2015 full-year financial expectations with revenue at the level of DKK 1,000 million and a break even result before interest and tax (EBIT). The Company expects to deliver and revenue recognize bulk material totaling approximately 2 million doses of MVA-BN Filovirus vaccine under the Janssen license agreement and 0.3 million doses of IMVAMUNE to the U.S. Strategic National Stockpile, the Public Health Agency of Canada and Canadian Department of National Defence. Additional revenue is expected from ongoing research and development contracts including the additional funding awarded for the Phase 3 trial for

IMVAMUNE, the contract for freeze-dried IMVAMUNE and the contracts for Ebola/Marburg. The upfront payment from the PROSTVAC® option- and license agreement with Bristol-Myers Squibb will be revenue recognized when the option matures.

The cash preparedness at year end is expected to be in the level of DKK 1,100 million.

As of the reporting date, all known external USD exposure is hedged.

Total research and development costs of approximately DKK 600 million are expected and distributed as shown below.

Research and development costs to occur:	DKK 600 million
Of which:	
Contract costs recognized as production costs	DKK 100 million
Capitalized development costs	DKK 25 million
	DKK 475 million
Expensing (amortization) of prior-year costs attributable to the IMVAMUNE development project	DKK 5 million
Research and development costs recognized in P&L	DKK 480 million

Significant Risks and Uncertainties
Bavarian Nordic faces a number of risks and uncertainties, common for the biotech industry. These relate to operations, research and development, manufacturing, commercial and financial activities. For further information about risks and uncertainties which Bavarian Nordic faces, refer to page 26 “Risk Management” in the 2014 annual report.

Since the publication of the 2014 annual report, the overall risk profile of the Company remains unchanged.

Our Strategy

Bavarian Nordic’s strategic ambition is focused on growth strategies that through private and public partnerships will develop and commercialize novel vaccines and immunotherapies against infectious diseases and cancer that address high unmet medical needs.

The strategy is currently underpinned by the Company’s proven vaccine platforms, a unique manufacturing infrastructure, expertise in viral-based vaccines and strong partnerships with governmental institutions (NIAID, NCI, BARDA) and the pharmaceutical industry.

The main drivers to achieve the Company’s strategy in the short term are:

PROSTVAC	Commercialize PROSTVAC globally through partnership with Bristol-Myers Squibb
IMVAMUNE	Maintain global leadership in smallpox preparedness and build a long-term revenue stream based on worldwide sales of IMVANEX/IMVAMUNE
Janssen Collaboration	Establish a global leadership in Ebola preparedness and treatment through collaboration with Janssen
Commercial Vaccines	Establish a global leadership position in the rapidly growing field of cancer immunotherapy by expanding our pipeline and introducing new combinations involving cancer immunotherapies Utilize the proprietary vaccine platforms to expand the infectious disease vaccine pipeline to meet high unmet medical needs
Additional Government Programs	Continue expansion of platform opportunities through ongoing collaboration with NIAID, BARDA, DOD, DHS and NCI

Our Short-term Objectives and Opportunities

Anticipated and potential events over the next 12-18 months.

- Manufacture and deliver MVA-BN® Filo vaccine to Janssen (targeting 2 million doses to contribute to the MVA-BN/AdVac Ebola prime-boost vaccine regimen) (2015)
- Phase 1 results of the Ebola prime-boost vaccine regimen
- Initiation of Phase 2 and Phase 3 clinical trials of the Ebola prime-boost vaccine regimen
- 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

Product Pipeline

The clinical pipeline currently comprises nine active programs in infectious diseases and cancer, most of which are funded externally through either private or governmental partnerships.

In addition to the clinical pipeline, Bavarian Nordic has ongoing contracts with the U.S. Government for the preclinical evaluation of recombinant MVA-BN vaccine candidates for selected biological threats (e.g. foot-and-mouth disease virus and Burkholderia).

Product	Indication	Partner	Status
IMVANEX/IMVAMUNE® [1-4)]	Smallpox	BARDA	Approved
IMVAMUNE® *freeze-dried* [1)]	Smallpox	BARDA	Phase 2
PROSTVAC®	Prostate Cancer	Bristol-Myers Squibb	Phase 3
PROSTVAC® + enzalutamide	Prostate Cancer	NCI	Phase 2
PROSTVAC® + ipilimumab	Prostate Cancer	NCI	Phase 1
CV-301 Bladder combination [1)]	Bladder Cancer	NCI	Phase 2
MVA-BN® Brachyury [1)]	Metastatic Tumors	NCI	Phase 1
MVA-BN® Filo + AdVac® [1)]	Filoviruses (Ebola/Marburg)	Janssen, NIH	Phase 1
MVA-BN® RSV	Respiratory Syncytial Virus (RSV)		Phase 1 in H1, 2015

1) Externally funded programs
2) Sold to government stockpiles
3) Approved in the European Union under the trade name IMVANEX® and in Canada under the trade name IMVAMUNE®
4) Phase 3 registration studies are ongoing in the United States

PROSTVAC® Prostate Cancer Immunotherapy Candidate

PROSTVAC is a PSA-targeted immunotherapy candidate, currently in Phase 3 development for the treatment of patients with asymptomatic or minimally symptomatic metastatic castration-resistant prostate cancer (mCRPC). A robust data package has been established that includes 13 ongoing or completed clinical Phase 1, Phase 2 and Phase 3 studies, where more than 1,200 patients have been treated with PROSTVAC, which has been generally well-tolerated.

A randomized, placebo-controlled Phase 2 study demonstrated the ability of PROSTVAC to extend the median overall survival by 8.5 months in patients with advanced prostate cancer. These results led to the initiation of the pivotal Phase 3 clinical trial (PROSPECT). Other clinical studies of PROSTVAC in combination with immune checkpoint inhibitors, radiation, hormonal therapy or chemotherapy have indicated possible therapeutic synergies for these treatment combinations.

PROSTVAC is being developed under a cooperative research and development agreement (CRADA) with the U.S. National Cancer Institute (NCI). An agreement was entered with Bristol-Myers Squibb in March 2015, providing them an exclusive option to license and commercialize PROSTVAC.

