

## Bavarian Nordic Announces First Half 2022 Results

**COPENHAGEN, Denmark, August 24, 2022** - Bavarian Nordic A/S (OMX: BAVA) announced today its interim financial results and business progress for the first half of 2022 and released its financial calendar for 2023.

**Paul Chaplin, President & Chief Executive Officer of Bavarian Nordic said:** “This year we planned to make significant investments for the future growth of Bavarian Nordic, as we moved two late-stage assets that have the potential to meet large unmet medical needs into global Phase 3 trials. While these programs remain on-track we have had to mobilize our entire organization to ensure we concentrate our efforts in the best possible way to manufacture and supply vaccines to help governments around the world combat an unprecedented outbreak of monkeypox. The magnitude of this outbreak was unexpected, however, our long-standing public-private partnership with the U.S. government has ensured that a safe and effective vaccine against monkeypox exists, enabling authorities to respond rapidly to this health crisis. We are making every effort to meet the initial worldwide demand for our monkeypox vaccine and are working diligently to further expand our manufacturing capacity through additional scale-up activities and partnerships.

Despite our heavy investments in R&D, the strong sales performance in all parts of our business during the first six months, together with our projections for the remainder of the year means that we are now nearing a break-even result for 2022, and we see a robust business for the monkeypox vaccine building up beyond 2022.”

### Financial highlights

- Total revenue in first half year was DKK 857 million comprised of DKK 764 million from product sales, DKK 83 million in milestone payments from partners and DKK 10 million from contract work.
- Revenue in second quarter totaled DKK 537 million comprised of DKK 234 million from sale of Rabipur®/RabAvert®, DKK 144 million from sale of Encepur®, DKK 117 million from sale of JYNNEOS®/IMVANEX®/IMVAMUNE®, DKK 38 million from sale of third-party products and DKK 4 million from contract work. The majority of the 2022 revenue from sale of JYNNEOS/IMVANEX/IMVANUNE during the second quarter will be recognized in the second half of 2022 in line with the planned deliveries.
- EBITDA in first half year was a loss of DKK 212 million.
- Strong cash position of DKK 2,753 million at end of first half year 2022
- Financial guidance for the full year has been upgraded six times since March 2022 as result of multiple supply contracts being entered since the start of the monkeypox outbreak in May. The most recent guidance, issued on July 18, is maintained at revenues between DKK 2,700 and 2,900 million, EBITDA with a loss between DKK -300 and -100 million and cash and cash equivalents at year-end expected to exceed DKK 1,700 million.

<i>DKK million</i>	Q2 2022	Q2 2021	H1 2022	H1 2021	2022 Guidance
Revenue	537	370	857	905	2,700 - 2,900
EBITDA	(118)	(9)	(212)	(8)	(300) - (100)
Cash and cash equivalents	2,753*	2,207*	2,753*	2,207*	> 1,700

\* Repo pledged securities deducted.

### Other highlights

#### *Smallpox/Monkeypox*

- In May, the U.S. government exercised an option for manufacturing of freeze-dried JYNNEOS. The option, valued at USD 119 million, represents the first of a set of options with a total value of USD 299 million under a contract awarded in 2017 to convert bulk vaccine, already manufactured and invoiced under previous contracts, to freeze-dried doses.
- In May, Bavarian Nordic entered several vaccine supply contracts with governments worldwide in response to the global monkeypox outbreak.

- In June, Bavarian Nordic entered a multi-year contract with Canada, valued at USD 56 million, to deliver smallpox vaccines from 2023 and ahead. Bavarian Nordic has worked with the Canadian authorities since 2008 to ensure availability of the vaccine.
- In June, the U.S. government ordered 500,000 doses of monkeypox vaccine for delivery in 2022. The vaccines will be filled using existing bulk vaccine already manufactured and invoiced under previous contracts.
- In June, Bavarian Nordic entered a contract with the European Health Emergency Preparedness and Response Authority (HERA) to supply monkeypox vaccines to EU member states in 2022.

#### *Respiratory Syncytial Virus (RSV)*

- In April, Bavarian Nordic initiated a global Phase 3 clinical trial of MVA-BN RSV against RSV in older adults. The trial is planned to enroll approximately 20,000 adults  $\geq 60$  years of age and will run through the RSV season 2022/2023 with topline results expected mid-2023.
- In June, the European Medicines Agency granted access to its priority medicines (PRIME) scheme for MVA-BN RSV in active immunization for the prevention of lower respiratory tract disease caused by RSV in adults  $\geq 60$  years of age. MVA-BN RSV has previously also been granted Breakthrough Therapy Designation by the U.S. Food and Drug Administration (FDA).

#### *ABNCoV2 (COVID-19)*

- In May, Bavarian Nordic reported additional Phase 2 results for the COVID-19 booster vaccine candidate, ABNCoV2, demonstrating that vaccination with ABNCoV2 induced a significant boost to the neutralizing antibodies against the Omicron variant in the majority of subjects (87%), who were previously vaccinated with approved mRNA or adenoviral vaccines. Neutralizing antibodies reached levels reported to be associated with a high level of protection ( $>90\%$ ), similar to what was previously reported for ABNCoV2 with respect to other variants of concern.
- In June, Bavarian Nordic announced an updated design for its Phase 3 trial for ABNCoV2, which will be a non-inferiority trial comparing ABNCoV2 to Comirnaty<sup>®</sup>. The trial will start enrollment in August 2022.

#### **Events after the reporting date**

- In July, the U.S. government ordered an additional 5 million doses of monkeypox vaccine for delivery in 2022 and 2023. The vaccines will be filled using existing bulk vaccine, earlier manufactured and invoiced under previous contracts with the U.S. government. A U.S. based contract manufacturer will assist in the filling of vaccines.
- In July, following a positive opinion by the Committee for Medicinal Products for Human Use (CHMP), the European Commission approved an extension of the current marketing authorization for the Company's smallpox vaccine, IMVANEX<sup>®</sup> to include protection from monkeypox and disease caused by vaccinia virus.
- In July, Bavarian Nordic received approvals from U.S. and EU regulatory authorities of the final drug manufacturing of smallpox and monkeypox vaccine, which has been transferred to the Company's fill and finish facility in Denmark. The U.S. approval was granted after a successful inspection by FDA earlier in July and the EU approval was granted upon assessment by CHMP of an application submitted in June 2022, in supplement to the approval earlier granted by the Danish Medicines Agency after inspection of the facility.
- In July and August, Bavarian Nordic received additional orders for monkeypox vaccine from several governments, including significant orders for 2023.

#### **Conference call and webcast**

The management of Bavarian Nordic will host an investor/analyst call today at 2 pm CEST (8 am EDT) to present the interim results followed by a Q&A session. A listen-only version of the call and presentation slides can be accessed via <https://bit.ly/3pBUlR>. To join the Q&A session, please register in advance via <https://bit.ly/3dS5ZGU>.

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#### **About Bavarian Nordic**

Bavarian Nordic is a fully integrated vaccines company focused on the development, manufacturing and commercialization of life-saving vaccines. We are a global leader in smallpox vaccines and have been a long-term supplier to the U.S. Government of a non-replicating smallpox vaccine, which has been approved by the FDA, also for the protection against monkeypox. The vaccine is also approved in Europe and Canada. Our commercial product portfolio furthermore contains market-leading vaccines against rabies and tick-borne encephalitis. Using our live virus vaccine platform technology, MVA-BN<sup>®</sup>, we have created a diverse portfolio of proprietary and partnered product candidates designed to save and improve lives by unlocking the power of the immune system, including an Ebola vaccine, which is licensed to the Janssen Pharmaceutical Companies of Johnson & Johnson. We are also committed to the development of a next generation COVID-19 vaccine. For more information visit [www.bavarian-nordic.com](http://www.bavarian-nordic.com).

