



BAVARIAN NORDIC

Company Announcement

October 22, 2014

## Bavarian Nordic Enters Licensing and Supply Agreement with Janssen on MVA-BN<sup>®</sup> Ebola Vaccine

- Crucell Holland B.V., one of the Janssen Pharmaceutical Companies of Johnson & Johnson licenses MVA-BN-based Ebola/Marburg vaccine from Bavarian Nordic
- Bavarian Nordic will scale up and is targeting to manufacture more than 1 million doses of the prophylactic vaccine in 2015 for clinical trials and emergency use in the current Ebola outbreak in West Africa
- Johnson & Johnson Development Corporation invests DKK 251 million (approximately US\$ 43 million) in new Bavarian Nordic shares
- Total potential agreement value including upfront payments, equity investment, milestones and supply contract in excess of US\$ 187 million
- The company raises its expectations to year-end cash preparedness

**KVISTGAARD, Denmark, October 22, 2014** - Bavarian Nordic A/S (OMX: BAVA, OTC: BVNRY) announced today a global license and supply agreement for its MVA-BN Filovirus (Ebola and Marburg) vaccine candidate with Crucell Holland B.V., one of the Janssen Pharmaceutical Companies of Johnson & Johnson.

Under the terms of the agreement, Bavarian Nordic will grant Janssen an exclusive license for its multivalent MVA-BN Filovirus vaccine, designed to protect against Ebola Zaire, Ebola Sudan and Marburg virus. Bavarian Nordic will receive an upfront payment of US\$ 25 million and is entitled to up to US\$ 20 million in development and regulatory milestones, in addition to royalties for commercial sales outside Africa. Janssen will be fully responsible for all costs associated with the development and commercialization of the vaccine.

In addition, Bavarian Nordic will scale up its production and is targeting to manufacture more than 1 million doses of the vaccine valued at US\$ 99.3 million, of which Janssen will make an upfront payment of US\$ 70.8 million. The remaining US\$ 28.5 million will be received pro rata with deliveries in 2015.

A combination vaccine regimen of Bavarian Nordic's multivalent MVA-BN Filovirus vaccine and Janssen's AdVac<sup>®</sup> technology recently demonstrated complete protection against Ebola in preclinical studies and Janssen will now undertake further clinical investigation of this regimen. Furthermore, Janssen is working closely with authorities as part of its prioritized efforts to make the vaccines available for emergency use to help contain the current outbreak in West Africa.

Additionally, through a private placement, Johnson & Johnson Development Corporation will invest DKK 251 million (approximately US\$ 43 million) to subscribe for new shares of Bavarian Nordic. Further details on the subscription of shares will be announced separately.

"We are very pleased to partner with Janssen on the development and supply of an Ebola vaccine to help contain the current outbreak which now constitutes a global health concern. As part of our ongoing work with the US Government, we have been developing potential vaccines against Ebola for several years. The gravity of the situation has called for immediate action from authorities and drug developers to fast-track the development of urgently needed medical countermeasures, and we are happy to join this effort together with Janssen who has demonstrated their leadership by committing to accelerating this vaccine and actively supporting the areas in West Africa affected by the outbreak," said Paul Chaplin, Ph.D. and Chief Executive Officer of Bavarian Nordic.

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CVR-nr: 16 27 11 87

### Improved cash preparedness

As a consequence of the agreement, the Company raises its expectations for the year-end cash preparedness from approximately DKK 600 million to DKK 1,000 million including a reduction in debt and credit facilities of approximately DKK 150 million. The expectations for full year revenues and result are maintained as the vast majority of the agreement will be revenue recognized in 2015.

### Conference call and webcast

The management of Bavarian Nordic will host a conference call today at 2 pm CET (8 am EDT) to discuss the agreement. Dial-in numbers for the conference call are: Denmark: +45 32 72 80 18, UK: +44 (0) 844 571 8957, USA: +1 866 682 8490. A live and archived webcast of the call will be available at [www.bavarian-nordic.com/investor/webcast.aspx](http://www.bavarian-nordic.com/investor/webcast.aspx).

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### About Bavarian Nordic

Bavarian Nordic is an international biotechnology company developing and manufacturing novel cancer immunotherapies and vaccines for infectious diseases. Lead product candidates are PROSTVAC<sup>®</sup>, an immunotherapy product candidate for advanced prostate cancer that is the subject of an ongoing pivotal Phase 3 clinical trial, and IMVAMUNE<sup>®</sup>, a non-replicating smallpox vaccine candidate in Phase 3 development, which is being developed and supplied for emergency use to the U.S. Strategic National Stockpile under a contract with the U.S. Government. The vaccine is approved in Canada under the trade name IMVAMUNE and in the European Union under the trade name IMVANEX.

Bavarian Nordic's shares are listed on NASDAQ OMX Copenhagen under the symbol BAVA (Reuters: BAVA.CO, Bloomberg: BAVA.DC). The company has a sponsored Level 1 ADR program listed in the US (OTC) under the symbol BVNRY.

For more information, visit [www.bavarian-nordic.com](http://www.bavarian-nordic.com).

### About Ebola

The Ebola virus belongs to a virus family called *Filoviridae* and can cause severe hemorrhagic fever in humans and nonhuman primates. Ebola has a mortality ranging from 50% to 90% according to the World Health Organization. The virus is highly prioritized by the U.S. Government, who has defined the virus as a "Category A" agent that poses a risk to national security. Currently, there exists no approved treatment or vaccine against the disease.

### About MVA-BN<sup>®</sup>

MVA-BN (Modified Vaccinia Ankara - Bavarian Nordic) is a proprietary and patented vaccine platform technology of Bavarian Nordic. MVA-BN is a robust and adaptable platform suitable for addressing a wide variety of infectious diseases, including biological threats.

In addition to developing MVA-BN as a safer smallpox vaccine (approved in the EU and Canada) essential to protecting the immune-compromised population, Bavarian Nordic has conducted more than a dozen preclinical and clinical studies of recombinant MVA-BN-based vaccines. More than 7,500 individuals, nearly 1,000 of whom are immunocompromised, have been vaccinated with MVA-BN-based vaccines, showing the platform displays high immunogenicity and a favorable safety profile.

### 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. 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.