



BAVARIAN NORDIC

Company Announcement

Bavarian Nordic Announces USD 100 Million Supply Contract for IMVAMUNE Smallpox Vaccine with the U.S. Government

- New order affirms the U.S. Government commitment to freeze-dried IMVAMUNE

COPENHAGEN, Denmark, May 19, 2016 - Bavarian Nordic A/S (OMX: BAVA, OTC: BVNRY) today announced that the Biomedical Advanced Research and Development Authority (BARDA), a division of the U.S. Department of Health & Human Services, has ordered a bulk supply of IMVAMUNE® non-replicating smallpox vaccine, valued at USD 100 million.

Under this new order, Bavarian Nordic will manufacture and store a bulk supply of IMVAMUNE. This bulk material can be converted into freeze-dried IMVAMUNE at a later date, once the freeze-drying manufacturing process has been transferred to a commercial line, and is approved by the U.S. authorities. This new bulk vaccine order will be produced and revenue recognized in 2017. This order follows a USD 133 million order for bulk IMVAMUNE in 2015 resulting in a total current investment of USD 233 million to date. A contract for the eventual delivery of finished product to the U.S. Government is still required prior to determining a dose price of the freeze-dried formulation.

The freeze-dried version of IMVAMUNE is expected to reduce the life cycle management costs based on a longer shelf life and will replace the liquid-frozen version that is currently stockpiled in the U.S. Strategic National Stockpile (SNS). The freeze-dried version is well positioned to fulfill the U.S. Government's long-term requirements for sufficient non-replicating smallpox vaccine to protect 66 million Americans, comprised of those individuals for whom a replicating smallpox vaccine is not recommended and their household contacts.

"We are pleased to announce our continued successful collaboration with the U.S. government, specifically BARDA and the NIH. This additional order of IMVAMUNE will ensure that the preparedness of the U.S. government and the protection of its people will not wane," said Paul Chaplin, President & Chief Executive Officer of Bavarian Nordic. "It has been investments like this by BARDA, and the research at the NIH, which have allowed successful medical countermeasures to be stockpiled."

Federal funding acknowledgements:

Procurement and development of IMVAMUNE has been funded in whole or in part with Federal funds from the Office of the Assistant Secretary for Preparedness and Response, Biomedical Advanced Research and Development Authority, under Contract No. HHSO100200700034C.

The development of a freeze-dried formulation of IMVAMUNE has been funded in whole or in part with Federal funds from the Office of the Assistant Secretary for Preparedness and Response, Biomedical Advanced Research and Development Authority, under Contract No. HHSO100201000011C.

About IMVAMUNE Smallpox Vaccine:

IMVAMUNE is being developed as a smallpox vaccine for individuals for whom traditional replicating vaccines are contraindicated, such as people with atopic dermatitis (AD) and HIV. IMVAMUNE is the Company's most advanced commercial program. Studies comprising more than 7,600 subjects, including people diagnosed with AD or infected with HIV, demonstrate that IMVAMUNE has a favorable safety profile. In 2013, the vaccine was approved in Canada under the trade name IMVAMUNE and in the European Union under the trade name IMVANEX®.

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. 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](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. 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.

Contacts

Rolf Sass Sørensen
Vice President Investor Relations (EU)
Tel: +45 61 77 47 43

Seth Lewis
Vice President Investor Relations (US)
Tel: +1 978 341 5271

Company Announcement no. 16 / 2016