#### **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.

## Consolidated Key Figures (unaudited)

DKK thousand	1/4 - 30/6 2022	1/4 - 30/6 2021	1/1 - 30/6 2022	1/1 - 30/6 2021	1/1-31/12 2021
<b>Income statements</b>					
Revenue	536,699	369,999	856,755	905,252	1,897,875
Production costs	431,313	249,301	723,496	626,642	1,327,560
Sales and distribution costs	47,928	47,061	85,316	98,096	191,783
Research and development costs	184,862	97,077	289,661	219,217	399,159
Administrative costs	90,226	83,200	168,012	155,930	292,920
Income before interest and taxes (EBIT)	(217,630)	(106,640)	(409,730)	(194,633)	(313,547)
Financial items, net	(18,227)	(41,493)	(96,746)	(83,231)	(140,883)
Income before company tax	(235,857)	(148,133)	(506,476)	(277,864)	(454,430)
Net profit for the period	(237,170)	(150,258)	(509,113)	(281,103)	(464,775)
<b>Balance sheet</b>					
Total non-current assets			7,670,807	6,426,395	7,335,630
Securities, cash and cash equivalents			3,253,439	2,513,448	3,716,615
Other current assets			1,104,310	1,068,535	1,037,024
Total assets			12,028,556	10,008,378	12,089,269
Equity			6,879,095	5,788,550	7,374,667
Non-current liabilities			2,953,327	2,391,883	2,806,044
Current liabilities			2,196,134	1,827,945	1,908,558
<b>Cash flow statements</b>					
Cash flow from operating activities			(119,792)	(377,266)	(358,500)
Cash flow from investment activities			(487,511)	(1,179,496)	(2,876,946)
- Investment in intangible assets			(153,096)	(41,633)	(575,324)
- Investment in property, plant and equipment			(242,467)	(171,411)	(483,127)
- Net investment in securities			34,608	(965,891)	(1,779,454)
Cash flow from financing activities			300,652	1,454,979	3,536,080
<b>Financial Ratios<sup>1)</sup></b>					
EBITDA after Other operating income	(118,319)	(9,249)	(212,016)	(7,985)	74,764
Earnings (basic) per share of DKK 10			(7.2)	(4.6)	(7.4)
Net asset value per share			97.6	90.7	104.7
Share price at period-end			234	259	269
Share price/Net asset value per share			2.4	2.9	2.6
Number of outstanding shares at period-end (thousand)			70,479	63,817	70,468
Equity share			57%	58%	61%
Number of employees, converted to full-time, at period-end			868	730	759
<sup>1)</sup> Earnings per share (EPS) is calculated in accordance with IAS 33 "Earning per share". Other financial ratios have been calculated in accordance with the guidelines from the Danish Society of Financial Analysts.					
<b>Reconciliation of EBITDA</b>					
Income before interest and tax (EBIT)	(217,630)	(106,640)	(409,730)	(194,633)	(313,547)
Depreciation and amortization	99,311	97,391	197,714	186,648	388,311
EBITDA after Other operating income	(118,319)	(9,249)	(212,016)	(7,985)	74,764

## Management's Review

### Our response to the global monkeypox outbreak

A new, global health crisis emerged during the second quarter 2022. Initially, like several times before in recent years, sporadic cases of human monkeypox were reported in Europe, imported from endemic areas in Africa, and Bavarian Nordic once again was able to assist with supplies of its smallpox vaccine for healthcare workers and close contacts.

However, it quickly became clear, that this outbreak was not following the same pattern of previous years. Unrelated cases were reported across several countries, and numbers rose rapidly. By the end of May, more than 600 cases were reported across nearly 30 countries. Today, this figure has increased to more than 40,000 cases in nearly 100 countries.

Facing this unexpected event with no prior experience to draw from, health authorities around the globe were challenged to implement measures while still trying to understand the epidemiology of this disease and how this outbreak was evolving.

As the sole manufacturer of an approved monkeypox vaccine, Bavarian Nordic was contacted by authorities from dozens of countries, inquiring about the vaccine. Only limited supplies were readily available, as no commercial market had previously existed beyond the sales to a few government stockpiles for their biological preparedness against a related, but far more dangerous virus: smallpox.

Originally, Bavarian Nordic began the development of MVA-BN as a non-replicating smallpox vaccine suitable for immune-compromised people who are not recommended vaccination with traditional replicating vaccines, but since 2003 this development was assisted by the U.S. government. These contracts later evolved into procurement contracts and Bavarian Nordic started delivering the vaccine in the current liquid-frozen formulation to the U.S. in 2010 under an emergency use provision until approval by the U.S. Food and Drug Administration in 2019, which included the monkeypox indication. In recent years, the Company has been contracted by the U.S. to manufacture bulk vaccine with the purpose of supplying a freeze-dried formulation of the vaccine with a longer shelf life.

Hence, bulk vaccine exists to fulfil orders from the U.S. government as well as a limited company inventory of bulk batches that allowed Bavarian Nordic to rapidly initiate the final drug production (fill and finish) of the vaccine as demand rose during the first months of the outbreak.

By the reporting date, numerous contracts have been signed, ensuring access to the vaccine in 40 countries across the Americas, Europe, Asia and Oceania during 2022. Among these countries are also existing customers, with whom new contracts were swiftly secured. Some countries have also started longer-term planning, resulting in orders for 2023 and beyond. Bavarian Nordic continues to work with governments and supranational organizations that could ensure access to an additional 50+ countries before the end of this year and has reprioritized its production schedule accordingly.

### Expedited approvals for faster and broader access to the vaccine

While Bavarian Nordic's vaccine had already been approved for monkeypox in the U.S. and Canada, the approval in the EU only covered smallpox. Thus, countries within EU, but also outside, were providing the vaccines under local exemptions, such as emergency use provisions. Upon recommendation from the Emergency Task Force of the European Medicines Agency (EMA), Bavarian Nordic worked with the authorities to expedite a review of data to support an extension of the current approval of IMVANEX to include monkeypox. A positive opinion was adopted by EMA's Committee for Medicinal Products for Human Use (CHMP) in July and shortly after, the European Commission formally gave its approval, which is valid in all European Union Member States as well as in Iceland, Liechtenstein, and Norway.

In parallel, Bavarian Nordic has worked with both U.S. and EU regulatory authorities to expedite the approval of the fill and finish process at its own manufacturing facility. This required among others a rescheduling of a planned pre-approval inspection by the FDA, which was conducted early July with no observations being made. Both the FDA and EMA have subsequently approved the fill and finish line and the process established for the smallpox/monkeypox vaccine.

### Scaling up manufacturing capacity

Bavarian Nordic's manufacturing facility in Denmark has undergone several upgrades over the past years. These include the construction of a fill and finish facility which was put into operations in 2021, and which initially has been qualified to manufacture the smallpox/monkeypox vaccine. Furthermore, the bulk facility has been expanded with an additional line to allow for simultaneous manufacturing of different products, including Rabipur/RabAvert and Encepur, the Company's vaccines against rabies and tick-bone encephalitis. To enable this expansion, the facility was shut down for a period, but has now reopened. This planned expansion has had no impact on Bavarian Nordic ability to supply IMVAMUNE/IMVANEX/JYNNEOS during the first few months of the current outbreak.

While the original production schedule for the remainder of 2022 and onwards did not include manufacturing of smallpox/monkeypox vaccine, other than what was previously contracted by the U.S. and Canada, the increased demand for the vaccine has led to a number of initiatives by the Company to maximize its production output in the near and medium term. These include:

- Scaling up of the bulk production and fill/finish line capacity by adding more manpower
- Clearing the bulk production line to free up capacity for the monkeypox vaccine, including working on outsourcing of RSV commercial manufacturing based on a new proprietary cell line technology
- Transferring fill/finish to a U.S. based contract manufacturer to complement own filling capacity
- Exploring potential new collaborations with third parties to further scale up bulk and fill/finish capacity

## Commercial update

Comparative figures for 2021 are shown in brackets. Where market shares are mentioned, these are measured by value.

### Q2 sales

mDKK	Q2 2022	Q2 2021	Growth
Rabipur/RabAvert	234	127	85%
Encepur	144	146	-2%
JYNNEOS/IMVANEX/IMVAMUNE	117	-	-
Mvabea	-	89	-
Sale of third-party products	38	-	-
Milestone payments	-	-	-
Contract work	4	8	-53%
<b>Total</b>	<b>537</b>	<b>370</b>	

### H1 sales

mDKK	H1 2022	H1 2021	Growth
Rabipur/RabAvert	351	207	69%
Encepur	213	245	-13%
JYNNEOS/IMVANEX/IMVAMUNE	117	336	-65%
Mvabea	30	89	-66%
Sale of third-party products	53	-	-
Milestone payments	83	-	-
Contract work	10	28	-63%
<b>Total</b>	<b>857</b>	<b>905</b>	

#### Rabipur/RabAvert

Rabipur/RabAvert revenue amounted to DKK 234 million (DKK 127 million) for the second quarter. The 85% growth in revenue versus the prior year was driven by significant market growth in the US and Germany that represent the two largest markets.

The Q2 US market showed strong growth of approximately 26% compared with last year and reached a level above the 2019 pre-COVID level. RabAvert now has a market share of approximately 65%, in line with the level seen prior to competition facing a stockout situation during the autumn of 2020.

The German market continued the strong growth rate demonstrated in Q1 2022 and delivered a growth of approximately 343%. The market size is still approximately 40% below the pre-COVID level, however with an unchanged Rabipur market share of 95%, the high growth rates create a substantial contribution to Bavarian Nordic's revenue growth.

For the first half year Rabipur/RabAvert revenue amounted to DKK 351 million (DKK 207 million), i.e. an increase of 69%.

#### Encepur

Encepur revenue amounted to DKK 144 million (DKK 146 million) for the second quarter, i.e. a decrease of 2% versus prior year. However, this is a significant improvement from Q1 2022 that demonstrated a significant decline caused by continued negative market development in Germany.