The PROSPECT Phase 3 Study
The PROSPECT study is a global randomized, double-blind, placebo-controlled study in patients with asymptomatic or minimally symptomatic mCRPC. The trial is being conducted under a Special Protocol Assessment agreement with the FDA. The study completed enrollment in December 2014. A total of 1,298 patients were enrolled at more than 200 investigative sites in 15 countries.

The primary objective of the study is to determine whether the overall survival of patients receiving PROSTVAC (with or without the addition of granulocyte macrophage colony-stimulating factor; GM-CSF), is superior to that of patients receiving placebo. The final analysis of the study will occur when 534 deaths have occurred in either one or both comparisons of the active treatment arms vs. placebo.

Although the study is powered to detect a difference in survival between active treatment and placebo at final analysis, three pre-specified, event-driven interim analyses of data have been integrated in the statistical plan to evaluate whether the trial should continue as planned or potentially be stopped early for efficacy. In such case, a Biologics License Application may be filed at an earlier stage, potentially shortening the overall development time.

Other Ongoing PROSTVAC Clinical Studies
PROSTVAC is currently the subject of four NCI-sponsored Phase 2 clinical studies.

- PROSTVAC combined with enzalutamide (Xtandi®) to treat metastatic castration-resistant prostate cancer. Enzalutamide is a next-generation androgen deprivation therapy approved by the FDA. The study is expected to enroll 76 patients who will be randomized to receive enzalutamide with PROSTVAC treatment or enzalutamide alone. The primary endpoint is progression-free survival.

- PROSTVAC combined with enzalutamide to treat non-metastatic castration sensitive prostate cancer. The study has reached its enrollment target of 38 patients who were randomized to receive enzalutamide with PROSTVAC treatment or enzalutamide alone. The primary endpoint is based on PSA kinetics (tumor re-growth rate after enzalutamide is discontinued).

- PROSTVAC combined with flutamide (anti-androgen therapy) versus flutamide alone in 64 patients with non-metastatic prostate cancer. The study is fully enrolled and awaiting final data. Preliminary results from 41 patients indicate an improvement in time to progression (TTP) for those patients receiving PROSTVAC in combination with flutamide (median TTP = 192 days) compared to flutamide alone (median TTP = 108 days).

- PROSTVAC as neoadjuvant therapy in patients with prostate cancer undergoing treatment with radical prostatectomy. The study is expected to enroll 27 patients. The primary endpoint is the effect of PROSTVAC treatment on immune cells (measured by CD4 and CD8 cell infiltrate response) in the prostate.

PROSTVAC Agreement with Bristol-Myers Squibb
In March 2015, Bavarian Nordic entered into an agreement with Bristol-Myers Squib, potentially valued at up to nearly USD 1 billion. The agreement provides Bristol-Myers Squibb an exclusive option to license and commercialize PROSTVAC globally.

The agreement is a strong validation of Bavarian Nordic's cancer immunotherapy platform technology which may benefit other current and future projects in the Company's pipeline.

Terms of the agreement
Under the terms of the agreement, Bavarian Nordic received an upfront payment of USD 60 million and could be entitled to a payment of USD 80 million upon exercise of the option, which could occur after data from the ongoing Phase 3 trial is available.

In addition, Bavarian Nordic could be entitled to additional incremental payments starting at USD 50 million, but with a potential to exceed USD 230 million should the median overall survival benefit of PROSTVAC exceed the efficacy seen in Phase 2 results. Furthermore, Bavarian Nordic could receive regulatory milestone payments of USD 110 million, up to USD 495 million in sales milestones as well as tiered double-digit royalties on future sales of PROSTVAC.

The parties have also agreed to enter into a supply contract, under which Bavarian Nordic will undertake the future commercial manufacturing of PROSTVAC.

Bristol-Myers Squibb – a partner of choice
Bristol-Myers Squibb is a leading global pharmaceutical company with a strong presence in the immuno-oncology market and as such is considered an ideal partner for Bavarian Nordic to explore the full potential of PROSTVAC as a stand-alone treatment as well as in combination with immune checkpoint inhibitors from Bristol-Myers Squibb's portfolio.

Bristol-Myers Squibb has the anti-CTLA-4 antibody *Yervoy*® (ipilimumab) — the first approved immune checkpoint inhibitor as well as the fully human PD-1 inhibitor *Opdivo*® (nivolumab) which received FDA approval in March 2015.

Exploring the full potential of PROSTVAC in combination trials
As part of the agreement, the companies have also entered into an agreement by which they may conduct one or more exploratory combination studies of PROSTVAC and agents from Bristol-Myers Squibb's immuno-oncology portfolio. An investigator sponsored Phase 2 study is already in the planning stages to investigate the combination of PROSTVAC and ipilimumab later this year.

PROSTVAC and ipilimumab Combination Results Warrant Further Investigation
In February 2015, Bavarian Nordic announced updated overall survival data from an NCI sponsored Phase 1 combination study of PROSTVAC and ipilimumab.

30 patients with metastatic castration-resistant prostate cancer were enrolled in the study at a time where docetaxel was the only FDA-approved treatment that improved overall survival. The predicted median overall survival (OS) was 18.5 months. Patients were treated with PROSTVAC plus escalating doses of ipilimumab. The observed median OS was 31.3 months for all dose cohorts and 37.2 months for patients treated at 10 mg/kg based. Furthermore, approximately 20% of patients at 10 mg/kg remain alive at 80 months.

These data provide a strong rationale to continue to evaluate the combination of PROSTVAC and checkpoint inhibitors in follow-on clinical studies.

IMVAMUNE® Smallpox Vaccine

Approved in Canada and in the European Union (marketed under the trade name IMVANEX®)

IMVAMUNE is a non-replicating smallpox vaccine, suitable for use in people for whom replicating smallpox vaccines are contraindicated (e.g. people with HIV and atopic dermatitis). The vaccine is the only non-replicating smallpox vaccine approved for use in the general adult population. In the U.S., IMVAMUNE is stockpiled for emergency use in people for whom replicating smallpox vaccines are contraindicated. Registration studies are underway to support FDA approval for use of the vaccine in the entire population.

