Interim Financial Report

for the Period January 1 to June 30, 2016

Bavarian Nordic A/S
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Management's Review

Financial Statement for the Period January 1 – June 30, 2016

Financial statements are un-audited. Comparison figures for the same period 2015 are stated in parentheses.

- Revenue generated for the six months ending June 30, 2016 was DKK 139 million (DKK 624 million)
- The income before interest and tax (EBIT) was a loss of DKK 207 million (income of DKK 85 million).
- As of June 30, 2016 the Group's cash preparedness was DKK 1,894 million (DKK 1,669 million), including unutilized credit lines of DKK 392 million (DKK 384 million).

Revenue generated for the six months ending June 30, 2016 was DKK 139 million (DKK 624 million). Revenue was generated from the sale of IMVAMUNE, DKK 13 million (DKK 77 million), IMVAMUNE holdback, DKK 81 million (DKK 0 million) and contract work, DKK 46 million (DKK 45 million). As previously announced manufacturing and release of commercial products will primarily occur later in 2016 and thus more than 85% of the year's revenue is expected to be recognized in the second half of 2016. Revenue reported for the three months ended June 30, 2016 was DKK 116 million (DKK 389 million).

The production costs totaled DKK 47 million (DKK 202 million). Costs related directly to revenue amounted to DKK 29 million (DKK 167 million). Other production costs totaled DKK 18 million (DKK 35 million). In the second quarter of 2016, production costs were DKK 28 million (DKK 110 million).

Research and development costs totaled DKK 193 million (DKK 219 million). The decrease is mainly related to the reorganization within research and development in 2015.

Distribution costs totaled DKK 19 million (DKK 27 million) and administrative costs totaled DKK 87 million (DKK 90 million). The decrease in distribution costs compared to 2015 is mainly related to the downsizing of the Californian organization in March 2015. The decrease in administrative costs is also related to the reorganization in California, partly offset by expenses related to the planned U.S. listing, which has been withdrawn.

The income before interest and tax (EBIT) was a loss of DKK 207 million (income of DKK 85 million).

Financial items totaled a net income of DKK 2 million (net income of DKK 63 million). Net income from securities amounted to DKK 14 million (net expense of DKK 4 million) and negative exchange rate adjustments amounted to DKK 10 (positive exchange rate adjustments of DKK 69 million).

Income before company tax was a loss of DKK 204 million (income of DKK 148 million).

Tax on income was an income of DKK 50 million (expense of DKK 41 million), corresponding to an effective tax rate of 24.4%.

For the first six months of 2016, Bavarian Nordic reported a net loss of DKK 155 million (net profit of DKK 107 million), which is in line with the expectations as more than 85% of the year's revenue is expected to be recognized in the second half of 2016.

Inventories have increased by DKK 102 million compared to December 31, 2015. The increase is related to the production of Bulk Drug Substance (BDS) for the U.S. Government in the second half of 2016.

Trade receivables have decreased by DKK 82 million compared to December 31, 2015 as the revenue in the second quarter of 2016 has been low compared to the revenue in the fourth quarter of 2015.

Securities, cash and cash equivalents increased by DKK 444 million compared to December 31, 2015 as a result of the private placement in April raising a net proceeds of DKK 626.

Prepayment from customers have increased by DKK 61 million compared to December 31, 2015 as the Company received a DKK 61 million upfront payment in January related to the licensing and collaboration agreement entered in December 2015 with Janssen for MVA-BN® in the development of a therapeutic HPV vaccine.

As of June 30, 2016 the Group's cash preparedness was DKK 1,894 million (DKK 1,669 million), including unutilized credit lines of DKK 392 million (DKK 384 million). Cash flow spend on operating activities was DKK

144 million (contribution DKK 306 million). In first quarter 2015 the Company received prepayments from Janssen related to the Ebola supply agreement and upfront payments from Bristol-Myers Squibb related to the PROSTVAC option agreement. Cash flow spend on investment activities was DKK 399 million (DKK 231 million) primarily due to a net investment in securities of DKK 352 million (DKK 210 million). Cash flow from financing activities contributed with DKK 630 million (DKK 15 million) regarding proceeds from the private placement and warrant exercise. The net change in cash and cash equivalents was DKK 87 million (DKK 90 million).

The Group's equity as of June 30, 2016 stood at DKK 1,804 million (DKK 1,349 million).

Financial Expectations

The Company maintains its 2016 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 cash preparedness at year-end is expected to be approximately DKK 1,900 million (raised from DKK 1,300 million in April after raising DKK 665 million in a private placement). Cash preparedness includes cash, cash equivalents, investments in securities and the aggregate amount of undrawn credit lines.

Total research and development costs of approximately DKK 550 million are expected and distributed as shown below.

Research and development costs to occur	DKK	550	million
Of which:			
Contract costs recognized as production costs	DKK	(60)	million
Capitalized development costs	DKK	(30)	million
	DKK	**460**	**million**
Expensing (amortization) of prior-year costs attributable to the IMVAMUNE development project	DKK	50	million
Research and development costs to be recognized in the income statement	**DKK**	**510**	**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 30 "Risk Management" in the 2015 annual report.

Since the publication of the 2015 annual report, the overall risk profile of the Company remains unchanged.

Product Pipeline

Our clinical pipeline currently comprises seven product candidates which are subject to multiple ongoing clinical studies in infectious diseases and cancer. Many of our programs are supported by external funding through either private or governmental partnerships.

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

Detailed information on our pipeline programs is available in Bavarian Nordic's annual report or on the Company's website: www.bavarian-nordic.com.