In Q2 the German market finally returned to positive growth and grew by 38% versus prior year, enough to reach a 13% growth for the first half year. The German market share was unchanged at approximately 30% by end of June, which is in line with the prior year.

For the first half year Encepur revenue amounted to DKK 213 million (DKK 245 million), i.e. a decrease of 13% despite the positive growth in the German market and due to country mix and inventory movements at wholesaler and partner level.

#### JYNNEOS/IMVANEX/IMVAMUNE

Revenue from sale of JYNNEOS/IMVANEX/IMVAMUNE in the second quarter was DKK 117 million (DKK 0 million), all related to contracts with various governments in response to the global

monkeypox outbreak. Significant orders for the vaccine were received during the quarter, however, the majority of revenue from these orders will occur in the second half of 2022 in line with deliveries taking place.

For the first half year revenue from sale of JYNNEOS/IMVANEX/IMVAMUNE amounted to DKK 117 million (DKK 336 million).

#### Mvabea (Ebola)

In the second quarter, revenue from Mvabea was DKK 0 million (DKK 89 million).

For the first half year Mvabea revenue amounted to DKK 30 million (DKK 89 million), i.e. a decrease of 66%. Revenue in the period is related to the order announced in June 2020.

#### Third-party products sale

Revenue from sale of third-party products in the second quarter was DKK 39 million (DKK 0 million), which is related to sale of DUKORAL and IXIARO (Valneva products assumed in first quarter 2022) and HEPLISAV-B (Dynavax product assumed in second quarter 2022). HEPLISAV-B was launched during the period and revenue from the sale of the vaccine is largely attributed to supply chain filling.

For the first half year revenue from sale of third-party products amounted to DKK 53 million (DKK 0 million).

#### Contract work

Revenue from contract work in the second quarter was DKK 4 million (DKK 8 million), mainly stemming from the remaining activities related to the qualification and validation activities relating to the fill-and-finish plant and the phase 3 trial of the freeze-dried version of the smallpox vaccine, both under contracts with the US government.

For the first half year revenue from contract work amounted to DKK 10 million (DKK 28 million).



## Marketed products

PRODUCT	INDICATION	MARKETS
Rabipur®/RabAvert®	Rabies	Marketed globally in 20 countries
Encepur®	Tick-borne encephalitis (TBE)	Marketed in 12 EU countries
JYNNEOS®/IMVAMUNE®/IMVANEX®	Smallpox and Monkeypox	Sold to governments
Mvabea®	Ebola	Licensed to Janssen, not commercialized but made available for high-risk areas in West Africa. Approved in the EU.
IXIARO®	Japanese encephalitis	Licensed by Valneva to Bavarian Nordic to market and distribute the vaccine in Germany and Switzerland
DUKORAL®	Cholera	Licensed by Valneva to Bavarian Nordic to market and distribute the vaccine in Germany and Switzerland
HEPLISAV-B®	Hepatitis-B	Licensed by Dynavax to Bavarian Nordic to market and distribute the vaccine in Germany

## Research & development

2022 represents a pivotal year for Bavarian Nordic with significant anticipated news flow from the pipeline, as the Company embarks on two global Phase 3 clinical trials.

### Clinical pipeline

VACCINE	INDICATION	STATUS / MILESTONE
MVA-BN <i>freeze-dried</i>	Smallpox/Monkeypox	Phase 3 completed
MVA-BN RSV	RSV	Phase 3 ongoing
ABNCoV2	COVID-19	Phase 3 start planned for August 2022
TAEK-VAC	Cancer	Phase 1/2 study ongoing

### RSV

In April, Bavarian Nordic initiated a global Phase 3 clinical trial of MVA-BN RSV against respiratory syncytial virus (RSV) in adults  $\geq 60$  years of age. The Company is targeting completion of enrollment of 20,000 subjects by year-end 2022 with topline results anticipated mid-2023, if the pre-defined number of lower-respiratory tract disease (LRTD) events has occurred.

In June, the European Medicines Agency (EMA) granted access to its priority medicines (PRIME) scheme for MVA-BN RSV in active immunization for the prevention of LRTD caused RSV in adults  $\geq 60$  years of age.

PRIME is a scheme launched by EMA to enhance support for the development of medicines that target an unmet medical need. Through PRIME, EMA offers early support to medicine developers to optimize the generation of robust data on a medicine's benefits and risks and enable accelerated assessment of medicines applications. The access to PRIME was granted upon an assessment that the available clinical data overall show the potential of MVA-BN-RSV to address the unmet medical need in the proposed target population.

Earlier in 2022, the U.S. Food and Drug Administration (FDA) granted MVA-BN RSV Breakthrough Therapy Designation, an equivalent to the EU PRIME status, for the prevention of RSV in older adults.

As part of the strategy to commercialize the vaccine globally, the Company entered into a regional license and supply agreement with Nuance Pharma in the first quarter of 2022 on the development and commercialization of MVA-BN RSV for adults in China and selected Asian markets. Under the terms of the agreement, Bavarian Nordic is eligible to receive up to USD 225 million in upfront and milestone payments in addition to tiered, double-digit royalties. Nuance Pharma obtains rights to commercialize MVA-BN RSV in Chinese Mainland, Hong Kong, Macau, Taiwan, South Korea and Southeast Asia and will be responsible for all material costs, including development and regulatory.

### COVID-19

The Phase 2 clinical development of ABNCoV2, a VLP-based COVID-19 vaccine candidate has been completed with encouraging topline results reported in December 2021 and additional results reported during first half 2022, confirming the vaccine's potential as a booster vaccine offering broad protection against variants of concern.

A double-blind, controlled Phase 3 clinical trial has been agreed with the regulatory authorities, designed to demonstrate that the neutralizing antibodies induced by ABNCoV2 are non-inferior to the levels stimulated by Comirnaty®, the licensed mRNA-based vaccine.

Regulatory approvals to initiate the trial have been obtained, and site activation is now ongoing with the aim to vaccinate the first subjects by the end of August.

The trial will enroll approximately 4,000 adult subjects who either previously completed primary vaccination or have already received one booster dose of a licensed COVID-19 vaccine. The trial consists of two groups. The active, controlled group will enroll 1,000 subjects who will be randomized to receive either a single 100  $\mu$ g dose of ABNCoV2 or a single 30  $\mu$ g adult booster dose of Comirnaty. The other group will evaluate the safety and

tolerability of the vaccine in 3,000 subjects who will receive a single 100 µg dose of ABNCoV2. Initial trial results are expected before the end of 2022, which will allow for a rolling submission to the regulatory authorities, aiming to obtain approval of the vaccine in 2023.

The Phase 3 development of ABNCoV2 is funded through an agreement with the Danish State.

Throughout first half of 2022, Bavarian Nordic reported additional results from the ABNCoV2 Phase 2 clinical program. In February, results were reported from a group of 66 seropositive subjects who received one low dose (50 µg) of ABNCoV2 that confirmed similar high neutralizing antibody levels against the same SARS-CoV-2 variants of concern as observed with the high dose (100 µg), reported in December 2021. Comparing the induced levels of neutralizing titres by also taking into account the starting titre (pre-booster) and/or the time since the last vaccination showed that the higher booster dose of ABNCoV2 trended towards inducing stronger levels of neutralizing titres against SARS-CoV-2.

Secondly, a group of 28 seronegative subjects, who had not been previously vaccinated, or infected with SARS-CoV-2 received 2 doses of ABNCoV2 (100 µg) 4 weeks apart. These data confirmed the high neutralizing levels reported from the Phase 1 clinical trial 2 weeks post the second dose, with neutralizing antibody levels against the Wuhan variant elevated to levels reported to be highly efficacious (>90%) against SARS-CoV-2<sup>1</sup>.

In May, further data from the trial were reported, showing that vaccination with ABNCoV2 induced a significant boost to the neutralizing antibodies against the Omicron variant in the majority of subjects (87%), who were previously vaccinated with approved mRNA or adenoviral vaccines.

The overall Phase 2 results confirmed the ability of ABNCoV2 to boost neutralizing antibodies to levels reported to be highly efficacious against SARS-CoV-2, both when used for primary vaccination and when used as a booster in subjects previously vaccinated with mRNA- or Adeno-based vaccines. A similar fold increase was observed for all SARS-CoV-2 variants of concern tested (Wuhan, Alpha, Beta, Delta and Omicron) following the booster vaccination with ABNCoV2. While the neutralizing antibody titers against Omicron were the lowest when compared to all other variants of concern tested, they were boosted to levels reported to be associated with a high level of protection (>90%).

The vaccine was generally well-tolerated, with no related serious adverse events reported and no relevant difference in the safety profile between subjects receiving either the low (50 µg) or high dose (100 µg) of ABNCoV2.