The development of IMVAMUNE is funded by the U.S. Government, through contracts with the Biomedical Advanced Research and Development Authority (BARDA), a division of the U.S. Department of Health and Human Services (HHS) and the National Institutes of Health (NIH). Contracts awarded to date for the development and supply of the vaccine exceed USD 1 billion, including awards to advance MVA-BN as a broad platform for the development of medical countermeasures against other potential biological threats.

For a detailed overview of ongoing and completed contracts, see table 1 in the appendix (page 22).

Deliveries to the U.S. Strategic National Stockpile (SNS)
Since 2010, Bavarian Nordic has delivered 28 million doses of IMVAMUNE to the SNS. The deliveries of the initial 20 million doses were completed in 2013 and the subsequent replenishment orders for 8 million doses were initiated in 2013 with the final deliveries occurring in early 2015.

Bavarian Nordic is well positioned for future delivery contracts with the U.S. Government. By awarding a contract to develop a freeze-dried formulation of IMVAMUNE, the U.S. Government signaled its commitment to develop an improved formulation of IMVAMUNE that can be procured and stockpiled for emergency use in the SNS.

Bavarian Nordic is currently working to transfer the manufacturing process for freeze-dried IMVAMUNE to a new manufacturing line with a larger commercial capacity. The transfer has been funded through an option that was exercised by the U.S. Government in 2014.

Data to support the clinical requirements for emergency use of the freeze-dried vaccine in the U.S. are currently being finalized and will be submitted to the FDA in 2015.

These activities will potentially support the production and supply of freeze-dried IMVAMUNE in 2016. Procurement would need to be conducted through a new contract, which would be awarded following a public tender from the U.S. Government.

Deliveries, rest of world
During the first quarter, Bavarian Nordic delivered 45,700 doses of IMVAMUNE to the Public Health Agency of Canada (PHAC), thus fulfilling the base contract awarded in 2014. PHAC has an option to acquire more than 300,000 doses. In addition, Bavarian Nordic has a contract with the Canadian Department of National Defence for 20,000 doses, which are expected to be delivered later this year.

Phase 3 Registration Trials in the U.S.
To support the registration of IMVAMUNE in the U.S., two Phase 3 studies have been agreed upon with the FDA; a lot consistency study in 4,000 healthy individuals, and a study in 440 military personnel which is designed to demonstrate non-inferiority between IMVAMUNE and ACAM2000, the current U.S. licensed smallpox vaccine.

In the first Phase 3 study, a total of 3,000 people were vaccinated with three different manufacturing lots of IMVAMUNE (1,000 subjects per IMVAMUNE lot) and the safety compared to 1,000 subjects receiving placebo. Data from the trial are expected in 2015.

The second Phase 3 study comparing the safety and immunogenicity of IMVAMUNE to ACAM2000 was initiated at a U.S. military garrison in South Korea in the first quarter of 2015.

Janssen Collaboration

In response to the current Ebola crisis in West Africa, Bavarian Nordic and its partners have accelerated the development and production of a new vaccine, which may eventually be deployed in a campaign to help stem the outbreak. Two million doses of Bavarian Nordic's vaccine are expected to be available during 2015.

This important development was possible because Bavarian Nordic recognized the public health dangers of Ebola and initiated a filovirus vaccine program in 2010, when a collaboration agreement was entered with the U.S. National Institute of Allergy and Infectious Diseases (NIAID), part of the National Institutes of Health (NIH). The aim was to advance Bavarian Nordic's MVA-BN technology to develop a vaccine against two filoviruses, Ebola and Marburg, for which no approved treatment exists.

The multivalent vaccine candidate, MVA-BN Filo, contains the glycoprotein of Ebola Zaire (the species responsible for the current outbreak in Western Africa), Ebola Sudan and Marburg. This construct is designed to provide protection from the three most common causes of viral hemorrhagic fevers.

In a study conducted under NIAID's preclinical services program, MVA-BN Filo was investigated in a prime-boost regimen with the Ad26.ZEBOV vaccine from Janssen. When both vaccines were administered two months apart, complete protection from death due to Ebola Zaire was achieved.

The findings from this and other preclinical studies indicate that a more robust and durable immune response is achieved with a prime-boost vaccine that includes MVA.

License and Supply Agreement with Janssen on MVA-BN Filo
The promising preclinical results with MVA-BN Filo spurred a sudden interest from the public as well as the pharmaceutical industry. In record time, a deal was signed in October 2014 with Crucell Holland B.V., one of the Janssen Pharmaceutical Companies of Johnson & Johnson.

The deal was part of a commitment made by Johnson & Johnson of more than US$200 million to accelerate and significantly expand the production of an Ebola vaccine program.

Under the terms of the agreement Bavarian Nordic granted Janssen an exclusive license for MVA-BN Filo. Bavarian Nordic received an upfront payment of US$ 25 million and is entitled to receive up to US$ 20 million in development and regulatory milestones, in addition to royalties for commercial sales outside Africa, where the Company has refrained from receiving royalties. Janssen will be fully responsible for all costs associated with the development and commercialization of the vaccine.

Furthermore, Bavarian Nordic will manufacture bulk vaccine anticipated to yield approximately 2 million doses of MVA-BN Filo based on an agreed number of production batches, for which the Company has received an initial payment of US$ 70.8 million and will receive additional US$ 28.5 million pro rata with deliveries in 2015.

Additionally, under the agreement, Johnson & Johnson Development Corporation invested approximately US$ 43 million for new shares of Bavarian Nordic, thus obtaining nearly a 5% ownership in the Company.

In emergency outbreak situations like the current ongoing Ebola outbreak in Western Africa, the agreement does not exclude Bavarian Nordic from collaborating with other parties in the development and supply of Ebola vaccines for pre-clinical and clinical studies.

