Company Announcement

Bavarian Nordic Announces Interim Results for the First Three Months of 2016

COPENHAGEN, Denmark, May 13, 2016 – Bavarian Nordic A/S (OMX: BAVA, OTC: BVNRY) announced today its interim financial results for the first three months of 2016. Below is a summary of business progress and financial performance for the period. The full interim report is attached as a PDF file and can be found on the company's website, www.bavarian-nordic.com.

Key highlights from the report

- Successfully completed a private placement of 2.77 million new shares in April, raising gross proceeds of DKK 665 million. The significantly strengthened cash preparedness will enable the accelerated development of key pipeline projects such as MVA-BN RSV and CV-301 cancer immunotherapy, as well as allow for potential expansion of manufacturing capabilities.
- Results from the first Phase 1 study of the Ebola prime-boost vaccine regimen were published in JAMA in April, showing that the vaccine regimen produced an antibody response in 100 percent of healthy volunteers that was sustained 8 months following immunization, indicating potential for a durable response.
- The first, planned interim analysis of Phase 3 study of PROSTVAC occurred in February, confirming that the study should continue without modification. The final analysis is still anticipated in 2017 with two more interim analyses occurring prior to that.
- Two new Phase 2 clinical studies of PROSTVAC were initiated by the National Cancer Institute in the first quarter; a study investigating the combination of PROSTVAC and docetaxel in 38 patients with non-metastatic castration sensitive prostate cancer receiving androgen deprivation therapy, and a study investigating PROSTVAC in 80 patients with biochemically recurrent prostate cancer. Currently, eight Phase 2 & 3 clinical studies in more than 1,800 patients are ongoing, investigating PROSTVAC as single or combination therapy in various stages of prostate cancer.
- In January, an End of Phase 2 meeting was held with the FDA to discuss the previously announced positive results of a Phase 2 study with IMVAMUNE. At this meeting, the agency accepted that immunogenicity could be bridged between the two formulations and that the proposed single Phase 3 lot consistency study is sufficient for approval of freeze-dried IMVAMUNE. Furthermore, based on the current safety database which includes data from a large Phase 3 lot-consistency and safety study, FDA agreed that all future trials involving MVA-BN would no longer require active cardiac monitoring.
- At the request of certain health authorities, including BARDA and WHO, Bavarian Nordic has submitted proposals outlining a concept for utilization of MVA-BN in the development and manufacturing of vaccines in the fight against emerging infectious diseases, including Zika virus. Any future development in these areas would depend on funding availability.

"On the back of a successful capital raise in April, supported by both new and existing international institutional investors, we continue to work towards the initiation of multiple new clinical studies later in 2016. These studies will advance key pipeline projects such as CV-301 for multiple cancers and our RSV vaccine for which we expect to report Phase 1 results shortly. We continue to see good support from our partners, including the U.S. Government that has asked our advice on potential ways to deploy our MVA-BN platform in the fight against emerging and tropical diseases, and from the NCI who continues to advance PROSTVAC in combination studies. We also reported the first interim analysis of the PROSTVAC Phase 3 study and look forward to additional updates towards final data next year, as we continue to follow patients in the study," said Paul Chaplin, President & Chief Executive Officer of Bavarian Nordic.

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Financial performance
As previously announced, manufacturing and release of commercial products will primarily occur later in 2016 and thus more than 90% of the year's revenue is expected to be recognized in the second half of 2016. Hence, only DKK 23 million in revenue was recognized during first quarter.

	DKK million		USD million	
	3m 2016	3m 2015	3m 2016	3m 2015
Revenue	23	235	4	36
EBIT	(153)	(40)	(22)	(6)
Cash preparedness, period-end	1,365	1,619	209	248

Outlook for 2016
The Company maintains its financial expectations for 2016. For detailed assumptions, refer to the 2015 Annual Report. Upon completion of the capital increase in April, the expectations to cash preparedness at year-end were upgraded from DKK 1,300 million to DKK 1,900 million.

2016E	DKK million	USD million
Revenue	1,000	153
EBIT	0	0
Cash preparedness, year-end *	1,900	291

** Cash preparedness includes cash, cash equivalents, investments in securities and the aggregate amount of undrawn credit lines.*

Danish kroner (DKK) is the Company's functional currency. All USD figures provided above are based upon an assumed exchange rate of DKK 6.54 per 1.00 USD, which was the exchange rate as of March 31, 2016.

Conference call and webcast
The management of Bavarian Nordic will host a conference call today at 2 pm CET (8 am EDT) to present the interim results followed by a Q&A session. Dial-in numbers for the conference call are: Denmark: +45 32 71 16 60, UK: +44 (0) 20 3427 1912, USA: +1 646 254 3360. Participant code is 6964190. A live and archived webcast of the call and relevant slides will be available at http://www.bavarian-nordic.com/investor/events.aspx?event=4530.

About Bavarian Nordic
Bavarian Nordic is a fully integrated biotechnology company focused on the development, manufacturing and commercialization of cancer immunotherapies and vaccines for infectious diseases, based on the Company's live virus vaccine platform. Through long-standing collaborations, including a collaboration with the U.S. government, Bavarian Nordic has developed a portfolio of vaccines for infectious diseases, including the non-replicating smallpox vaccine, IMVAMUNE®, which is stockpiled for emergency use by the United States and other governments. The vaccine is approved in the European Union (under the trade name IMVANEX®) and in Canada. Bavarian Nordic and its partner Janssen are developing an Ebola vaccine regimen, which has been fast-tracked, with the backing of worldwide health authorities, and a vaccine for the prevention and treatment of HPV. Additionally, in collaboration with the National Cancer Institute, Bavarian Nordic has developed a portfolio of active cancer immunotherapies, 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.

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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