Product	Indication	Status	Commercial Rights
INFECTIOUS DISEASES			
IMVAMUNE *liquid-frozen*	Smallpox	Approved in Canada and the EU*	Bavarian Nordic
IMVAMUNE *freeze-dried*	Smallpox	Phase 2	Bavarian Nordic
MVA-BN Filo	Ebola/Marburg	Phase 3**	Janssen
MVA-BN RSV	Respiratory Syncytial Virus	Phase 1	Bavarian Nordic
MVA-BN HPV	Chronic HPV Infection	Preclinical	Janssen
CANCER IMMUNOTHERAPY			
PROSTVAC	Prostate cancer	Phase 3***	Bristol-Myers Squibb
CV301	Bladder Cancer	Phase 2	Bavarian Nordic
MVA-BN Brachyury	Solid Tumors	Phase 1	Bavarian Nordic

* *Approved in the European Union under the trade name IMVANEX®. Phase 3 ongoing in the U.S.*
** *Multiple Janssen-sponsored Phase 1, 2 and 3 clinical studies ongoing*
*** *Multiple NCI-sponsored Phase 2 clinical studies ongoing*

IMVAMUNE®

- Non-replicating smallpox vaccine
- Approved in Canada and in the European Union (marketed under the trade name IMVANEX®)
- Available for governments for use under national emergency rules
- 28 million doses delivered to the U.S. Strategic National Stockpile (SNS) to-date
- Next-generation freeze-dried version with longer shelf life in the offing

IMVAMUNE is a non-replicating smallpox vaccine distributed as a liquid-frozen formulation, 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 in Europe for use in the general adult population. Although not yet approved in the United States, IMVAMUNE is currently stockpiled by the U.S. Government 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 has been funded by the U.S. Government, through contracts with the National Institute of Allergy and Infectious Diseases (NIAID) and Biomedical Advanced Research and Development Authority (BARDA), a division of the U.S. Department of Health and Human Services (HHS). Contracts awarded to date for the development and supply of the vaccine exceed USD 1.3 billion, including awards to advance MVA-BN as a broad platform for the development of medical countermeasures against other potential biological threats.

Included is also a contract valued at up to USD 95 million to develop a freeze-dried formulation of IMVAMUNE with longer shelf life to fulfil the U.S. Government's long-term stated goal for stockpiling of sufficient non-replicating smallpox vaccine to protect 66 million people, representing 132 million doses of IMVAMUNE, to address those for whom a replicating smallpox vaccine is contraindicated or who have severe immunodeficiency and who are not expected to benefit from the vaccine.

Progress report for the second quarter 2016 and up to the reporting date

- In May, BARDA ordered another bulk supply of IMVAMUNE, valued at USD 100 million. This order, which will be produced and revenue recognized in 2017, follows a USD 133 million bulk order 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.
- In June, the Public Health Agency of Canada (PHAC) exercised an option for the supply of 171,000 doses of IMVAMUNE to the national stockpile at a total value of USD 7.7 million. This option builds upon an initial order of 189,000 doses, comprising a total of 360,000 doses ordered by PHAC, to date. Deliveries from the initial order are taking place throughout 2016, and the new order will be delivered in 2017 and 2018.
- In June, Bavarian Nordic received a USD 12.3 million milestone payment from BARDA. This payment was part of a contractual holdback related to the development of IMVAMUNE. This payment, which represents the last holdback from the contract with BARDA, will be recognized as revenue this year and does not affect the Company's expectations for the financial results for 2016.

Anticipated developments

- Finalize manufacturing activities to support transition to freeze-dried version.
- Additional orders from U.S. and rest of world.
- Complete enrollment of Phase 3 non-inferiority study.

Read more

http://www.bavarian-nordic.com/pipeline/imvamune

MVA-BN RSV

- Respiratory syncytial virus (RSV) vaccine candidate based on MVA-BN
- Accelerated development program with large commercial potential
- RSV represents a significant burden and no vaccines are available

MVA-BN RSV is a product candidate in clinical development for the prevention of RSV. The vaccine has been specifically designed to target 5 different RSV proteins to ensure a broad immune response against both RSV subtypes (A & B). Extensive preclinical studies has shown that MVA-BN RSV induces a balanced immune response comprised of both antibodies and T cells, in a similar fashion to the natural response to an RSV infection.

Following the announcement of positive Phase 1 results for MVA-BN RSV in May 2016, the Company intends to rapidly progress the RSV vaccine candidate into multiple Phase 1 and Phase 2 trials in elderly and at-risk populations, as well as the pediatric population.

Progress report for the second quarter 2016 and up to the reporting date

- In May, top-line results from the first Phase 1 study of MVA-BN RSV were reported. The randomized, placebo-controlled trial, evaluated the safety, tolerability and immunogenicity of MVA-BN RSV in 63 healthy adults, aged 18-65. Subjects were enrolled into three groups to receive two different dose levels of MVA-BN RSV: adults/low dose, adults/high dose and elderly/high dose. The elderly group enrolled subjects of 50-65 years of age in order to evaluate the immune responses in a population that is one of the key targets for the vaccine.

  MVA-BN RSV was well tolerated, with no unexpected or serious adverse reactions. A significant boost in antibodies and T cells against RSV was measured in all groups following vaccination with MVA-BN RSV including neutralizing antibodies against both RSV subtypes A & B. In elderly subjects, there was a significant increase in both blood IgG and IgA antibodies, the latter a specialized antibody that is transported from blood to mucosal surfaces (e.g. nose, throat, lungs). T cell responses against RSV were significantly boosted in elderly subjects vaccinated, with a 3-5 fold increase observed against RSV or the 3 RSV proteins tested to date, including the RSV surface proteins F (fusion) and G (glycoprotein) and the highly conserved nucleocapsid protein (N).The broad T cell response stimulated in the majority of elderly subjects is cross reactive against both RSV subtypes.

Anticipated developments

- Initiate a Phase 2 study in elderly in second half of 2016.

- Initiate a Phase 2 field efficacy study in elderly in 2017.
- Initiate a Phase 1/2 study in pediatric subjects in 2017.