#### **Smallpox / monkeypox**

A freeze-dried version of JYNNEOS® with improved shelf-life is being developed. The clinical development of this version has been completed and Bavarian Nordic is working to finalize the transfer of the manufacturing process as the last activity to support the submission of a supplement Biologics License Application (BLA) to the FDA to extend the current approval of JYNNEOS for the freeze-dried formulation.

#### **Immuno-oncology**

TAEK-VAC, a tumor antibody enhanced therapeutic vaccine, is a novel immuno-oncology candidate employing the MVA-BN technology. A Phase 1/2 open label trial of intravenous administration of the vaccine, was initiated in 2021 in patients with advanced HER2 and brachyury-expressing cancers. A dose-

escalation stage of the trial is currently ongoing, before advancing into stage 2, expectedly later in 2022.

<sup>1</sup> P. B. Gilbert et al., Science 10.1126/science.abm3425 (2021)

## Regulatory updates

### **IMVANEX approval extended to include monkeypox**

Spurred by the global monkeypox outbreak, and upon recommendation from the Emergency Task Force of the European Medicines Agency (EMA), Bavarian Nordic submitted an application in June to extend the current approval of the IMVANEX smallpox vaccine to include monkeypox. After an expedited review, EMA's Committee for Medicinal Products for Human Use (CHMP) issued a positive opinion in July, recommending this extension, and shortly after, the European Commission formally gave its approval, which is valid in all European Union Member States as well as in Iceland, Liechtenstein, and Norway.

### **New fill and finish facility received U.S. and EU approvals**

In July, Bavarian Nordic received approvals from the U.S. and EU regulatory authorities to manufacture JYNNEOS/IMVANEX smallpox and monkeypox vaccine at the Company's fill and finish facility in Denmark. With the approvals of the final drug production - the process by which the vaccine is formulated and filled into vials - the Company is now allowed to deliver drug product manufactured at its own site to the U.S. and EU market.

An expedited pre-approval inspection (PAI) was conducted by the FDA at the facility at the beginning of July. The inspection included the final drug production of JYNNEOS, which was previously performed at a contract manufacturer. The inspection was successfully completed with no observations made, leading to the approval of Bavarian Nordic as the new drug product manufacturer of JYNNEOS.

The approval by EMA was granted upon assessment by CHMP of a type II-variation application submitted in June 2022, which, similar to the FDA approval, acknowledges Bavarian Nordic as the new drug product manufacturer of the IMVANEX vaccine, in supplement to the inspection, and approval earlier granted, by the Danish Medicines Agency,



## Financial review

Financial statements for the period January 1 - June 30, 2022 are un-audited. Comparison figures for the same period 2021 are stated in brackets.

### Revenue

Revenue for the period was DKK 857 million (DKK 905 million). Revenue was composed of DKK 564 million (DKK 452 million) from sales of Rabipur/RabAvert and Encepur, DKK 117 million (DKK 336 million) from sale of MVA-BN smallpox/monkeypox vaccine, DKK 83 million in milestone payments (DKK 0 million) from our RSV partner Nuance, DKK 53 million (DKK 0 million) from sale of third-party products, DKK 30 million (DKK 89 million) from sales of Mvabea to Janssen and DKK 10 million (DKK 28 million) from contract work. Revenue reported for the three months ended June 30, 2022 was DKK 537 million (DKK 370 million).

### Production costs

Production costs totaled DKK 723 million (DKK 627 million). Costs related directly to revenue amounted to DKK 352 million (DKK 343 million), of which cost of goods sold totaled DKK 347 million (DKK 324 million). Contract costs totaled DKK 5 million (DKK 19 million). Amortization of product rights related to Rabipur/RabAvert and Encepur has also been recognized as part of the production costs with a total of DKK 136 million (DKK 136 million). Other production costs totaled DKK 235 million (DKK 147 million). Since August 2021, the bulk manufacturing facility has been shut down due to the planned expansion of the facility for future production of Rabipur/RabAvert and Encepur, therefore limited absorption of indirect production costs for Q2 2022. The facility has now re-opened. In Q2 2021 the production plant was utilized for production of RSV Phase 3 clinical trial material, which gave a very low utilization of the commercial manufacturing capacity leading to low absorption of indirect production costs causing a high level of other production costs. In the second quarter of 2022, production costs were DKK 431 million (DKK 249 million).

### Sales and distribution costs

Sales and distribution costs totaled DKK 85 million (DKK 98 million) split between costs for distribution of products of DKK 8 million (DKK 10 million) and costs for running the commercial organization and activities of DKK 78 million (DKK 88 million).

### Research and development costs

Research and development costs totaled DKK 290 million (DKK 219 million). The increase compared to 2021 relates to RSV spend increasing by DKK 85 million. The amount excludes R&D costs of DKK 5 million (DKK 19 million) recognized as production costs, see [note 5](#). Research and development costs of DKK 234 million (DKK 0 million) related to ABNCoV2 were capitalized during the period.

### Administrative costs

Administrative costs totaled DKK 168 million (DKK 156 million).

### EBIT/EBITDA

Income before interest and tax (EBIT) was a loss of DKK 410 million, compared to a loss of DKK 195 million in the first half of 2021.

EBITDA was a loss of DKK 212 million (loss of DKK 8 million). Amortization of product rights related to Rabipur/RabAvert and Encepur amounted to DKK 136 million (DKK 136 million) whereas depreciation on other fixed assets amounted to DKK 61 million (DKK 11 million).

### Financial items

Financial items totaled a net expense of DKK 97 million (net expense of DKK 83 million) and consisted of interest expense on debt of DKK 7 million (DKK 9 million), net value adjustment of deferred consideration of DKK 17 million (DKK 60 million) from the acquisition of Encepur and Rabipur/RabAvert and ABNCoV2, net gains on hedging of DKK 9 million (DKK 0 million) and a net expense from securities of DKK 119 million (net expense of DKK 18 million), partly offset by net foreign exchange rate gains of DKK 38 million (gain DKK 5 million). Fair value adjustment on securities amounted to DKK 127 million corresponding to a 4% decrease in value as a consequence of the financial market conditions seen in first half year of 2022.

The net value adjustment of deferred consideration DKK 17 million (DKK 60 million) consists of three components; Adjustment of deferred consideration due to change in estimated timing of payments DKK 26 million income (income of DKK 6 million), currency adjustments of DKK 1 million expense (income of DKK 2 million) and unwinding<sup>2</sup> of the discounting effect related to deferred consideration DKK 42 million (DKK 68 million), see [note 6](#) and [7](#).

Income before company tax was a loss of DKK 406 million (loss of DKK 278 million).

### Tax

Tax on income was DKK 3 million (DKK 3 million) and relates to taxes in subsidiaries. The parent company's taxable income for the full year of 2022 is expected to be negative due to Phase 3 trial costs for both ABNCoV2 and RSV, leading to an effective tax rate close to 0% for the Group as no tax assets will be recognized. Deferred tax asset on the balance sheet remains at DKK 0 million. The Company retains the right to use the tax losses carried forward that was written down in prior year, see [note 14](#) in the Annual Report for 2021.

### Net profit

For the first half of 2022, Bavarian Nordic reported a net loss of DKK 509 million (net loss of DKK 281 million).

### Product rights

Product rights recognized in the balance sheet totaled DKK 4,776 million (DKK 4,913 million as of December 31, 2021) and relates to Rabipur/RabAvert and Encepur.

### Acquired rights and development in progress

Acquired rights and development in progress relates to the development of ABNCoV2 and stood at DKK 813 million (DKK 734 million as of December 31, 2021). The asset includes the upfront payment to AdaptVac of DKK 30 million, the net present value of probable future sales and development milestones DKK 596 million and capitalization of development costs for running the completed Phase 2 study and the running Phase 3 study, DKK 219 million. For further description of the asset and the accounting policy see [note 16](#) in the Annual Report for 2021.

The Group has ensured significant financing for the ABNCoV2 development program through the funding obtained from the Danish Ministry of Health. Under the agreement, the Company is entitled to payments of up to DKK 800 million, which are contingent upon reaching a number of predefined milestones under the development project. All payments are potentially subject to repayment, however only upon successful obtainment of marketing authorization and upon reaching certain annual levels of doses sold. As per June 30, 2022, the upfront payment of DKK 80 million and further milestones amounting to DKK 400

<sup>2</sup> The deferred consideration for product rights is measured at net present value and the difference between the net present value and the amounts

due is recognized in the income statement as a financial expense over the period until expected payment date using the effective interest method.

million, in total DKK 480 million, have been received and recognized as 'Prepayment and loan from Government'.

#### Financial assets

Production of drug substance for ABNCoV2 is taking place at a CMO. The CMO produced the drug substance for the clinical trial materials for the Phase 3 and will also be producing drug substance for future commercial ABNCoV2 products. Costs related to the scale up activities are recognized as prepayments and will be recognized as inventory in concurrence with future purchase of products from the CMO. As per June 30, 2022 DKK 148 million has been recognized as non-current prepayments.