Clinical Development of the Prime-boost Ebola Vaccine Regimen
Backed by worldwide health authorities, the clinical development of the AdVac/MVA-BN Filo prime-boost vaccine regimen is being fast-tracked by Janssen and Bavarian Nordic. The first in human trial of the vaccine regimen was initiated in January 2015.

- The first Phase 1 study, which is led by the Oxford Vaccines Group, part of the University of Oxford, is evaluating the safety and tolerability of the prime-boost vaccine regimen in 72 healthy adult volunteers, randomized into four groups to receive different regimens combining the two vaccine components.

- A second Phase 1 study was initiated in the U.S. The study will enroll 92 healthy volunteers and is also designed to investigate the safety and tolerability of various regimens combining the two vaccine components.

- A third Phase 1 safety and tolerability study was initiated in Kenya, expected to enroll 36 healthy adult volunteers.

Phase 2 and 3 trials in Europe and Africa, subject to review of the preliminary Phase 1 data, will be carried out in parallel.

In addition to the ongoing and planned trials of the MVA-BN Filo/Ad26.ZEBOV prime-boost regimen, MVA-BN Filo has been employed as a booster in a Phase 1 study of cAd3-EBO Z, an Ebola candidate vaccine co-developed by GSK and NIAID. The trial, sponsored by the University of Oxford, is assessing the monovalent cAd3-EBO Z vaccine in 60 healthy adults in three cohorts receiving various doses of the cAd3-EBO Z vaccine. Half of the subjects in each cohort will also receive a booster dose of the MVA-BN Filo vaccine. Preliminary results from the study are anticipated in the first half of 2015.

Additional Infectious Diseases Targets under Janssen Collaboration
Following the Ebola vaccine agreement, Bavarian Nordic and Janssen agreed to collaborate on the evaluation of MVA-BN for three additional infectious disease targets. Janssen is granted the exclusive option to collaborate on one or more of the targets following preclinical evaluation of MVA-BN-based vaccine candidates, which will be developed by Bavarian Nordic.

Commercial Vaccines

Bavarian Nordic intends to accelerate the development of the pipeline, which contains a number of projects with a large commercial potential. The initial focus will be initiating clinical trials of an MVA-BN-based RSV vaccine and of CV-301 in non-small cell lung cancer.

RSV (Respiratory Syncytial Virus)
The development of an RSV vaccine using the MVA-BN vaccine platform is a key opportunity to further diversify the infectious disease pipeline and address a high unmet medical need, as currently there are no approved RSV vaccines.

RSV is the most common cause of lower respiratory tract infection in infants and children worldwide, resulting in a high number of hospitalizations. By 2 years of age virtually all infants have had an RSV infection. In addition, RSV causes serious disease in elderly and immune compromised individuals, and results in a comparable number of deaths in the elderly population as influenza. It is estimated that more than 64 million people are infected globally each year, thus representing a blockbuster market opportunity for a safe and effective vaccine.

Bavarian Nordic's recombinant MVA-BN-based RSV vaccine candidate has been shown to induce a balanced humoral and cellular immune response against both RSV subtypes in preclinical models. Furthermore, the candidate has been shown to be highly efficacious in preclinical models, including in studies sponsored by the NIH. Following a positive pre-IND discussion with the FDA, an NIH sponsored toxicity study has been initiated that will support the filing of an IND and initiation of a Phase 1 study in healthy adults in the first half of 2015.

CV-301 Cancer Immunotherapy Candidate for Multiple Cancers
CV-301 is an active cancer immunotherapy candidate which targets two tumor-associated antigens (CEA and MUC-1) that are over-expressed in major cancer types, including lung, bladder, head & neck and colorectal cancer. CV-301 and its precursors have been tested in 16 ongoing or completed NCI-sponsored clinical studies in various cancers, and more than 400 patients have been treated with the product candidate. NCI continues to investigate CV-301 in various clinical settings as part of the CRADA signed in 2011.

Combination treatments continue to play an ever more important role in the rapidly changing cancer treatment paradigm. The synergistic clinical benefit seen with PROSTVAC in combination settings is believed also to apply to CV-301. Specifically, recent preclinical data provide a clear rationale for combining CV-301 with immune checkpoint inhibitors.

Immune checkpoint inhibitors have shown promising efficacy as single agent treatments in clinical studies in various cancers. However, the majority of cancer patients are not responding to immune checkpoint inhibitors, and this is related to low or negative PD-L1 expression. This limited effect is believed to be in part due to individual patients lacking a proper immune response to attack the tumors. CV-301 equips the immune system with the ability to seek out and destroy these tumors.

In light of these developments, Bavarian Nordic recently revised its strategy for the development of CV-301 towards combinatorial use of CV-301 with immune checkpoint inhibitors. While the Company has rights to multiple indications for CV-301, the initial target will be non-small cell lung cancer (NSCLC), which is often advanced and difficult to treat.

CV-301 in non-small cell lung cancer
Lung cancer is the second most common cancer and is by far the leading cause of cancer death. Each year, more people die of lung cancer than of colon, breast, and prostate cancers combined. About 85% of lung cancers are non-small cell lung cancer (NSCLC) which has different subtypes (squamous cell carcinoma, adenocarcinoma, and large cell carcinoma). Analysts estimate that the global market for NSCLC treatments will increase from US$ 5 billion in 2013 to almost US$ 8 billion by 2020[1].

[1] GBI Research (www.gbiresearch.com)

About 70% of NSCLC patients are reported to have low or negative PD-L1 expression, which is often correlated to a lesser response to checkpoint inhibition. This presents a significant opportunity to deploy optimized combination immunotherapy regimens for broader treatment efficacy.

With this strong rationale for combining active immunotherapy with immune checkpoint inhibitors, Bavarian Nordic has selected NSCLC as the primary indication for the development of a treatment that combines CV-301 with an immune checkpoint inhibitor such as an anti-PD-1 agent. The objective is to improve the progression-free survival, which offers relatively fast access to data. Regulatory discussions will take place in 2015, where also trial material will be manufactured to support a clinical Phase 1 study in 2016.