Read more

http://www.bavarian-nordic.com/pipeline/mva-bn-rsv

MVA-BN Filo

- Ebola and Marburg vaccine candidate in Phase 3 development
- Licensed to Janssen for use in prime-boost Ebola vaccine regimen
- 2 million doses produced and delivered as part of Janssen collaboration

MVA-BN Filo is a vaccine candidate, initially developed by Bavarian Nordic in collaboration with NIAID for protection against the filoviruses Ebola and Marburg. In 2014, MVA-BN Filo was licensed to Janssen for use in a prime-boost Ebola vaccine regimen in which a dose of Janssen's Ad26.ZEBOV is first given to prime the immune system, and then a dose of MVA-BN Filo is given at a later date to boost the immune response, with the goal of creating stronger and longer-lasting immunity. Together with an array of consortium partners, Janssen is conducting multiple clinical Phase 1, 2 and 3 trials in healthy adults, children, elderly and immunocompromised populations across Europe, USA and Africa.

Our work with NIAID to develop a multivalent prime-boost vaccine that offers broader protection against multiple filoviruses continues, and we have received USD 33 million in funding for this development to-date.

MVA-BN Filo clinical trials

Phase	Location	No. of subjects	Study Population	Status
Phase 1	Europe	87	Healthy adults	Completed
Phase 1	USA	164	Healthy adults	Enrolled
Phase 1	Africa	72	Healthy adults	Enrolled
Phase 1	Africa	78	Healthy adults	Enrolled
Phase 2	Europe	612	Healthy adults	Enrolling
Phase 2	Africa	1,188	Healthy adults, elderly & children, HIV-infected adults	Enrolling
Phase 2	USA/Africa	575	Healthy and HIV-infected adults	Enrolling
Phase 3	Africa	728	Healthy adults & children	Enrolling
Phase 3	USA	525	Healthy adults	Enrolled
Phase 3	USA	329	Healthy adults	Enrolled

Progress report for the second quarter 2016 and up to the reporting date

- In April, results from the first Phase 1 study of the Ebola prime-boost regimen were published in JAMA: The Journal of the American Medical Association. The results show 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.

Anticipated developments

- Report results of ongoing clinical studies of the prime-boost vaccine (Janssen).

Read more

http://www.bavarian-nordic.com/pipeline/mva-bn-filo

MVA-BN HPV

- Human papillomavirus (HPV) vaccine candidate
- Preclinical stage program in collaboration with Janssen
- Novel approach for early treatment and interception of HPV-induced cancers

MVA-BN HPV is a new vaccine candidate, which was licensed to Janssen in December 2015 as the first of three potential infectious disease indications. MVA-BN HPV will be developed for use together with Janssen's adenovirus vector based technology in a prime-boost vaccine regimen targeting HPV. The long-term goal is to

develop a vaccine to treat chronic HPV infections as well as prevent precancerous stages of HPV-induced cancer.

Janssen continues to retain an exclusive option to license MVA-BN for the two additional undisclosed infectious disease targets.

Anticipated developments

- Initiate a Phase 1 clinical study in 2017

MVA-BN YF (Yellow fever)

Under an agreement with the National Institute of Allergy and Infectious Diseases (NIAID), Bavarian Nordic has generated an MVA-BN based vaccine candidate against yellow fever. A preclinical study sponsored by NIAID demonstrated that the vaccine candidate provided complete protection against infection with the virus. Preclinical studies have furthermore suggested that combining MVA-BN with ISA 720, an adjuvant that has been used in prior clinical trials, induced a strong immune response after a single vaccination. This potential will be further investigated as part of the Phase 1 trial.

Progress report for the second quarter 2016 and up to the reporting date

- A Phase 1 study of an MVA-BN-based vaccine against yellow fever was initiated in July by NIAID. The study will enroll 90 healthy adults in 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 the ISA 720 adjuvant.

PROSTVAC

- Prostate cancer immunotherapy candidate
- Collaboration with Bristol-Myers Squibb
- Demonstrated overall survival benefit in Phase 2 clinical study in patients with late-stage prostate cancer
- Potential for use in earlier disease stages and in combination with other anti-cancer agents
- Phase 3 ongoing with final data readout anticipated in 2017

PROSTVAC is a prostate specific antigen (PSA)-targeted immunotherapy candidate designed to enhance or stimulate the body's immune response, specifically T-cells that will home to and kill prostate cancer cells, altering the course of the disease and improving overall survival of patients with prostate cancer. PROSTVAC employs two poxviruses (vaccinia and fowlpox) in a prime-boost vaccine regimen. The product candidate is 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 17 ongoing or completed clinical studies, comprising more than 2,000 patients of which more than 1,100 patients have been actively treated with PROSTVAC, which has been generally well-tolerated.

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.

Ongoing Phase 3 trial

PROSTVAC is currently the subject of a global randomized, double-blind, placebo-controlled Phase 3 trial of PROSTVAC in 1,297 patients with asymptomatic or minimally symptomatic mCRPC.

The primary objective of the trial is to determine whether the overall survival of patients receiving PROSTVAC in either of the treatment arms, with or without the addition of granulocyte macrophage colony-stimulating factor (GM-CSF), is superior to that of patients receiving placebo. While the prior placebo-controlled Phase 2 trial included the use of GM-CSF, additional clinical work has shown that the administration of GM-CSF with PROSTVAC may not be required. The trial is designed to potentially rule out the need for GM-CSF.

Final study data are anticipated in 2017 upon the occurrence of 534 events (deaths) in both comparisons of treatment arms versus placebo, i.e. when at least 534 events have been recorded both in the comparison of the PROSTVAC + GM-CSF group and placebo group and in the comparison of the PROSTVAC only group and placebo group. Although the trial is powered to detect a difference in survival between active treatment and placebo at final analysis, three pre-specified interim analyses of data have been integrated into the statistical plan to evaluate whether the trial should continue as planned or potentially be stopped early for efficacy or

futility. The first and second interim analysis occurred after 214 and 321 events respectively, both confirming that the study should continue as planned without modification. A third interim analysis will occur at 427 events.

Exploring the full potential of PROSTVAC in combination trials

To leverage the full potential of PROSTVAC, Bavarian Nordic and Bristol-Myers Squibb have agreed to conduct exploratory combination studies of PROSTVAC with or without agents from Bristol-Myers Squibb's immuno-oncology portfolio, including ipilimumab (Yervoy®) and nivolumab (Opdivo®). In addition to a series of planned, ongoing and completed NCI-sponsored studies of PROSTVAC as single or combination therapy, these studies will add to the clinical experience, thus potentially broadening the future commercial value of PROSTVAC.