Part of the technology transfer of the production and packaging activities for Encepur and Rabipur/RabAvert takes place at CMO's (filling of Encepur, labelling and packing). Costs related to the technology transfer activities are recognized as prepayments and will be recognized as inventory in concurrence with future purchase of services from the CMO's. As per June 30, 2022 DKK 17 million has been recognized as non-current prepayments.

#### Securities, cash and cash equivalents

Securities, cash and cash equivalents were DKK 3,253 million as of June 30, 2022, including repo pledged securities of DKK 500 million (DKK 3,717 million as of December 31, 2021, including repo pledged securities of DKK 500 million). The net cash position amounts to DKK 2,753 million (DKK 3,217 million as of December 31, 2021).

#### Cash flow

Cash flow generated by operating activities was negative by DKK 120 million (negative by DKK 377 million) with higher negative contribution from net profit partly being compensated by working capital improvements by DKK 17 million (worsened DKK 395 million). Cash flow from investment activities was negative by DKK 488 million (negative by DKK 1,179 million, including DKK 966 million net investment in securities) and includes investments in property, plant and equipment, DKK 242 million (DKK 171 million), mainly related to the ongoing expansion of the drug substance facility for future production of Rabipur/RabAvert and Encepur. Investment in other intangible assets amounted to DKK 156 million (DKK 42 million) and includes the ongoing Rabipur/RabAvert and Encepur technology transfer project, the development project for the COVID-19 vaccine and IT system investments. Investment in financial assets relates to prepayments to CMOs for tech transfer and scale up activities, DKK 127 million (DKK 0 million). Cash flow from financing activities was a contribution of DKK 300 million (DKK 1,455 million), primarily funding received from the Danish Ministry of Health. The net change in cash and cash equivalents was negative by DKK 307 million (negative by DKK 102 million).

#### Equity

The Group's equity as of June 30, 2022 stood at DKK 6,879 million (DKK 7,375 million as of December 31, 2021).

#### Deferred consideration

Deferred consideration to GlaxoSmithKline for purchase of product rights amounted to DKK 2,568 million, whereas deferred consideration to AdaptVac related to potential future development and sales milestones and tiered royalties amounted to DKK 596 million as per June 30, 2022.

#### Debt to credit institutions

As of June 30, 2022, debt to credit institutions amounted to DKK 892 million and included the European Investment Bank loan of DKK 372 million, a repo position of DKK 500 million and a mortgage loan of DKK 20 million. All numbers are unchanged compared to December 31, 2021.

#### Significant risks and uncertainties

Bavarian Nordic faces a number of risks and uncertainties, common for the biotech/pharma 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 48-52 "Risk Management" in the 2021 Annual Report.

#### Outlook for 2022

The financial guidance for the full year has been upgraded six times since March 2022 as result of multiple supply contracts being entered since the start of the monkeypox outbreak in May. The most recent guidance, issued on July 18, is maintained at revenues between DKK 2,700 and 2,900 million, EBITDA with a loss between DKK -300 and -100 million and cash and cash equivalents at year-end expected to exceed DKK 1,700 million.

Beyond the additional revenue generated by the monkeypox situation the guidance also reflects the current market conditions and general commercial performance as well as the current exchange rate levels. Other key assumptions for the guidance remain largely unchanged since the publication of guidance in the 2021 Annual Report.

The monkeypox outbreak has created a broader, global demand for vaccines, and Bavarian Nordic has entered several contracts with both existing and new customers to supply its monkeypox vaccine for both emergency use and long-term stockpiling beyond 2022. The revenue from secured contracts is relatively evenly split between 2022 and 2023, however skewed towards 2023 and is very sensitive to the final delivery schedules. As the outbreak continues to evolve, the Company remains in discussions with governments and supranational organizations and expects to sign more contracts for 2023 and beyond.

#### Financial calendar 2022 and 2023

The 2023 dates for announcement of the Company's financial reports and the annual general meeting have now been determined, and planned future reporting dates are as follows:

Nine-month report (Q3)	November 9, 2022
2022 Annual Report	March 2, 2023
Annual General Meeting*	March 30, 2023
Three-month report (Q1)	May 9, 2023
Half-year report (Q2)	August 23, 2023
Nine-month report (Q3)	November 16, 2023

\* Pursuant to Article 12 of the Articles of Association, shareholders who wish to submit a request for proposals for consideration at the annual general meeting must lodge this with the Company no later than Wednesday, February 15, 2023.

## Financial statements

### Unaudited Condensed Consolidated Income Statements for the Periods Ended June 30, 2022 and 2021 and December 31, 2021

DKK thousand	Note	1/4 - 30/6 2022	1/4 - 30/6 2021	1/1 - 30/6 2022	1/1 - 30/6 2021	1/1-31/12 2021
Revenue	<a href="#">3</a>	536,699	369,999	856,755	905,252	1,897,875
Production costs	<a href="#">4</a>	431,313	249,301	723,496	626,642	1,327,560
<b>Gross profit</b>		<b>105,386</b>	<b>120,698</b>	<b>133,259</b>	<b>278,610</b>	<b>570,315</b>
Sales and distribution costs		47,928	47,061	85,316	98,096	191,783
Research and development costs	<a href="#">5</a>	184,862	97,077	289,661	219,217	399,159
Administrative costs		90,226	83,200	168,012	155,930	292,920
<b>Total operating costs</b>		<b>323,016</b>	<b>227,338</b>	<b>542,989</b>	<b>473,243</b>	<b>883,862</b>
<b>Income before interest and tax (EBIT)</b>		<b>(217,630)</b>	<b>(106,640)</b>	<b>(409,730)</b>	<b>(194,633)</b>	<b>(313,547)</b>
Financial income	<a href="#">6</a>	61,957	11,713	80,965	18,625	50,233
Financial expenses	<a href="#">7</a>	80,184	53,206	177,711	101,856	191,116
<b>Income before company tax</b>		<b>(235,857)</b>	<b>(148,133)</b>	<b>(506,476)</b>	<b>(277,864)</b>	<b>(454,430)</b>
Tax on income for the period		1,313	2,125	2,637	3,239	10,345
<b>Net profit for the period</b>		<b>(237,170)</b>	<b>(150,258)</b>	<b>(509,113)</b>	<b>(281,103)</b>	<b>(464,775)</b>
<b>Earnings per share (EPS) - DKK</b>						
Basic earnings per share of DKK 10		(3.4)	(2.4)	(7.2)	(4.6)	(7.4)
Diluted earnings per share of DKK 10		(3.4)	(2.4)	(7.2)	(4.6)	(7.4)

### Unaudited Condensed Consolidated Statements of Comprehensive Income for the Periods Ended June 30, 2022 and 2021 and December 31, 2021

DKK thousand	1/4 - 30/6 2022	1/4 - 30/6 2021	1/1 - 30/6 2022	1/1 - 30/6 2021	1/1-31/12 2021
<b>Net profit for the period</b>	<b>(237,170)</b>	<b>(150,258)</b>	<b>(509,113)</b>	<b>(281,103)</b>	<b>(464,775)</b>
<b>Items that might be reclassified to the income statement:</b>					
Exchange rate adjustments on translating foreign operations	(12,156)	157	(10,335)	3,991	10,081
Change in fair value of financial instruments entered into to hedge future cash flows	782	2,170	2,468	(10,786)	(542)
<b>Other comprehensive income after tax</b>	<b>(11,374)</b>	<b>2,327</b>	<b>(7,867)</b>	<b>(6,795)</b>	<b>9,539</b>
<b>Total comprehensive income</b>	<b>(248,544)</b>	<b>(147,931)</b>	<b>(516,980)</b>	<b>(287,898)</b>	<b>(455,236)</b>

## Unaudited Condensed Consolidated Statements of Cash Flow for the Periods Ended June 30, 2022 and 2021 and December 31, 2021