Additional Government Programs

Additional growth opportunities could arise from ongoing collaborations with various U.S. Government agencies, including NIH, DOD and DHS on the preclinical evaluation of recombinant MVA-BN vaccine candidates for selected biological threats (e.g. foot-and-mouth disease virus and Burkholderia), in addition to a collaboration with NCI on cancer immunotherapies.

MVA-BN Brachyury
MVA-BN Brachyury is a novel, active immunotherapy developed using Bavarian Nordic's proprietary validated MVA-BN platform. It is designed to induce a robust T cell immune response against Brachyury, a tumor-associated antigen which is overexpressed in major solid tumor indications. Brachyury is reported to play a key role in the metastases and progression of tumors. Tumors which overexpress Brachyury are believed to be highly resistant to current therapies and are associated with decreased survival rates.

An NCI-sponsored, open label Phase 1 study of MVA-BN Brachyury in patients with advanced cancer is ongoing. The study has reached its enrollment target of 38 patients receiving escalating doses of MVA-BN Brachyury in three cohorts. The objective of the study is to determine the safety and tolerability of MVA-BN Brachyury and to evaluate immunologic responses as measured by an increase in Brachyury-specific T cells.

CV-301 in bladder cancer
CV-301 is being investigated in an NCI-sponsored, randomized, prospective Phase 2 study in bladder cancer. The study investigates CV-301 alone or in combination with BCG (Bacillus Calmette-Guerin) treatment.

CV-301 is thought to activate a potent antitumor immune response against bladder cancer cells which express the CEA and MUC-1 antigens. Together with a BCG-induced immune response, the combination therapy has the potential to improve survival in patients whose disease has progressed following an induction course of BCG.

The study is expected to enroll 54 patients with high grade non-muscle invasive bladder cancer whose cancer has progressed after initial BCG treatment. The primary endpoint is to determine if there is an improvement in disease-free survival for patients receiving CV-301 immunotherapy in combination with BCG treatment compared to those receiving BCG treatment alone.

Other Developments

Capital increase as result of warrant exercise
In March 2015, the Company's share capital was increased by nominally DKK 607,460 as a consequence of employees' exercise of warrants. The capital increase was effected without any pre-emption rights for the existing shareholders of the Company or others. The shares were subscribed for in cash at the following prices per share of nominally DKK 10: 21,543 shares at DKK 192.00 and 39,203 shares at DKK 194.00. The total proceeds to Bavarian Nordic A/S from the capital increase amounted to DKK 11.7 million. Subsequently, Bavarian Nordic A/S' share capital amounts to DKK 277,319,930.

Statement from the Board of Directors and Corporate Management

The Board of Directors and Corporate Management have, today reviewed and approved the Bavarian Nordic A/S interim report for the period January 1 to March 31, 2015.

The interim report has been prepared in accordance with IAS 34 "Presentation of interim reports" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies, including those of Nasdaq Copenhagen. The interim report has not been audited or reviewed by the company's auditors.

In our opinion, the interim report gives a true and fair view of the group's assets and liabilities and financial position as of March 31, 2015 and the results of the group's activities and cash flows for the period January 1 to March 31, 2015.

In our opinion, the management's review provides a true and fair description of the development in the group's activities and financial affair, the results for the period and the group's financial position as a whole as well as a description of the most important risks and uncertainty factors faced by the group.

Kvistgaard, May 5, 2015

Corporate Management:

Paul Chaplin President and CEO	Ole Larsen CFO

Board of Directors:

Gerard van Odijk Chairman of the Board	Anders Gersel Pedersen Deputy chairman	Claus Bræstrup
Erik G. Hansen	Peter Kürstein	

Financial Statements

Group Key Figures

DKK million	1/1 - 31/3 2015	1/1 - 31/3 2014	1/1-31/12 2014
	un-audited	*un-audited*	*audited*
Income statements			
Revenue	234.8	285.9	1,216.8
Production costs	92.1	144.4	495.1
Research and development costs	118.6	89.3	478.9
Distribution costs	17.4	10.8	45.1
Administrative costs	46.9	38.0	181.0
Income before interest and taxes (EBIT)	(40.2)	3.4	16.7
Financial items, net	103.2	0.7	47.7
Income before company tax	63.0	4.1	64.4
Net profit for the period	45.4	1.2	25.9
Balance sheet			
Total non-current assets	540.0	560.5	568.1
Total current assets	1,923.9	771.9	1,319.2
Total assets	2,463.9	1,332.4	1,887.3
Equity	1,268.9	978.7	1,252.1
Non-current liabilities	51.4	84.5	51.9
Current liabilities	1,143.6	269.2	583.3
Cash flow statements			
Securities, cash and cash equivalents	1,607.5	414.9	979.7
Cash flow from operating activities	599.4	(79.8)	338.8
Cash flow from investment activities	(14.4)	(37.7)	(503.7)
- Investment in intangible assets	(9.0)	(21.2)	(53.6)
- Investment in property, plant and equipment	(0.4)	(12.9)	(52.4)
Cash flow from financing activities	11.2	(2.1)	216.3
Financial Ratios (DKK) [1)]			
Earnings (basic) per share of DKK 10	1.6	0.0	1.0
Net asset value per share [2)]	45.8	35.3	45.2
Share price at period-end	357	99	198
Share price/Net asset value per share	7.8	2.8	4.4
Number of outstanding shares at period-end	27,732	26,094	27,671
Equity share	51%	73%	66%
Number of employees, converted to full-time, at period-end	421	426	422

[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 issue of new shares in 2015, net asset value per share for 2014 have been recalculated based on outstanding shares end Q1 2015.