Ongoing PROSTVAC studies:

Therapy	Indication	Details	Status
PROSTVAC	Localized prostate cancer Patients undergoing active surveillance	Phase 2 150 patients	Enrolling
PROSTVAC	Localized prostate cancer, neoadjuvant Patients undergoing radical prostatectomy	Phase 2 27 patients	Enrolling
PROSTVAC	Patients at risk of relapse after radical prostatectomy	Phase 2 44 patients	Enrolling
PROSTVAC + ipi	Localized prostate cancer, neoadjuvant Patients undergoing radical prostatectomy	Phase 2 75 patients	Planned
PROSTVAC + flutamide	Non-metastatic prostate cancer	Phase 2 53 patients	Fully enrolled
PROSTVAC	Non-metastatic castration sensitive prostate cancer	Phase 2 80 patients	Enrolling
PROSTVAC + enza	Non-metastatic castration sensitive prostate cancer	Phase 2 38 patients	Fully enrolled
PROSTVAC + docetaxel + ADT	Metastatic castration sensitive prostate cancer	Phase 2 38 patients	Enrolling
PROSTVAC + enza	mCRPC	Phase 2 76 patients	Enrolling
PROSTVAC	mCRPC	Phase 3 1,297 patients	Fully enrolled

ipi: ipilimumab, enza: enzalutamide, ADT: androgen-deprivation therapy

Progress report for the second quarter 2016 and up to the reporting date

- After review of the second interim analysis of the PROSTVAC Phase 3 study in July, the Data Monitoring Committee informed Bavarian Nordic that the trial should continue without modification as planned.
- A new Phase 2 study of PROSTVAC in 44 patients who have undergone a radical prostatectomy has been initiated at the Medical University of South California.

Anticipated developments

- Initiate Phase 2 combination study of PROSTVAC and ipilimumab (Yervoy®) in collaboration with Bristol-Myers Squibb
- Initiate NCI-sponsored Phase 2 combination study of PROSTVAC, ipilimumab and nivolumab (Opdivo®)
- Phase 3 top-line data (2017) with a third interim analysis occurring prior to that.
- Report results from ongoing NCI-sponsored Phase 2 clinical trials.

Read more

http://www.bavarian-nordic.com/pipeline/prostvac

CV301

- Immunotherapy candidate for multiple cancers
- Collaboration with NCI
- Phase 2 in non-small cell lung cancer planned for initiation in second half of 2016

CV301 is an immunotherapy candidate which is being developed under a CRADA with the NCI. CV301 employs two poxviruses (vaccinia and fowlpox) in a prime-boost vaccine regime which carries two tumor-associated antigens, CEA and MUC-1, which are over-expressed in major cancer types. CV301 has been tested in six NCI-sponsored clinical trials in various cancers, and more than 300 patients have been treated with the product candidate. Currently, a Phase 2 clinical trial is ongoing in bladder cancer.

We have generated a new and improved vaccine construct, in which the vaccinia primer has been replaced with MVA-BN. This new version will be employed in the future development of CV301, focusing on combination treatments with checkpoint inhibitors.

While non-small cell lung cancer (NSCLC) represents the first clinical target, we plan to initiate no less than three separate randomized, placebo-controlled Phase 2 trials in NSCLC, bladder cancer and colorectal cancer, in combination with assorted checkpoint inhibitors. These studies will evaluate the efficacy of the vaccine and the checkpoint inhibitor to determine what, if any, synergy can be seen in combination. As it pertains to NSCLC, overall survival (OS) will be the primary endpoint for the study, but additional secondary endpoints such as progression free survival (PFS) and overall response rate (ORR), will be investigated. These secondary endpoints may provide a signal of activity prior to an OS endpoint.

Progress report for the second quarter 2016 and up to the reporting date

- In August, Bavarian Nordic entered a drug supply agreement with Bristol-Myers Squibb, providing OPDIVO® (nivolumab) for the upcoming clinical trial of CV301 as combination therapy in non-small cell lung cancer.

Anticipated developments

- Initiate a Phase 2 study of CV301 in combination with checkpoint inhibitors in NSCLC and additional indications

Read more

http://www.bavarian-nordic.com/pipeline/cv-301

MVA-BN Brachyury

- Immunotherapy candidate for the treatment of metastatic cancer and chordoma
- Clinical development sponsored by the National Cancer Institute (NCI)

MVA-BN Brachyury is designed to induce a robust T-cell immune response against brachyury, a tumor-associated antigen that is overexpressed in major solid tumor indications. Brachyury is reported to play a key role in the metastasis and progression of tumors. Tumors that overexpress brachyury are believed to be highly resistant to current therapies and are associated with decreased survival rates.

Results from a Phase 1 trial of MVA-BN Brachyury in 38 patients with metastatic cancer or chordoma were reported in November 2015, and demonstrate for the first time that an MVA-BN based vaccine targeting brachyury can induce brachyury-specific T-cell immune responses in advanced cancer patients.

Anticipated developments

- Initiate NCI-sponsored Phase 2 study of MVA-BN Brachyury.

Read more

http://www.bavarian-nordic.com/pipeline/mva-bn-brachyury

Share Information

Bavarian Nordic is listed on the Nasdaq Copenhagen exchange under the symbol BAVA. Furthermore, Bavarian Nordic has established a sponsored Level 1 American Depositary Receipt (ADR) program in the U.S. Bavarian Nordic ADRs are available for trading in the U.S. over-the-counter (OTC) market under the symbol BVNRY. Three ADRs represent one Bavarian Nordic share.

Developments in the share capital

In March, the Company issued 46,041 new shares as a consequence of employees' exercise of warrants. The shares were subscribed for in cash at the following prices per share of nominally DKK 10: 6,041 shares at DKK 54.00 and 40,000 shares at DKK 55.00.The total proceeds to Bavarian Nordic amounted to DKK 2.5 million.