DKK thousand	1/1 - 30/6 2022	1/1 - 30/6 2021	1/1-31/12 2021
<b>Net profit for the period</b>	<b>(509,113)</b>	<b>(281,103)</b>	<b>(464,775)</b>
Adjustment for non-cash items:			
Financial income	(80,965)	(18,625)	(50,233)
Financial expenses	177,711	101,856	191,116
Tax on income for the period	2,637	3,239	10,345
Depreciation, amortization and impairment losses	197,713	186,647	388,310
Share-based payment	25,508	34,390	56,857
Changes in inventories	(38,366)	(146,361)	41,039
Changes in receivables	(19,253)	(209,922)	(364,393)
Changes in current liabilities	110,244	(38,304)	(146,007)
<b>Cash flow from operations (operating activities)</b>	<b>(133,884)</b>	<b>(368,183)</b>	<b>(337,741)</b>
Received financial income	13,653	4,480	6,198
Paid financial expenses	2,045	(12,610)	(24,383)
Paid company taxes	(1,606)	(953)	(2,574)
<b>Cash flow from operating activities</b>	<b>(119,792)</b>	<b>(377,266)</b>	<b>(358,500)</b>
Investments in products rights	3,594	-	(371,849)
Investments in other intangible assets	(156,690)	(41,633)	(203,475)
Investments in property, plant and equipment	(242,467)	(171,411)	(483,127)
Investments in/disposal of financial assets	(126,556)	(561)	(39,041)
Investments in securities	(367,449)	(1,116,911)	(2,115,796)
Disposal of securities	402,057	151,020	336,342
<b>Cash flow from investment activities</b>	<b>(487,511)</b>	<b>(1,179,496)</b>	<b>(2,876,946)</b>
Payment on loans	(1,089)	(1,088)	(2,173)
Proceeds from loans	320,000	306,706	660,000
Repayment of lease liabilities	(10,415)	(9,745)	(19,507)
Proceeds from warrant programs exercised	1,545	44,800	107,183
Proceeds from rights issue	-	-	2,856,596
Proceeds from capital increase through private placement	-	1,148,450	-
Cost related to issue of new shares	(61)	(25,563)	(57,438)
Purchase of treasury shares	(9,328)	(8,581)	(8,581)
<b>Cash flow from financing activities</b>	<b>300,652</b>	<b>1,454,979</b>	<b>3,536,080</b>
<b>Cash flow of the period</b>	<b>(306,651)</b>	<b>(101,783)</b>	<b>300,634</b>
Cash as of 1 January	591,820	285,487	285,487
Currency adjustments 1 January	5,632	2,197	5,699
<b>Cash end of period</b>	<b>290,801</b>	<b>185,901</b>	<b>591,820</b>

## Unaudited Condensed Consolidated Statements of Financial Position - Assets as of June 30, 2022 and 2021 and December 31, 2021

DKK thousand	Note	30/6 2022	30/6 2021	31/12 2021
<b>Assets</b>				
Product rights		4,776,363	5,049,298	4,912,830
Acquired rights and development in progress		813,214	29,813	733,770
Software		19,754	28,791	22,985
Intangible assets in progress		204,145	81,969	134,371
<b>Intangible assets</b>		<b>5,813,476</b>	<b>5,189,871</b>	<b>5,803,956</b>
Land and buildings		334,774	361,054	345,953
Leasehold improvements		8,776	3,313	10,011
Plant and machinery		243,067	263,583	254,530
Fixtures and fittings, other plant and equipment		214,992	219,071	223,467
Assets under construction		810,638	301,398	578,707
<b>Property, plant and equipment</b>		<b>1,612,247</b>	<b>1,148,419</b>	<b>1,412,668</b>
<b>Right-of-use assets</b>	<a href="#">14</a>	<b>75,365</b>	<b>83,422</b>	<b>75,843</b>
Other receivables		4,969	4,683	4,778
Prepayments		164,750	-	38,385
<b>Financial assets</b>		<b>169,719</b>	<b>4,683</b>	<b>43,163</b>
<b>Total non-current assets</b>		<b>7,670,807</b>	<b>6,426,395</b>	<b>7,335,630</b>
<b>Inventories</b>	<a href="#">8</a>	<b>518,409</b>	<b>667,443</b>	<b>480,043</b>
Trade receivables	<a href="#">9</a>	506,890	339,955	381,624
Other receivables	<a href="#">10</a>	29,376	27,837	66,517
Prepayments		49,635	33,300	108,840
<b>Receivables</b>		<b>585,901</b>	<b>401,092</b>	<b>556,981</b>
Securities	<a href="#">15, 16</a>	2,962,638	2,327,547	3,124,795
Cash and cash equivalents		290,801	185,901	591,820
<b>Securities, cash and cash equivalents</b>		<b>3,253,439</b>	<b>2,513,448</b>	<b>3,716,615</b>
<b>Total current assets</b>		<b>4,357,749</b>	<b>3,581,983</b>	<b>4,753,639</b>
<b>Total assets</b>		<b>12,028,556</b>	<b>10,008,378</b>	<b>12,089,269</b>

## Unaudited Condensed Consolidated Statements of Financial Position - Equity and Liabilities as of June 30, 2022 and 2021 and December 31, 2021

DKK thousand	Note	30/6 2022	30/6 2021	31/12 2021
<b>Equity and liabilities</b>				
Share capital		704,793	638,172	704,684
Treasury shares		(1,463)	(1,176)	(1,112)
Retained earnings		6,082,702	5,086,384	6,588,908
Other reserves		93,063	65,170	82,187
<b>Equity</b>		<b>6,879,095</b>	<b>5,788,550</b>	<b>7,374,667</b>
Deferred consideration for product rights		2,400,545	1,934,498	2,569,090
Prepayment and loan from Government		480,511	-	160,511
Debt to credit institutions	<u>11</u>	17,807	392,182	18,896
Lease liabilities	<u>14</u>	54,464	65,203	57,547
<b>Non-current liabilities</b>		<b>2,953,327</b>	<b>2,391,883</b>	<b>2,806,044</b>
Deferred consideration for product rights		762,895	947,930	577,667
Debt to credit institutions	<u>11, 15</u>	874,373	308,878	874,373
Lease liabilities	<u>14</u>	23,727	21,079	21,266
Prepayment from customers	<u>12</u>	118,225	51,435	16,904
Trade payables		195,456	298,545	263,611
Company tax		4,484	1,461	3,743
Other liabilities	<u>13</u>	216,974	198,617	150,994
<b>Current liabilities</b>		<b>2,196,134</b>	<b>1,827,945</b>	<b>1,908,558</b>
<b>Total liabilities</b>		<b>5,149,461</b>	<b>4,219,828</b>	<b>4,714,602</b>
<b>Total equity and liabilities</b>		<b>12,028,556</b>	<b>10,008,378</b>	<b>12,089,269</b>



## Unaudited Condensed Consolidated Statements of Changes in Equity for the Periods June 30, 2022 and 2021

DKK thousand	Share capital	Treasury shares	Retained earnings	Reserves for currency adjustment	Reserves for fair value of financial instruments	Share-based payment	Equity
<b>Equity as of January 1, 2022</b>	<b>704,684</b>	<b>(1,112)</b>	<b>6,588,908</b>	<b>(30,559)</b>	<b>(1,351)</b>	<b>114,097</b>	<b>7,374,667</b>
<b>Comprehensive income for the period</b>							
Net profit	-	-	(509,113)	-	-	-	(509,113)
<b>Other comprehensive income</b>							
Exchange rate adjustments on translating foreign operations	-	-	-	(10,335)	-	-	(10,335)
Change in fair value of financial instruments entered into to hedge future cash flows	-	-	-	-	2,468	-	2,468
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(509,113)</b>	<b>(10,335)</b>	<b>2,468</b>	<b>-</b>	<b>(516,980)</b>
<b>Transactions with owners</b>							
Share-based payment	-	-	-	-	-	29,252	29,252
Warrant program exercised	109	-	1,880	-	-	(444)	1,545
Cost related to issue of new shares	-	-	(61)	-	-	-	(61)
Purchase of treasury shares	-	(716)	(8,612)	-	-	-	(9,328)
Transfer regarding restricted stock units	-	365	3,729	-	-	(4,094)	-
<b>Total transactions with owners</b>	<b>109</b>	<b>(351)</b>	<b>2,907</b>	<b>-</b>	<b>-</b>	<b>18,743</b>	<b>21,408</b>
<b>Equity as of June 30, 2022</b>	<b>704,793</b>	<b>(1,463)</b>	<b>6,082,702</b>	<b>(40,894)</b>	<b>1,117</b>	<b>132,840</b>	<b>6,879,095</b>

DKK thousand	Share capital	Treasury shares	Retained earnings	Reserves for currency adjustment	Reserves for fair value of financial instruments	Share-based payment	Equity
<b>Equity as of January 1, 2021</b>	<b>584,501</b>	<b>(1,077)</b>	<b>4,246,359</b>	<b>(40,640)</b>	<b>(809)</b>	<b>106,019</b>	<b>4,894,353</b>
<b>Comprehensive income for the period</b>							
Net profit	-	-	(281,103)	-	-	-	(281,103)
<b>Other comprehensive income</b>							
Exchange rate adjustments on translating foreign operations	-	-	-	3,991	-	-	3,991
Change in fair value of financial instruments entered into to hedge future cash flows	-	-	-	-	(10,786)	-	(10,786)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(281,103)</b>	<b>3,991</b>	<b>(10,786)</b>	<b>-</b>	<b>(287,898)</b>
<b>Transactions with owners</b>							
Share-based payment	-	-	-	-	-	22,989	22,989
Warrant program exercised	2,171	-	54,489	-	-	(11,860)	44,800
Capital increase through rights issue	51,500	-	1,096,950	-	-	-	1,148,450
Cost related to issue of new shares	-	-	(25,563)	-	-	-	(25,563)
Purchase of treasury shares	-	(317)	(8,264)	-	-	-	(8,581)
Transfer regarding restricted stock units	-	218	3,516	-	-	(3,734)	-
<b>Total transactions with owners</b>	<b>53,671</b>	<b>(99)</b>	<b>1,121,128</b>	<b>-</b>	<b>-</b>	<b>7,395</b>	<b>1,182,095</b>
<b>Equity as of June 30, 2021</b>	<b>638,172</b>	<b>(1,176)</b>	<b>5,086,384</b>	<b>(36,649)</b>	<b>(11,595)</b>	<b>113,414</b>	<b>5,788,550</b>