Notes
(stated in the end of this document):

1. Accounting policies
2. Significant accounting estimates, assumptions and uncertainties
3. Revenue
4. Production costs
5. Research and development costs
6. Inventories
7. Other receivables
8. Other liabilities
9. Financial instruments
10. Related party transactions
11. Incentive plans

Income Statement

DKK million	Note	1/1 - 31/3 2015	1/1 - 31/3 2014	1/1-31/12 2014
		un-audited	*un-audited*	*audited*
Revenue	3	234.8	285.9	1,216.8
Production costs	4	92.1	144.4	495.1
Gross profit		**142.7**	**141.5**	**721.7**
Research and development costs	5	118.6	89.3	478.9
Distribution costs		17.4	10.8	45.1
Administrative costs		46.9	38.0	181.0
Total operating costs		**182.9**	**138.1**	**705.0**
Income before interest and tax (EBIT)		**(40.2)**	**3.4**	**16.7**
Financial income		103.6	1.7	57.4
Financial expenses		0.4	1.0	9.7
Income before company tax		**63.0**	**4.1**	**64.4**
Tax on income for the period		17.6	2.9	38.5
Net profit for the period		**45.4**	**1.2**	**25.9**
Earnings per share (EPS) - DKK				
Basic earnings per share of DKK 10		1.6	0.0	1.0
Diluted earnings per share of DKK 10		1.6	0.0	1.0

Statement of comprehensive income

DKK million	1/1 - 31/3 2015	1/1 - 31/3 2014	1/1-31/12 2014
	un-audited	*un-audited*	*audited*
Net profit for the period	**45.4**	**1.2**	**25.9**
Items that might be reclassified to the income statement:			
Exchange rate adjustments, investments in subsidiaries	(44.1)	-	(41.5)
Other comprehensive income after tax	**(44.1)**	**-**	**(41.5)**
Total comprehensive income	**1.3**	**1.2**	**(15.6)**

Statement of financial position

DKK million	Note	31/3 2015	31/3 2014	31/12 2014
		un-audited	*un-audited*	*audited*
Assets				
Acquired patents and licenses		-	23.6	24.7
Software		4.7	5.0	4.8
IMVAMUNE development project		83.1	83.3	78.4
Intangible assets in progress		2.6	0.8	1.3
Intangible assets		**90.4**	**112.7**	**109.2**
Land and buildings		222.3	177.3	226.2
Leasehold improvements		0.9	1.1	0.9
Plant and machinery		59.8	78.0	64.6
Fixtures and fittings, other plant and equipment		20.1	22.8	20.9
Assets under construction		24.1	46.7	24.0
Property, plant and equipment		**327.2**	**325.9**	**336.6**
Other receivables		0.8	0.8	0.8
Financial assets		**0.8**	**0.8**	**0.8**
Deferred tax assets		**121.6**	**121.1**	**121.5**
Total non-current assets		**540.0**	**560.5**	**568.1**
Development projects		**69.7**	**-**	**-**
Inventories	6	**142.4**	**204.6**	**121.8**
Trade receivables		68.4	129.9	186.8
Tax receivables		3.0	2.3	4.9
Other receivables	7	10.7	5.9	14.5
Prepayments		22.2	14.3	11.5
Receivables		**104.3**	**152.4**	**217.7**
Securities		588.2	187.7	581.3
Cash and cash equivalents		1,019.3	227.2	398.4
Securites, cash and cash equivalents		**1,607.5**	**414.9**	**979.7**
Total current assets		**1,923.9**	**771.9**	**1,319.2**
Total assets		**2,463.9**	**1,332.4**	**1,887.3**

Statement of financial position

DKK million	Note	31/3 2015	31/3 2014	31/12 2014
		un-audited	*un-audited*	*audited*
Equity and liabilities				
Share capital		277.3	260.9	276.7
Retained earnings		1,032.9	653.2	972.3
Other reserves		(41.3)	64.6	3.1
Equity		**1,268.9**	**978.7**	**1,252.1**
Provisions		18.6	14.8	18.6
Credit institutions		32.8	69.7	33.3
Non-current liabilities		**51.4**	**84.5**	**51.9**
Credit institutions		1.9	8.5	1.9
Prepayment from customers		870.5	72.2	375.2
Trade payables		67.2	61.9	58.7
Provisions		4.2	2.3	4.2
Other liabilities	8	199.8	124.3	143.3
Current liabilities		**1,143.6**	**269.2**	**583.3**
Total liabilities		**1,195.0**	**353.7**	**635.2**
Total equity and liabilities		**2,463.9**	**1,332.4**	**1,887.3**

Statement of cash flow

DKK million	1/1 - 31/3 2015	1/1 - 31/3 2014	1/1-31/12 2014
	un-audited	*un-audited*	*audited*
Income before interest and tax (EBIT)	**(40.2)**	**3.4**	**16.7**
Depreciation, amortization and impairment losses	10.9	11.1	44.9
Expensing (amortization) of IMVAMUNE development project	2.5	11.7	45.5
Share-based payment	12.0	1.3	21.3
Changes in inventories	(20.5)	29.0	111.8
Changes in receivables	334.2	(14.9)	(78.3)
Changes in provisions	-	0.1	3.6
Changes in current liabilities	281.5	(119.1)	180.4
Cash flow from operations (operating activities)	**580.4**	**(77.4)**	**345.9**
Received financial income	35.2	1.4	19.4
Paid financial expenses	(0.5)	(0.7)	(4.2)
Paid corporation taxes	(15.7)	(3.1)	(22.3)
Cash flow from operating activities	**599.4**	**(79.8)**	**338.8**
Investments in and additions to intangible assets	(9.0)	(21.2)	(53.6)
Investments in property, plant and equipment	(0.4)	(12.9)	(52.4)
Disposal of property, plant and equipment	-	-	0.1
Investments in/disposal of securities	(5.0)	(3.6)	(397.8)
Cash flow from investment activities	**(14.4)**	**(37.7)**	**(503.7)**
Payment on mortgage and construction loan	(0.5)	(2.1)	(49.0)
Proceeds from warrant programs exercised	11.7	-	14.4
Proceeds from direct placement	-	-	251.0
Cost related to issue of new shares	-	-	(0.1)
Cash flow from financing activities	**11.2**	**(2.1)**	**216.3**
Cash flow of the period	**596.2**	**(119.6)**	**51.4**
Cash as of 1 January	398.4	346.8	346.8
Currency adjustments 1 January	24.7	-	0.2
Cash end of period	**1,019.3**	**227.2**	**398.4**
Securities - highly liquid bonds	588.2	187.7	581.3
Credit lines	11.0	120.0	20.0
Cash preparedness	**1,618.5**	**534.9**	**999.7**