In April, the Company announced and completed a private placement of 2,770,000 new shares through an accelerated book-building process. The subscription price was DKK 240 per share of nominal value DKK 10 each, raising gross proceeds to Bavarian Nordic of approximately DKK 665 million. Bavarian Nordic expects to use the proceeds from the offering to accelerate its commercial vaccine pipeline, including its CV301 cancer immunotherapy and MVA-BN RSV program, as well as for potential expansion of Bavarian Nordic's existing manufacturing facility.

In May, the Company issued 92,500 new shares as a consequence of employees' exercise of warrants. The shares were subscribed for in cash at the following prices per share of nominally DKK 10: 10,000 shares at DKK 54.10 and 82,500 shares at DKK 59.10.The total proceeds to Bavarian Nordic amounted to DKK 5.4 million.

Consequently, at June 30, 2016, the Company's share capital amounts to DKK 309,282,120, which is made up of 30,928,212 shares with a nominal value of DKK 10 each. There were 1,475,064 outstanding warrants, which entitle warrant holders to subscribe for 1,475,064 shares with a nominal value of DKK 10 each. Thus the fully diluted share capital amounted to DKK 32,403,276 at the end of first half 2016.

Financial calendar 2016

9 November 2016
Financial Statements for the first nine months of 2016 (Q3)

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 June 30, 2016.

The interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies, including those of Nasdaq Copenhagen.

In our opinion, the interim report gives a true and fair view of the group's assets and liabilities and financial position as of June 30, 2016 and the results of the group's activities and cash flows for the period January 1 to June 30, 2016.

In our opinion, the management's review provides a true and fair description of the development in the group's activities and financial affairs, 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, August 17, 2016

Corporate Management:

Paul Chaplin
President and CEO

Ole Larsen
Executive Vice President & CFO

Board of Directors:

Gerard van Odijk
Chairman of the Board

Anders Gersel Pedersen
Deputy Chairman

Claus Bræstrup

Erik G. Hansen

Peter Kürstein

Frank Verwiel

Financial Statements

Consolidated Key Figures (unaudited)

DKK thousand	1/4 - 30/6 2016	1/4 - 30/6 2015	1/1 - 30/6 2016	1/1 - 30/6 2015	1/1-31/12 2015
Income statements					
Revenue	116,557	389,126	139,115	623,915	1,020,561
Production costs	28,310	110,022	47,207	202,136	415,138
Research and development costs	89,126	100,620	193,436	219,185	386,811
Distribution costs	11,738	9,998	18,697	27,425	42,272
Administrative costs	41,425	43,516	86,562	90,398	174,786
Income before interest and taxes (EBIT)	(54,042)	124,970	(206,787)	84,771	1,554
Financial items, net	18,869	(40,437)	2,380	62,743	76,075
Income before company tax	(35,173)	84,533	(204,407)	147,514	77,629
Net profit for the period	(25,782)	61,360	(154,535)	106,736	59,426
Balance sheet					
Total non-current assets			636,508	518,051	585,005
Total current assets			1,845,206	1,702,683	1,404,258
Total assets			2,481,714	2,220,734	1,989,263
Equity			1,804,481	1,348,922	1,342,479
Non-current liabilities			55,521	50,911	56,550
Current liabilities			621,712	820,901	590,234
Cash flow statements					
Securities, cash and cash equivalents			1,502,036	1,285,024	1,058,204
Cash flow from operating activities			(144,444)	306,314	105,323
Cash flow from investment activities			(398,506)	(231,029)	(178,123)
- Investment in intangible assets			(24,818)	(14,173)	(28,269)
- Investment in property, plant and equipment			(21,691)	(6,727)	(31,652)
Cash flow from financing activities			629,947	15,136	26,569
Financial Ratios (DKK) [1)]					
Earnings (basic) per share of DKK 10			(5.3)	3.8	2.1
Net asset value per share			58.3	48.5	47.9
Share price at period-end			233	312	358
Share price/Net asset value per share			4.0	6.4	7.5
Number of outstanding shares at period-end			30,928	27,812	28,020
Equity share			73%	61%	67%
Number of employees, converted to full-time, at period-end			427	419	409

[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 2015" (Recommendations and Financial ratios 2015).

Notes
(stated in the end of this document):

1. Significant accounting policies
2. Significant accounting estimates, assumptions and uncertainties
3. Revenue
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Unaudited Condensed Consolidated Income Statements for the Periods Ended June 30, 2016 and 2015

DKK thousand	Note	1/4 - 30/6 2016	1/4 - 30/6 2015	1/1 - 30/6 2016	1/1 - 30/6 2015	1/1-31/12 2015
Revenue	3	116,557	389,126	139,115	623,915	1,020,561
Production costs	4	28,310	110,022	47,207	202,136	415,138
Gross profit		**88,247**	**279,104**	**91,908**	**421,779**	**605,423**
Research and development costs	5	89,126	100,620	193,436	219,185	386,811
Distribution costs		11,738	9,998	18,697	27,425	42,272
Administrative costs		41,425	43,516	86,562	90,398	174,786
Total operating costs		**142,289**	**154,134**	**298,695**	**337,008**	**603,869**
Income before interest and tax (EBIT)		**(54,042)**	**124,970**	**(206,787)**	**84,771**	**1,554**
Financial income	6	8,140	(25,899)	13,942	75,912	99,357
Financial expenses	7	(10,729)	14,538	11,562	13,169	23,282
Income before company tax		**(35,173)**	**84,533**	**(204,407)**	**147,514**	**77,629**
Tax on income for the period		(9,391)	23,173	(49,872)	40,778	18,203
Net profit for the period		**(25,782)**	**61,360**	**(154,535)**	**106,736**	**59,426**
Earnings per share (EPS) - DKK						
Basic earnings per share of DKK 10		(0.9)	2.2	(5.3)	3.8	2.1
Diluted earnings per share of DKK 10		(0.9)	2.2	(5.3)	3.8	2.1

Unaudited Condensed Consolidated Statements of Comprehensive Income for the Periods Ended June 30, 2016 and 2015