## Notes

- |   |  |
|---|--|
| <ol style="list-style-type: none"> <li>1. <a href="#">Significant accounting policies</a></li> <li>2. <a href="#">Significant accounting estimates, assumptions and uncertainties</a></li> <li>3. <a href="#">Revenue</a></li> <li>4. <a href="#">Production costs</a></li> <li>5. <a href="#">Research and development costs</a></li> <li>6. <a href="#">Financial income</a></li> <li>7. <a href="#">Financial expenses</a></li> <li>8. <a href="#">Inventories</a></li> <li>9. <a href="#">Trade receivables</a></li> <li>10. <a href="#">Other receivables</a></li> </ol> | <ol style="list-style-type: none"> <li>11. <a href="#">Debt to credit institutions</a></li> <li>12. <a href="#">Prepayment from customers</a></li> <li>13. <a href="#">Other liabilities</a></li> <li>14. <a href="#">Right-of-use assets and lease liabilities</a></li> <li>15. <a href="#">Transferred financial assets that are not derecognized</a></li> <li>16. <a href="#">Financial instruments</a></li> <li>17. <a href="#">Warrants</a></li> <li>18. <a href="#">Significant changes in contingent liabilities and other contractual obligations</a></li> <li>19. <a href="#">Significant events after the balance sheet date</a></li> <li>20. <a href="#">Approval of the unaudited condensed consolidated interim financial statements</a></li> </ol> |
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### 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 2020 and in accordance with the recognition and measurement policies in the International Financial Reporting Standards (IFRS) as adopted by EU.

As of March 31, 2022, the Company has implemented all new or amended accounting standards and interpretations as adopted by the EU and applicable for the 2022 financial year. None of the new or amended standards or interpretations are assessed to have significant impact on the consolidated financial statements.

### 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 2021, the Management has not changed significant estimates and judgments regarding recognition and measurement.

DKK thousand	1/4 - 30/6 2022	1/4 - 30/6 2021	1/1 - 30/6 2022	1/1 - 30/6 2021	1/1-31/12 2021
<b>3. Revenue</b>					
MVA-BN smallpox/monkeypox vaccine sale	116,661	167	116,784	336,378	733,593
Rabipur/RabAvert	234,200	126,858	350,932	207,190	505,769
Encepur	143,674	146,180	213,019	244,660	363,054
Other product sale	38,514	89,079	82,735	89,079	260,225
Sale of goods	533,049	362,284	763,470	877,307	1,862,641
Milestone payments	-	-	83,048	-	-
Contract work	3,650	7,715	10,237	27,945	35,234
Sale of services	3,650	7,715	93,285	27,945	35,234
<b>Revenue</b>	<b>536,699</b>	<b>369,999</b>	<b>856,755</b>	<b>905,252</b>	<b>1,897,875</b>
Total revenue includes:					
Fair value adjustment concerning financial instruments entered into to hedge revenue	-	-	-	269	(7,072)
<b>4. Production costs</b>					
Cost of goods sold	235,463	118,249	347,225	323,660	539,789
Contract costs	2,587	5,743	4,745	19,229	21,959
Amortization product rights	68,233	68,233	136,467	136,467	492,877
Other production costs	125,030	57,076	235,059	147,286	272,935
<b>Production costs</b>	<b>431,313</b>	<b>249,301</b>	<b>723,496</b>	<b>626,642</b>	<b>1,327,560</b>
<b>5. Research and development costs</b>					
Research and development costs occurred in the period	187,449	102,820	294,406	238,446	421,118
Of which:					
Contract costs recognized as production costs	(2,587)	(5,743)	(4,745)	(19,229)	(21,959)
<b>Research and development costs</b>	<b>184,862</b>	<b>97,077</b>	<b>289,661</b>	<b>219,217</b>	<b>399,159</b>
<b>6. Financial income</b>					
Financial income from bank and deposit contracts	827	56	976	97	1,739
Interest income from financial assets measured at amortized cost	827	56	976	97	1,739
Financial income from securities	3,632	3,174	7,954	5,465	11,045
Adjustment of deferred consideration due to change in estimated timing of payments	19,045	6,008	26,319	6,343	32,185
Currency adjustment deferred consideration	(518)	421	(1,032)	1,787	1,677
Net gains on derivative financial instruments at fair value through the income statement	8,921	-	8,921	-	-
Net foreign exchange gains	30,050	2,054	37,827	4,933	3,587
<b>Financial income</b>	<b>61,957</b>	<b>11,713</b>	<b>80,965</b>	<b>18,625</b>	<b>50,233</b>
<b>7. Financial expenses</b>					
Interest expenses on debt	3,960	4,222	8,471	8,884	18,487
Interest expenses on financial liabilities measured at amortized cost	3,960	4,222	8,471	8,884	18,487
Fair value adjustments on securities	64,180	8,147	127,269	22,996	39,056
Unwinding of the discounting effect related to deferred consideration	13,735	39,760	41,971	67,889	133,573
Net loss on derivative financial instruments at fair value through the income statement	(1,691)	1,077	-	2,087	-
<b>Financial expenses</b>	<b>80,184</b>	<b>53,206</b>	<b>177,711</b>	<b>101,856</b>	<b>191,116</b>

DKK thousand	30/6 2022	30/6 2021	31/12 2021
<b>8. Inventories</b>			
Raw materials and supply materials	128,082	69,770	80,243
Work in progress	220,209	78,046	79,904
Manufactured goods and commodities	336,430	529,530	492,837
Write-down on inventory	(166,312)	(9,903)	(172,941)
<b>Inventories</b>	<b>518,409</b>	<b>667,443</b>	<b>480,043</b>
Write-down on inventory 1 January	(172,941)	(63,537)	(63,537)
Write-down during the period	(6,579)	(6,252)	(171,643)
Use of write-down	4,072	59,886	62,239
Reversal of write-down	9,137	-	-
<b>Write-down end of period</b>	<b>(166,311)</b>	<b>(9,903)</b>	<b>(172,941)</b>
<b>9. Trade receivables</b>			
Trade receivables from smallpox/monkeypox vaccine sale	127,976	166	78,218
Trade receivables from Encepur and Rabipur/RabAvert	375,589	266,418	162,546
Trade receivables from other product sale	-	68,956	137,731
Trade receivables from contract work	3,325	4,415	3,129
<b>Trade receivables</b>	<b>506,890</b>	<b>339,955</b>	<b>381,624</b>
<b>10. Other receivables</b>			
Receivable VAT and duties	13,486	23,228	55,973
Derivative financial instruments at fair value	10,256	-	191
Interest receivables	5,634	4,609	10,353
<b>Other receivables</b>	<b>29,376</b>	<b>27,837</b>	<b>66,517</b>
<b>11. Debt to credit institutions</b>			
Mortgage	19,985	22,159	21,074
European Investment Bank (loan in DKK)	372,195	372,195	372,195
Security lending (repo transactions)	500,000	306,706	500,000
<b>Debt to credit institutions</b>	<b>892,180</b>	<b>701,060</b>	<b>893,269</b>
<b>12. Prepayment from customers</b>			
Prepayments from customers as of January 1	16,904	74,347	74,347
Prepayments received during the period	101,321	-	33,850
Recognized as revenue during the period	-	(22,912)	(91,293)
<b>Prepayments from customers end of period</b>	<b>118,225</b>	<b>51,435</b>	<b>16,904</b>
<b>13. Other liabilities</b>			
Financial instruments at fair value	-	11,651	1,351
Liability relating to phantom shares	12,090	16,250	23,917
Payable salaries, holiday accrual etc.	68,929	80,511	68,491
Gross to net deduction accrual	121,952	63,175	37,134
Other accrued costs	14,003	27,030	20,101
<b>Other liabilities</b>	<b>216,974</b>	<b>198,617</b>	<b>150,994</b>

**14. Right-of-use assets and lease liabilities****Right-of-use assets**

DKK thousand	Rent facility	Car leasing	Equipment	Total
Right-of-use assets as of January 1, 2021	73,026	1,742	1,075	75,843
Additions	917	5,086	-	6,003
Modifications	5,088	1,114	-	6,202
Disposals	(2,412)	-	-	(2,412)
Depreciations	(9,875)	(1,263)	(250)	(11,388)
Reversal depreciations	909	-	-	909
Exchange rate adjustments	160	49	(1)	208
<b>Right-of-use assets as of March 31, 2022</b>	<b>67,813</b>	<b>6,728</b>	<b>824</b>	<b>75,365</b>

**Lease liabilities**

DKK thousand	30/6 2022
Non-current	54,464
Current	23,727
<b>Lease liabilities</b>	<b>78,191</b>

**Amounts included in the income statement**

DKK thousand	1/1 - 30/6 2022
Interest expense leases	978
Depreciation recognized on right-of-use assets	11,388
Cost recognized for short term leases (less than 12 months)	99

In the first half of 2022 the total cash outflow relating to lease was DKKt 11.393 split between interests of DKKt 978 and repayment of DKKt 10,415.

