



BAVARIAN NORDIC

Company Announcement

Bavarian Nordic Announces First Half 2016 Results

COPENHAGEN, Denmark, August 17, 2016 - Bavarian Nordic A/S (OMX: BAVA, OTC: BVNRY) announced today its interim financial results for the first half 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

- 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.
- The second planned interim analysis of the Phase 3 study of PROSTVAC occurred in July, confirming that the study should continue without modification. Final study data are anticipated in 2017 with a third interim analysis occurring prior to that.
- 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.
- A Phase 1 study of an MVA-BN-based vaccine against yellow fever was initiated in July by the U.S. National Institute of Allergy and Infectious Diseases.
- 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.
- In June, Bavarian Nordic received a USD 12.3 million milestone payment from the U.S. Biomedical Advanced Research Development Authority (BARDA) as expected. This payment was part of a contractual holdback related to the development of IMVAMUNE.
- In May, positive top-line results from a Phase 1 study of MVA-BN RSV were reported in 63 healthy adults, aged 18-65. The results suggest the potential of MVA BN RSV to be the first broad spectrum vaccine for RSV, demonstrating a clear dose effect and the ability of the vaccine to stimulate a broad antibody and T cell response to multiple RSV proteins.
- In May, BARDA ordered another bulk supply of IMVAMUNE, valued at USD 100 million. This order will be produced and revenue recognized in 2017. To date, a total of USD 233 million has been invested by BARDA for bulk vaccine, which can be converted to freeze-dried vaccine at a later date.

"I am very pleased with the progress of the company this year. We have successfully built on our relationships with the U.S. and the Canadian governments, resulting in new supply orders for our IMVAMUNE smallpox vaccine for delivery in 2016 and beyond. Additional discovery programs continue to be investigated with various governmental and health agencies as well. Internally, our pipeline has never been stronger, with phase 2 studies for both RSV and NSCLC starting this fall, and additional studies to follow shortly thereafter. PROSTVAC continues to proceed towards overall survival data in our phase 3 study, which we anticipate in 2017, and multiple studies continue to be initiated by our collaborators both as monotherapy and in combination," said Paul Chaplin, President & Chief Executive Officer of Bavarian Nordic.

Financial performance

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. Hence, only DKK 139 million in revenue was recognized during first half.

	DKK million		USD million	
	6m 2016	6m 2015	6m 2016	6m 2015
Revenue	139	624	21	94
EBIT	(207)	85	(31)	13
Cash preparedness, period-end	1,894	1,669	283	249

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	149
EBIT	0	0
Cash preparedness, year-end *	1,900	284

* 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 6.70 per 1.00 USD, which was the exchange rate as of June 30, 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 58, UK: +44 (0) 20 3427 1905, USA: +1 646 254 3367. Participant code is 9392645. A live and archived webcast of the call and relevant slides will be available at <http://www.bavarian-nordic.com/investor/events.aspx?event=4531>.

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](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.

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