DKK thousand	1/4 - 30/6 2016	1/4 - 30/6 2015	1/1 - 30/6 2016	1/1 - 30/6 2015	1/1-31/12 2015
Net profit for the period	**(25,782)**	**61,360**	**(154,535)**	**106,736**	**59,426**
Items that might be reclassified to the income statement:					
Exchange rate adjustments on translating foreign operations	(7,735)	11,515	6,049	(32,601)	(38,371)
Fair value of financial instruments entered into to hedge future cash flow:					
Fair value adjustment for the period	(5,367)	-	(5,367)	-	-
Tax on other comprehensive income	1,181	-	1,181	-	-
Other comprehensive income after tax	**(11,921)**	**11,515**	**1,863**	**(32,601)**	**(38,371)**
Total comprehensive income	**(37,703)**	**72,875**	**(152,672)**	**74,135**	**21,055**

Unaudited Condensed Consolidated Statements of Financial Position - Assets as of June 30, 2016 and 2015 and December 31, 2015

DKK thousand	Note	30/6 2016	30/6 2015	31/12 2015
Assets				
Software		5,170	4,093	3,194
IMVAMUNE development project		114,476	88,244	100,500
Intangible assets in progress		12,052	2,384	4,495
Intangible assets		**131,698**	**94,721**	**108,189**
Land and buildings		210,512	220,645	218,610
Leasehold improvements		835	758	402
Plant and machinery		62,169	61,839	53,562
Fixtures and fittings, other plant and equipment		17,601	18,551	19,358
Assets under construction		35,720	21,334	33,828
Property, plant and equipment		**326,837**	**323,127**	**325,760**
Other receivables		1,070	813	914
Financial assets		**1,070**	**813**	**914**
Deferred tax assets		**176,903**	**99,390**	**150,142**
Total non-current assets		**636,508**	**518,051**	**585,005**
Development projects for sale		**70,069**	**66,931**	**70,069**
Inventories	8	**192,676**	**140,527**	**91,002**
Trade receivables		56,154	183,257	137,927
Tax receivables		5,424	3,111	4,174
Other receivables	9	12,916	11,093	19,652
Prepayments		5,931	12,740	23,230
Receivables		**80,425**	**210,201**	**184,983**
Securities		1,042,816	779,814	684,141
Cash and cash equivalents		459,220	505,210	374,063
Securites, cash and cash equivalents		**1,502,036**	**1,285,024**	**1,058,204**
Total current assets		**1,845,206**	**1,702,683**	**1,404,258**
Total assets		**2,481,714**	**2,220,734**	**1,989,263**

Unaudited Condensed Consolidated Statements of Financial Position - Equity and Liabilities as of June 30, 2016 and 2015 and December 31, 2015

DKK thousand	Note	30/6 2016	30/6 2015	31/12 2015
Equity and liabilities				
Share capital		309,282	278,120	280,197
Treasury shares		(111)	-	-
Retained earnings		1,517,968	1,099,687	1,066,558
Other reserves		(22,658)	(28,885)	(4,276)
Equity		**1,804,481**	**1,348,922**	**1,342,479**
Provisions		25,226	18,603	25,226
Debt to credit institutions		30,295	32,308	31,324
Non-current liabilities		**55,521**	**50,911**	**56,550**
Debt to credit institutions		2,024	1,937	1,969
Prepayment from customers	10	466,960	626,772	405,789
Trade payables		56,397	47,211	69,574
Company tax		468	43	621
Provisions		-	4,216	570
Other liabilities	11	95,863	140,722	111,711
Current liabilities		**621,712**	**820,901**	**590,234**
Total liabilities		**677,233**	**871,812**	**646,784**
Total equity and liabilities		**2,481,714**	**2,220,734**	**1,989,263**

Unaudited Condensed Consolidated Statements of Cash Flow for the Periods Ended June 30, 2016 and 2015 and December 31, 2015

DKK thousand	1/1 - 30/6 2016	1/1 - 30/6 2015	1/1-31/12 2015
Net profit for the period	**(154,535)**	**106,736**	**59,426**
Adjustment for non-cash items:			
Financial income	(13,942)	(75,912)	(99,357)
Financial expenses	11,562	13,169	23,282
Tax on income for the period	(49,872)	40,778	18,203
Depreciation, amortization and impairment losses	21,696	21,755	43,525
Expensing (amortization) of IMVAMUNE development project	181	2,690	2,694
Share-based payment	3,266	15,714	26,746
Changes in development projects for sale	-	(40,006)	(41,656)
Changes in inventories	(101,674)	(18,680)	30,845
Changes in receivables	108,339	229,394	28,017
Changes in provisions	(570)	2	(878)
Changes in current liabilities	44,944	2,383	(12,470)
Cash flow from operations (operating activities)	**(130,605)**	**298,023**	**78,377**
Received financial income	4,900	25,746	43,742
Paid financial expenses	(15,062)	(1,524)	(2,935)
Paid company taxes	(3,677)	(15,931)	(13,861)
Cash flow from operating activities	**(144,444)**	**306,314**	**105,323**
Investments in and additions to intangible assets	(24,818)	(14,173)	(28,269)
Investments in property, plant and equipment	(21,691)	(6,727)	(31,652)
Disposal of property, plant and equipment	-	-	1,200
Investments in/disposal of financial assets	(156)	(20)	(122)
Investments in securities	(487,186)	(450,009)	(734,557)
Disposal of securities	135,345	239,900	615,277
Cash flow from investment activities	**(398,506)**	**(231,029)**	**(178,123)**
Payment on mortgage and construction loan	(974)	(933)	(1,885)
Proceeds from warrant programs exercised	7,943	16,069	28,595
Proceeds from private placement	664,800	-	-
Cost related to issue of new shares	(38,973)	-	(141)
Purchase of treasury shares	(2,849)	-	-
Cash flow from financing activities	**629,947**	**15,136**	**26,569**
Cash flow of the period	**86,997**	**90,421**	**(46,231)**
Cash as of 1 January	374,063	398,357	398,357
Currency adjustments 1 January	(1,840)	16,432	21,937
Cash end of period	**459,220**	**505,210**	**374,063**