Statement of changes in equity - Group

DKK million	Share capital	Retained earnings	Reserves for currency adjustment	Share-based payment	Equity
Equity as of January 1, 2015	**276.7**	**972.3**	**(35.2)**	**38.3**	**1,252.1**
Comprehensive income for the period					
Net profit	-	45.4	-	-	45.4
Other comprehensive income					
Exchange rate adjustments, investments in subsidiaries	-	-	(44.1)	-	(44.1)
Total comprehensive income for the period	**-**	**45.4**	**(44.1)**	**-**	**1.3**
Transactions with owners					
Share-based payment	-	-	-	3.7	3.7
Warrant program exercised	0.6	15.2	-	(4.0)	11.8
Total transactions with owners	**0.6**	**15.2**	**-**	**(0.3)**	**15.5**
Equity as of March 31, 2015	**277.3**	**1,032.9**	**(79.3)**	**38.0**	**1,268.9**

DKK million	Share capital	Retained earnings	Reserves for currency adjustment	Share-based payment	Equity
Equity as of January 1, 2014	**260.9**	**652.0**	**6.4**	**57.0**	**976.3**
Comprehensive income for the period					
Net profit	-	1.2	-	-	1.2
Total comprehensive income for the period	**-**	**1.2**	**-**	**-**	**1.2**
Transactions with owners					
Share-based payment	-	-	-	1.2	1.2
Total transactions with owners	**-**	**-**	**-**	**1.2**	**1.2**
Equity as of March 31, 2014	**260.9**	**653.2**	**6.4**	**58.2**	**978.7**

1. Accounting policies

The interim report is prepared in accordance with IAS 34, Presentation of interim reports, as adopted by EU and the additional Danish requirements for submission of interim reports for companies listed on Nasdaq Copenhagen.

The interim report is presented in Danish Kroner (DKK), which is considered the prime currency of the Group's activities and the functional currency of the parent company.

Segment reporting
In March it was decided to merge the divisional structure hence the Group will no longer prepare segment reporting.

Acquired licenses
In the first quarter of 2015 management has reassessed the accounting treatment of acquired licenses. As part of the Company's business model the Company acquires licenses for further development with subsequent disposal of the licenses either through a sale or by entering into a partnership agreement under which the licenses are assumed to be transferred to the partner. Until now acquired licenses have been recognized as an intangible asset because it has been undetermined whether the licenses would have been recovered through use by the Company itself or through sale. Based on the latest development management has assessed that currently the correct accounting treatment is to recognize the acquired licenses as a development project under current assets. Therefore the carrying amount of the acquired licenses as per December 31, 2014 (DKK 28 million) has been reclassified. The comparative figures for 2014 have not been restated as the change relates to accounting estimates.

Except for the addition concerning development projects, the accounting policies used in the interim report are consistent with those used in the Annual Report 2014 and in accordance with the recognition and measurement policies in the International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for the annual reports of listed companies. We refer to the Annual Report 2014 for further description of the accounting policies, including the definitions of financial ratios, calculated in accordance with "Anbefalinger og Nøgletal 2010" (Recommendations and Financial ratios 2010).

Accounting policy for "Development projects"
Development projects consist of licenses that have been acquired with the intent to further develop of the technology and subsequently disposal of the licenses either through a sale or by entering into a partnership agreement under which the licenses are assumed to be transferred to the partner.

Only the license payments are capitalized whereas all costs related to further development of the technology are expensed in the year they occur unless the criteria for recognition as an asset are met.

At initial recognition acquired licenses are measured at cost. Subsequently the acquired licenses are measured at the lower of cost and net realizable value.

The net realizable value is the estimated sales price in the ordinary course of business less relevant sales costs determined on the basis of marketability.

2. Significant accounting estimates, assumptions and uncertainties

In the preparation of the interim report according to generally accepted accounting principles, Management is required to make certain estimates as many financial statement items cannot be reliably measured, but must be estimated. Such estimates comprise judgments made on the basis of the most recent information available at the reporting date. It may be necessary to change previous estimates as a result of changes to the assumptions on which the estimates were based or due to supplementary information, additional experience or subsequent events.

Similarly, the value of assets and liabilities often depends on future events that are somewhat uncertain. In that connection, it is necessary to set out e.g. a course of events that reflects Management's assessment of the most probable course of events.

Further to significant accounting estimates, assumptions and uncertainties which are stated in the Annual Report 2014, the Management has not performed significant estimates and judgments regarding recognition and measurement.

DKK million	1/1 - 31/3 2015	1/1 - 31/3 2014	1/1-31/12 2014
	un-audited	*un-audited*	*audited*
3. Revenue			
IMVAMUNE sale	64.9	254.1	1,024.2
Other product sale	144.3	-	-
Sale of goods	209.2	254.1	1,024.2
IMVAMUNE sale, development results	-	-	-
Contract work	25.6	31.8	192.6
Sale of services	25.6	31.8	192.6
Revenue	**234.8**	**285.9**	**1,216.8**
4. Production costs			
Cost of goods sold, IMVAMUNE sale	19.0	129.5	411.1
Cost of goods sold, other product sale	45.4	-	-
Contract costs	10.3	14.7	91.7
Other production costs	17.4	0.2	(7.7)
Production costs	**92.1**	**144.4**	**495.1**
5. Research and development costs			
Research and development costs occured in the period	133.6	110.4	572.0
Of which:			
Contract costs recognized as production costs	(10.3)	(14.7)	(91.7)
Capitalized development costs	(7.2)	(18.1)	(46.9)
	116.1	77.6	433.4
Expensing (amortization) of prior-year costs attributable to the IMVAMUNE development project	2.5	11.7	45.5
Research and development costs	**118.6**	**89.3**	**478.9**