**15. Transferred financial assets that are not derecognized**

The Company has entered into transactions that transferred ownership of securities to a counterparty, while the Company retains the risks associated with the holding of the securities (repo transactions). As the Company retains all risks, the securities remain in the balance sheet, and the transactions are accounted for as loans received against collateral (securities lending). The transactions involve selling the securities to be repurchased at a fixed price at a later date. Counterparties are entitled to sell the securities or deposit them as collateral for loans.

DKK thousand	30/6 2022	30/6 2021	31/12 2021
Carrying amount of transferred securities	499,355	305,050	498,534
Carrying amount of associated liabilities (repo transactions)	(500,000)	(306,706)	(500,000)
<b>Net position</b>	<b>(645)</b>	<b>(1,656)</b>	<b>(1,466)</b>

## 16. 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, 2022

DKK thousand	Level 1	Level 2	Total
Securities	2,463,283	-	2,463,283
Transferred securities that are not derecognized	499,355	-	499,355
<b>Financial assets measured at fair value through the income statement</b>	<b>2,962,638</b>	<b>8,386</b>	<b>2,971,024</b>
Derivative financial instruments to hedge future cash flow (interest)	-	1,117	1,117
<b>Financial assets/liabilities used as hedging instruments</b>	<b>-</b>	<b>1,117</b>	<b>1,117</b>
Derivative financial instruments at fair value through the income statement (currency)	-	9,138	9,138
Security lending (repo transactions)	(500,000)	-	(500,000)
Liability relating to phantom shares	-	(12,090)	(12,090)
<b>Financial liabilities measured at fair value through the income statement</b>	<b>(500,000)</b>	<b>(2,952)</b>	<b>(502,952)</b>

As of December 31, 2021

DKK thousand	Level 1	Level 2	Total
Securities	2,626,261	-	2,626,261
Transferred securities that are not derecognized	498,534	-	498,534
Derivative financial instruments at fair value through the income statement (repo)	-	191	191
<b>Financial assets measured at fair value through the income statement</b>	<b>3,124,795</b>	<b>191</b>	<b>3,124,986</b>
Derivative financial instruments to hedge future cash flow (currency)	-	(646)	(646)
Derivative financial instruments to hedge future cash flow (interest)	-	(705)	(705)
<b>Financial assets/liabilities used as hedging instruments</b>	<b>-</b>	<b>(1,351)</b>	<b>(1,351)</b>
Liability relating to phantom shares	-	(23,917)	(23,917)
<b>Financial liabilities measured at fair value through the income statement</b>	<b>-</b>	<b>(23,917)</b>	<b>(23,917)</b>



## 17. Warrants

### Outstanding warrants as of June 30, 2022

	Outstanding as of January 1	Addition during the period	Warrants exercised	Annulled	Terminated	Transferred	Outstanding as of June 30
Corporate Management	743,346	-	-	-	(73,445)	-	669,901
Other Executive Management	418,163	63,157	-	-	-	(174,070)	307,250
Other employees	1,880,363	18,715	(10,599)	(88,654)	(4,216)	(61,310)	1,734,299
Resigned employees	314,612	-	(280)	-	(34,074)	235,380	515,638
<b>Total</b>	<b>3,356,484</b>	<b>81,872</b>	<b>(10,879)</b>	<b>(88,654)</b>	<b>(111,735)</b>	<b>-</b>	<b>3,227,088</b>
<b>Weighted average exercise price</b>	<b>219</b>	<b>190</b>	<b>142</b>	<b>229</b>	<b>247</b>	<b>-</b>	<b>217</b>
<b>Weighted average share price at exercise</b>			<b>201</b>				
Numbers of warrants which can be exercised as of June 30, 2022							684,835
at a weighted average exercise price of DKK							169

The total recognized cost of the warrant programs was DKK 21.8 million in the first six months of 2022 (DKK 16.4 million).

### Specification of parameters for Black-Scholes model

DKK	Nov 2017	Nov 2018	Nov 2019	Jan 2020	Nov 2020	Nov 2021	Apr 2022
Average share price	259.50	159.00	154.05	171.20	179.84	307.20	171.35
Average exercise price at grant	303.00	179.60	185.40	197.00	206.82	353.06	190.11
Average exercise price determined at date of rights issue March 30, 2020 (DKK)	239.60	142.00	146.60	155.80	-	-	-
Applied volatility rate	52.4%	53.3%	52.2%	53.0%	39.8%	41.8%	42.3%
Expected life (years)	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Expected dividend per share	-	-	-	-	-	-	-
Risk-free interest rate p.a.	-0.55%	-0.43%	-0.69%	-0.65%	-0.66%	-0.53%	0.39%
Fair value at grant <sup>1)</sup>	80	52	45	53	41	76	47

The applied volatility is based on the historical volatility of the Bavarian Nordic share, except for November 2020, November 2021 and April 2022 programs where the volatility is based on the volatility for a peer group.

<sup>1)</sup> Fair value of each warrant applying the Black-Scholes model

### 18. Significant changes in contingent liabilities and other contractual obligations

No significant changes in contingent liabilities and other contractual obligations have occurred since December 31, 2021.

### 19. Significant events after the balance sheet date

On July 1, Bavarian Nordic announced a contract with the U.S. Government for supply of additional 2.5 million doses of JYNNEOS.

On July 15, Bavarian Nordic announced another contract with the U.S. Government for supply of additional 2.5 million doses of JYNNEOS and upgraded its financial guidance for 2022.

On July 18, Bavarian Nordic announced the signing of contracts with multiple governments to supply its monkeypox vaccine and upgraded its financial guidance for 2022.

On July 19, Bavarian Nordic announced the signing of a significant order with a European country for the monkeypox vaccine for delivery in 2023.

On July 22, Bavarian Nordic announced that the Committee for Medicinal Products for Human Use of the European Medicines Agency adopted a positive opinion recommending an extension of the marketing authorization for IMVANEX to include protecting from monkeypox.

On July 25, Bavarian Nordic announced the European Commission had approved the extension of the marketing authorization for IMVANEX to include protecting from monkeypox.

On July 27, Bavarian Nordic announced that the U.S. Food and Drug Administration, after a successful pre-approval inspection, had approved the Company's fill and finish facility, and also that the European Medicines Agency had approved the facility for final drug production of smallpox and monkeypox vaccines.

On August 3, Bavarian Nordic announced the signing of an additional contract with an Asia-Pacific country for supply of monkeypox vaccines in 2023.

On August 23, Bavarian Nordic announced that Elizabeth McKee Anderson had resigned her position as member of the Board.

**20. 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 24, 2022.

## 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, 2022.

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, 2022, and the results of the group’s activities and cash flows for the period January 1 to June 30, 2022.

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.

Hellerup, August 24, 2022

### Corporate Management:



Paul John Chaplin  
President & CEO

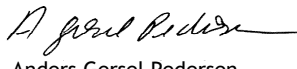


Henrik Juuel  
Executive Vice President & CFO

### Board of Directors:



Gerard W.M. van Odijk  
Chairman of the Board



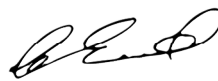
Anders Gersel Pedersen  
Deputy Chairman



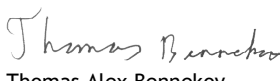
Peter H. Kürstein-Jensen



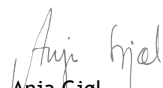
Frank A.G.M. Verwiel



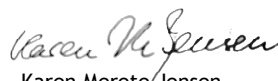
Anne Louise Eberhard



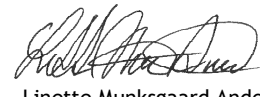
Thomas Alex Bennekov  
Employee-elected



Anja Gjøel  
Employee-elected



Karen Merete Jensen  
Employee-elected



Linette Munksgaard Andersen  
Employee-elected