Unaudited Condensed Consolidated Statements of Changes in Equity for the Periods Ended June 30, 2016 and 2015

DKK thousand	Share capital	Treasury shares	Retained earnings	Reserves for currency adjustment	Reserves for fair value of financial instruments	Share-based payment	Equity
Equity as of January 1, 2016	**280,197**	**-**	**1,066,558**	**(73,556)**	**-**	**69,280**	**1,342,479**
Comprehensive income for the period							
Net profit	-	-	(154,535)	-	-	-	(154,535)
Other comprehensive income							
Exchange rate adjustments on translating foreign operations	-	-	-	6,049	-	-	6,049
Fair value of financial instruments	-	-	-	-	(4,186)	-	(4,186)
Total comprehensive income for the period	**-**	**-**	**(154,535)**	**6,049**	**(4,186)**	**-**	**(152,672)**
Transactions with owners							
Share-based payment	-	-	-	-	-	10,325	10,325
Warrant program exercised	1,385	-	8,428	-	-	(1,870)	7,943
Warrant program expired	-	-	120	-	-	(120)	-
Capital increase through private placement	27,700	-	637,100	-	-	-	664,800
Cost related to issue of new shares	-	-	(38,973)	-	-	-	(38,973)
Purchase of treasury shares	-	(111)	(730)	-	-	(2,008)	(2,849)
Tax related to items recognized directly in equity	-	-	-	-	-	(26,572)	(26,572)
Total transactions with owners	**29,085**	**(111)**	**605,945**	**-**	**-**	**(20,245)**	**614,674**
Equity as of June 30, 2016	**309,282**	**(111)**	**1,517,968**	**(67,507)**	**(4,186)**	**49,035**	**1,804,481**

DKK thousand	Share capital	Treasury shares	Retained earnings	Reserves for currency adjustment	Reserves for fair value of financial instruments	Share-based payment	Equity
Equity as of January 1, 2015	**276,712**	**-**	**972,321**	**(35,185)**	**-**	**38,246**	**1,252,094**
Comprehensive income for the period							
Net profit	-	-	106,736	-	-	-	106,736
Other comprehensive income							
Exchange rate adjustments on translating foreign operations	-	-	-	(32,601)	-	-	(32,601)
Total comprehensive income for the period	**-**	**-**	**106,736**	**(32,601)**	**-**	**-**	**74,135**
Transactions with owners							
Share-based payment	-	-	-	-	-	6,624	6,624
Warrant program exercised	1,407	-	20,631	-	-	(5,969)	16,069
Total transactions with owners	**1,407**	**-**	**20,631**	**-**	**-**	**655**	**22,693**
Equity as of June 30, 2015	**278,119**	**-**	**1,099,688**	**(67,786)**	**-**	**38,901**	**1,348,922**

Notes

1. Significant accounting policies

The interim financial statements are prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by EU and the additional Danish requirements for submission of interim reports for companies listed on Nasdaq Copenhagen. The interim report has not been audited or reviewed by the company's auditors.

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

The accounting policies used in the interim financial statements are consistent with those used in the consolidated financial statements for 2015 and in accordance with the recognition and measurement policies in the International Financial Reporting Standards (IFRS) as adopted by EU.

2. Significant accounting estimates, assumptions and uncertainties

In the preparation of the interim financial statements according to IAS 34, Interim Financial Reporting, as adopted by the EU, 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 the significant accounting estimates, assumptions and uncertainties, which are stated in the Annual Report 2015, the Management has not changed significant estimates and judgments regarding recognition and measurement.

DKK thousand	1/4 - 30/6 2016	1/4 - 30/6 2015	1/1 - 30/6 2016	1/1 - 30/6 2015	1/1-31/12 2015
3. Revenue					
IMVAMUNE sale	4,939	12,499	12,783	77,422	77,813
Other product sale	-	357,020	-	501,300	762,054
Sale of goods	4,939	369,519	12,783	578,722	839,867
IMVAMUNE sale, development results	80,746	-	80,746	-	-
Contract work	30,872	19,607	45,586	45,193	180,694
Sale of services	111,618	19,607	126,332	45,193	180,694
Revenue	**116,557**	**389,126**	**139,115**	**623,915**	**1,020,561**
4. Production costs					
Cost of goods sold, IMVAMUNE sale	168	1,456	1,801	20,483	20,511
Cost of goods sold, other product sale	-	73,863	-	119,297	171,209
Contract costs	18,146	17,385	27,317	27,705	108,678
Other production costs	9,996	17,318	18,089	34,651	114,740
Production costs	**28,310**	**110,022**	**47,207**	**202,136**	**415,138**
5. Research and development costs					
Research and development costs occured in the period	114,213	123,156	234,728	256,777	517,632
Of which:					
Contract costs recognized as production costs	(18,146)	(17,385)	(27,317)	(27,705)	(108,678)
Capitalized development costs	(6,960)	(5,329)	(14,156)	(12,577)	(24,837)
	89,107	100,442	193,255	216,495	384,117
Expensing (amortization) of prior-year costs attributable to the IMVAMUNE development project	19	178	181	2,690	2,694
Research and development costs	**89,126**	**100,620**	**193,436**	**219,185**	**386,811**
6. Financial income					
Interest income	252	-	252	-	38
Interest income from financial assets not measured at fair value in the income statement	252	-	252	-	38
Financial income from securities	3,752	4,009	7,014	7,251	14,959
Fair value adjustments on securities	4,136	-	6,676	-	-
Net gains on derivative financial instruments at fair value in the income statement	-	-	-	-	17,402
Net foreign exchange gains	-	(29,908)	-	68,661	66,958
Financial income	**8,140**	**(25,899)**	**13,942**	**75,912**	**99,357**

DKK thousand	1/4 - 30/6 2016	1/4 - 30/6 2015	1/1 - 30/6 2016	1/1 - 30/6 2015	1/1-31/12 2015
7. Financial expenses					
Interest expenses on debt	754	998	1,308	1,422	2,676
Interest expenses on financial liabilities not measured at fair value in the income statement	754	998	1,308	1,422	2,676
Fair value adjustments on securities	-	13,540	-	11,747	16,749
Adjustment of net present value of provisions	-	-	-	-	3,857
Net foreign exchange losses	(11,483)	-	10,254	-	-
Financial expenses	**(10,729)**	**14,538**	**11,562**	**13,169**	**23,282**

