Company Announcement

Bavarian Nordic Announces Initiation of NIH Sponsored Phase 1 Trial of MVA-BN-based Yellow Fever Vaccine

COPENHAGEN, Denmark, July 27, 2016 – Bavarian Nordic A/S (OMX: BAVA, OTC: BVNRY) today announced the initiation of a Phase 1 clinical trial of MVA-BN YF, a new vaccine candidate based on the Company's proprietary MVA-BN platform, designed to protect against yellow fever virus. The study is sponsored by the National Institute of Allergy and Infectious Diseases (NIAID), part of the National Institutes of Health (NIH).

"We are very pleased to see the advancement of this novel vaccine into human studies. Clearly there remains an unmet medical need in the protection of populations who are at risk from potential outbreaks like yellow fever. Now more than ever it is clear that proactive vaccine development is required for both existing and emerging threats to public health. We are excited to expand the scope of our MVA-BN technology and look forward to exploring its potential further. We remain a dedicated partner to the NIH and the U.S. government, and look forward to assisting as needed," said Paul Chaplin, President & Chief Executive Officer of Bavarian Nordic.

A preclinical study conducted by Bavarian Nordic demonstrated that the vaccine candidate provided complete protection against infection with the virus in hamsters. Furthermore, preclinical studies suggest that combining MVA-BN with ISA 720, an adjuvant that has been used in prior clinical trials, induces a strong immune response after a single dose of vaccine. The preclinical challenge study was funded by the NIH.

The placebo-controlled, double-blinded clinical trial will evaluate whether the vaccine is safe, tolerable and induces a human immune response indicating a potential for preventing yellow fever virus infection. The study will enroll 90 healthy men and women ages 18 to 45. Participants will be divided into six groups: one that will receive the currently licensed yellow fever vaccine (15 participants) and five groups (15 participants each) will receive MVA-BN YF, either with or without ISA 720 adjuvant. Additional details about the trial can be found at ClinicalTrials.gov using the identifier NCT02743455. The study is being conducted under the supervision of NIAID, contract number HHSN272200800003C.

About Yellow Fever
Yellow fever virus is found in tropical and subtropical areas in South America and Africa. It caused an estimated 84,000 to 170,000 severe cases of disease and 29,000 to 60,000 deaths in 2013, according to the World Health Organization (WHO). The virus is transmitted to people primarily through the bite of infected female *Aedes aegypti* mosquitoes. Mild cases of infection can cause fever, back pain, headache, nausea, vomiting, fatigue and weakness. Most people recover, but approximately 15 percent of those infected develop severe disease manifested as yellow eyes and skin (jaundice), hemorrhage and shock, resulting in potentially fatal kidney, liver or heart conditions.

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

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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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