DKK million	31/3 2015	31/3 2014	31/12 2014
	un-audited	*un-audited*	*audited*
6. Inventories			
Raw materials and supply materials	25.8	12.5	21.7
Work in progress	154.9	234.9	115.3
Manufactured goods and commodities	14.5	22.4	30.7
Write-down on inventory	(52.8)	(65.2)	(45.9)
Inventories	**142.4**	**204.6**	**121.8**
Write-down on inventory 1 January	(45.9)	(68.5)	(68.5)
Write-down during the period	(6.9)	(7.9)	(0.5)
Use of write-down	-	-	11.0
Reversal of write-down	-	11.2	12.1
Write-down end of period	**(52.8)**	**(65.2)**	**(45.9)**

DKK million	31/3 2015	31/3 2014	31/12 2014
	un-audited	*un-audited*	*audited*
7. Other receivables			
Receivable VAT and duties	2.8	3.5	5.9
Financial instruments at fair value	0.7	-	-
Accrued interest	7.2	1.8	8.4
Other receivables	-	0.6	0.2
Other receivables	**10.7**	**5.9**	**14.5**
8. Other liabilities			
Financial instruments at fair value	-	0.6	0.7
Liability relating to phantom shares	11.3	3.9	17.2
Payable salaries, holiday accrual etc.	59.7	52.6	61.9
Other accrued costs	128.8	67.2	63.5
Other liabilities	**199.8**	**124.3**	**143.3**

9. Financial instruments

Method and assumption to determine fair value
The Group has financial instruments measured at fair value at level 1 and level 2.

Securities (level 1)
The portfolio of publicly traded government bonds and publicly traded mortgage bonds is valued at listed prices and price quotas.

Derivative financial instruments (level 2)
Currency forward contracts, currency option contracts and currency swap contracts are valued according to generally accepted valuation methods based on relevant observable swap curves and exchange rates.

Fair value hierarchy for financial instruments measured at fair value

As of March 31, 2015 (un-audited)

DKK million	Level 1	Level 2	Total
Securities	588.2	-	588.2
Financial assets measured at fair value in the income statement	**588.2**	**-**	**588.2**
Derivative financial instruments at fair value in the income statement (currency)	-	0.7	0.7
Financial liabilities measured at fair value in the income statement	**-**	**0.7**	**0.7**

As of December 31, 2014 (audited)

DKK million	Level 1	Level 2	Total
Securities	581.3	-	581.3
Financial assets measured at fair value in the income statement	**581.3**	**-**	**581.3**
Derivative financial instruments at fair value in the income statement (currency)	-	(0.7)	(0.7)
Financial liabilities measured at fair value in the income statement	**-**	**(0.7)**	**(0.7)**

10. Related party transactions

The nature and extent of transactions with related parties remain unchanged from last year. Reference is made to the description in the Annual Report 2014.

11. Incentive plans

Outstanding warrants as of March 31, 2015

	Outstanding as of January 1	Addition during the period	Options exercised	Annulled	Terminated	Trans-ferred	Outstanding as of March 31
Board of Directors	65,000	-	-	-	-	-	65,000
CEO & President	130,000	-	-	-	-	-	130,000
Group Management	240,000	-	-	-	-	-	240,000
Other employees	1,028,550	-	(59,400)	(3,500)	-	(161,025)	804,625
Retired employees	255,171	-	(1,346)	-	-	161,025	414,850
Total	**1,718,721**	**-**	**(60,746)**	**(3,500)**	**-**	**-**	**1,654,475**
Weighted average exercise price	**90**	**-**	**193**	**74**	**-**	**-**	**86**
Weighted average share price at exercise	**-**	**-**	**365**	**-**	**-**	**-**	**-**

Numbers of warrants which can be exercised as of March 31, 2015	136,400
at a weighted average exercise price of DKK	60

The total recognized cost of the warrant programs was DKK 3.7 million in the first three months of 2015 (DKK 1.2 million).

Specification of parameters for Black-Scholes model

DKK	Dec 2010	Aug 2011	Maj 2012	Aug 2012	Feb 2013	Aug 2013	Dec 2013	Aug 2014
Average share price	238.00	50.00	43.30	52.00	45.50	68.00	82.00	117.50
Average exercise price at grant	261.00	54.10	54.00	59.10	55.00	73.90	96.50	131.40
Average exercise price after rights issue [1)]	194.00	-	-	-	-	-	-	-
Expected volatility rate	49.5%	73.4%	52.5%	50.0%	28.3%	36.4%	35.4%	39.7%
Expected life (years)	3.0	3.3	3.3	3.3	3.1	3.3	3.3	3.3
Expected dividend per share	-	-	-	-	-	-	-	-
Risk-free interest rate p.a.	1.63%	1.08%	0.31%	-0.09%	0.22%	0.78%	0.74%	0.63%
Fair value at grant [2)]	78	24	13	16	6	16	17	29
Fair value after rights issue [3)]	23	-	-	-	-	-	-	-

The expected volatility is based on the historical volatility (over 12 months).

[1)] Determined at date of rights issue 27 May 2011

[2)] Fair value of each warrant at grant applying the Black-Scholes model

[3)] Fair value of each warrant at date of rights issue 27 May 2011 applying the Black-Scholes model

Appendix

Table 1
Overview of ongoing and completed contracts with the U.S. Government as of March 31, 2015.

USD million		P&L		Cash Flow	
	Contract value	Revenue recognized	To be recognized	Received	To be received
IMVAMUNE RFP-3 Clinical development and registration of IMVAMUNE. Delivery of 28 million doses	**778**	763	15	763	15
IMVAMUNE RFP-1 and RFP-2 Preclinical and early clinical development of IMVAMUNE	**130**	130	0	130	0
IMVAMUNE Freeze-dried RFP Development of freeze-dried IMVAMUNE	**95**	55	40	54	41
MVA-BN Ebola/Marburg Preclinical development	**18**	4	14	4	14
MVA-BN Foot-and-mouth disease Preclinical development	**1**	1	0	1	0
MVA-BN Burkholderia Preclinical development	**1**	1	0	1	0
TOTAL	**1,023**	**954**	**69**	**953**	**70**