DKK thousand	30/6 2016	30/6 2015	31/12 2015
8. Inventories			
Raw materials and supply materials	34,691	27,367	31,785
Work in progress	245,867	158,284	135,589
Manufactured goods and commodities	10,925	9,001	13,517
Write-down on inventory	(98,807)	(54,125)	(89,889)
Inventories	**192,676**	**140,527**	**91,002**
Write-down on inventory 1 January	(89,889)	(45,891)	(45,891)
Write-down during the period	(9,122)	(8,234)	(46,733)
Use of write-down	-	-	2,735
Reversal of write-down	204	-	-
Write-down end of period	**(98,807)**	**(54,125)**	**(89,889)**
9. Other receivables			
Receivable VAT and duties	7,011	3,589	8,581
Financial instruments at fair value	-	1,263	-
Accrued interest	5,905	6,241	8,272
Other receivables	-	-	2,799
Other receivables	**12,916**	**11,093**	**19,652**
10. Prepayment from customers			
Prepayments from customers as of January 1	405,789	375,190	375,190
Prepayments received during the period	64,871	627,963	631,158
Repaid during the year	-	-	(21,135)
Recognized as income during the period	(3,700)	(376,381)	(579,424)
Prepayments from customers end of period	466,960	**626,772**	**405,789**
11. Other liabilities			
Financial instruments at fair value	5,367	-	-
Liability relating to phantom shares	13,366	12,120	20,490
Payable salaries, holiday accrual etc.	50,556	61,480	56,238
Other accrued costs	26,574	67,122	34,983
Other liabilities	**95,863**	**140,722**	**111,711**

12. 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 June 30, 2016

DKK thousand	Level 1	Level 2	Total
Securities	1,042,816	-	1,042,816
Financial assets measured at fair value in the income statement	**1,042,816**	**-**	**1,042,816**
Derivative financial instruments to hedge future cash flow (currency)	-	5,367	5,367
Financial liabilities used as hedging instruments	**-**	**5,367**	**5,367**

13. Incentive plans

Outstanding warrants as of June 30, 2016

	Outstanding as of January 1	Addition during the period	Options exercised	Annulled	Terminated	Trans-ferred	Outstanding as of June 30
Board of Directors	50,000	-	(10,000)	-	-	-	40,000
Corporate Management	269,802	-	-	-	-	-	269,802
Other employees	877,200	-	(70,546)	(6,000)	-	-	800,654
Retired employees	427,603	-	(57,995)	-	(5,000)	-	364,608
Total	**1,624,605**	**-**	**(138,541)**	**(6,000)**	**(5,000)**	**-**	**1,475,064**
Weighted average exercise price	**148**	**-**	**57**	**367**	**54**	**-**	**156**
Weighted average share price at exercise	**-**	**-**	**250**	**-**	**-**	**-**	**-**
Numbers of warrants which can be exercised as of June 30, 2016							174,962
at a weighted average exercise price of DKK							58

The total recognized cost of the warrant programs was DKK 8.2 million in the first six months of 2016 (DKK 6.6 million).

Specification of parameters for Black-Scholes model

DKK	May 2012	Aug 2012	Feb 2013	Aug 2013	Dec 2013	Aug 2014	Dec 2015
Average share price	43.30	52.00	45.50	68.00	82.00	117.50	334.00
Average exercise price at grant	54.00	59.10	55.00	73.90	96.50	131.40	366.85
Expected volatility rate	52.5%	50.0%	28.3%	36.4%	35.4%	39.7%	53.8%
Expected life (years)	3.3	3.3	3.1	3.3	3.3	3.3	3.3
Expected dividend per share	-	-	-	-	-	-	-
Risk-free interest rate p.a.	0.31%	-0.09%	0.22%	0.78%	0.74%	0.63%	0.25%
Fair value at grant [1)]	13	16	6	16	17	29	115

The expected volatility is based on the historical volatility.

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

14. Significant changes in contingent liabilities and other contractual obligations

No significant changes in contingent liabilities and other contractual obligations have occurred since December 31, 2015.

15. Significant events after the balance sheet date

In August, Bavarian Nordic entered a drug supply agreement with Bristol-Myers Squibb, providing OPDIVO® (nivolumab) for upcoming clinical trial of CV301 as combination therapy in non-small cell lung cancer.

In July, a Phase 1 clinical study of MVA-BN YF, a new vaccine candidate generated by Bavarian Nordic, was initiated by the U.S. National Institute of Allergy and Infectious Diseases.

16. Approval of the unaudited condensed consolidated interim financial statements

The unaudited condensed consolidated interim financial statements were approved by the Board of Directors and Corporate Management and authorized for issue on August 17, 2016.

Forward-looking statement

This interim report contains forward looking statements. The words “believe”, “expect”, “anticipate”, “intend” and “plan” and similar expressions identify forward looking statements. Actual results or performance may differ materially from any future results or performance expressed or implied by such statements. The important factors that could cause our actual results or performance to differ materially include, among others, risks associated with product discovery and development, uncertainties related to the outcome and conduct of clinical trials including unforeseen safety issues, uncertainties related to product manufacturing, the lack of market acceptance of our products, our inability to manage growth, the competitive environment in relation to our business area and markets, our inability to attract and retain suitably qualified personnel, the unenforceability or lack of protection of our patents and proprietary rights, our relationships with affiliated entities, changes and developments in technology which may render our products obsolete, and other factors. For a further discussion of these risks, please refer to the section “Risk Management” in this interim report. Bavarian Nordic does not undertake any obligation to update or revise forward looking statements in this interim report nor to confirm such statements in relation to actual results, unless required by law.

Trade marks

IMVAMUNE®, IMVANEX®, MVA-BN® and PROSTVAC® are registered trade marks owned by Bavarian Nordic.