



Bavarian Nordic Announces Initiation of NCI-sponsored Phase 2 Study of PROSTVAC in Patients with Localized Prostate Cancer

- Multi-center, placebo-controlled study designed to explore PROSTVAC[®] in patients undergoing active surveillance

COPENHAGEN, Denmark - July 24, 2015 - Bavarian Nordic A/S (OMX: BAVA, OTC: BVNRY) announced today that the first patient has been enrolled in a new phase 2 clinical study of PROSTVAC, the Company's active prostate cancer immunotherapy candidate. The study is designed as a randomized, double-blind, placebo-controlled study for men who have localized prostate cancer, and are undergoing active surveillance. These patients are not experiencing symptoms related to their cancer, and are not being treated with other therapies. The study is sponsored by the National Cancer Institute (NCI) as part of a Collaborative Research and Development Agreement (CRADA) and Clinical Supply Agreement between Bavarian Nordic and the NCI.

The study will be conducted across 6 sites, and is designed to enroll 90 patients with the potential to expand up to 150 patients. The primary endpoint of the study is to determine how well PROSTVAC works in eliciting an immune response in patients with prostate cancer that is found only in the prostate and has not yet metastasized. Changes in CD8 and CD4 T cells in tissue adjacent to the tumor and within malignant portion of prostate biopsies will be measured as will changes in PSA. Secondary endpoints include effects of PROSTVAC on changes in PD-L1 expression, PSA doubling time, and change in tumor grade (Gleason score). The principal investigator of the study is J. Kellogg Parsons, M.D., MHS, University of California San Diego. More information on the trial can be found at <http://www.clinicaltrials.gov/ct2/show/NCT02326805>.

"This is a wonderful opportunity to explore the potential benefits of using an active immunotherapy on patients in the early disease setting. It is widely believed that using immunotherapy with patients who have a lower disease burden might benefit even more than the efficacy we have already seen in the later stage settings of prostate cancer, thus providing a larger commercial potential for the product candidate. We thank the NCI, and our clinical collaborators, for initiating this study, and look forward to following its progress," said Paul Chaplin, President & Chief Executive Officer of Bavarian Nordic.

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About PROSTVAC

PROSTVAC is a ready to use immuno-oncology agent that stimulates an immune response that attacks prostate cancer cells. Administered subcutaneously, PROSTVAC employs Bavarian Nordic's active immunotherapy (vaccinia-fowlpox/TRICOM) technology platform. When PSA-TRICOM is presented to the immune system in the PROSTVAC regimen, cytotoxic T lymphocytes (CTLs) are generated that may recognize and kill PSA-expressing cancer cells and trigger an immune response to other tumor antigens. PROSTVAC is currently being evaluated in a global, randomized, double-blind, placebo-controlled phase 3 study (PROSPECT), that has fully enrolled at 1,298 patients with asymptomatic or minimally symptomatic metastatic castration-resistant prostate cancer

(mCRPC). Previous clinical studies of PROSTVAC, either as single-agent therapy or in combination with anti-androgen therapies, radiation therapies or immune checkpoint inhibitors have indicated possible therapeutic synergies for these treatment combinations and PROSTVAC has been generally well-tolerated.

About Bavarian Nordic

Bavarian Nordic is a biopharmaceutical company focused on the development and manufacturing of cancer immunotherapies and vaccines for infectious diseases. Through a long-standing collaboration with the U.S. Government, Bavarian Nordic has developed a portfolio of biological countermeasures, including the non-replicating smallpox vaccine, IMVAMUNE[®], which is stockpiled for emergency use by the U.S. and other governments. The vaccine is approved in the EU (under the trade name IMVANEX[®]) and in Canada. Bavarian Nordic and its partner Janssen are pioneering the development of an Ebola vaccine, which has been fast-tracked by authorities in response to the current situation in West Africa. Additionally, in collaboration with the National Cancer Institute, Bavarian Nordic has developed a portfolio of active cancer immunotherapies based on its versatile pox-virus based technologies, including PROSTVAC[®], which is currently in Phase 3 clinical development for the treatment of advanced prostate cancer. The company has partnered with Bristol-Myers Squibb for the potential commercialization of PROSTVAC. 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. 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.