



Bavarian Nordic Announces Interim Results for the First Three Months of 2021

COPENHAGEN, Denmark, May 27, 2021 - Bavarian Nordic A/S (OMX: BAVA, OTC: BVNRY) announced today its interim financial results and business progress for the first three months of 2021.

Paul Chaplin, President & Chief Executive Officer of Bavarian Nordic said: "It has been an eventful quarter for Bavarian Nordic with continued progress in the commercialization of the Company. This is driven by the acquired product portfolio from GSK, our smallpox vaccine business, and several new supply contracts, but importantly, also with significant advances in our pipeline. We have initiated the human challenge trial of the RSV vaccine as planned and look forward to results later this year. Following the announcement of encouraging preclinical results for the COVID-19 vaccine, which demonstrated the potential for a broad protection against emerging SARS-CoV2 variants, we will soon advance the project by initiating a larger phase 2 trial and are working to secure funding for phase 3 development towards licensure. We remain optimistic about the gradual reopening of the society and maintain our financial guidance for 2021, although markets are still uncertain due to COVID-19."

Financial highlights from the first quarter

- Revenue was DKK 535 million comprised of DKK 515 million from combined product sales and DKK 20 million from contract work.
- EBITDA was DKK 1 million.
- Strong cash position of DKK 2,589 million at end of the period, excluding unutilized credit facilities of DKK 244 million.
- Full-year guidance maintained with expected revenue between DKK 1,900-2,200 million, EBITDA between DKK 100-250 million and securities, cash and cash equivalents at year-end between DKK 1,400-1,600 million. The guided ranges reflect the uncertainty created by COVID-19 in the rabies and tick-bore encephalitis markets.

DKK million	Q1 2021	Q1 2020	2021 Guidance
Revenue	535	365	1,900 - 2,200
EBITDA	1	641*	100 - 250
Securities, cash and cash equivalents	2,589	2,205	1,400 - 1,600

* EBITDA in Q1 2020 was positively impacted by the sale of the Priority Review Voucher.

Other highlights

- In January, Bavarian Nordic announced contracts with three European countries for the supply of smallpox vaccines. Deliveries occurred during the first quarter 2021.
- In March, Bavarian Nordic received a new order from the Canadian Government for smallpox vaccines valued at USD 31 million for delivery in 2022 and 2023. The order was made under an existing contract with the Public Health Agency of Canada.
- In March, Bavarian Nordic reported encouraging preclinical data for the COVID-19 vaccine candidate, ABNCoV2 and subsequently raised DKK 1.1 billion through a private placement to, among others, advance the clinical development of the vaccine towards licensure.

Events after the reporting date

- In April, new preclinical results for the COVID-19 vaccine candidate, ABNCoV2 were announced, confirming its potential to offer broad protection against variants of the SARS-CoV2 virus.
- In April, Bavarian Nordic received a new Ebola supply order from Janssen, valued at approximately USD 28 million. Manufacturing and delivery will occur during 2021. The Johnson & Johnson Ebola vaccine regimen, which includes Mvabea® from Bavarian Nordic also received Prequalification from the World Health Organization, which along with the July 2020 approval from the European Commission, will help accelerate its registration in countries where Ebola is a persistent public health threat.
- In May, the US government exercised the final USD 12 million option remaining under the USD 202 million order for JYNNEOS® awarded in April 2020.
- In May, Bavarian Nordic entered an agreement with Dynavax on marketing and distribution of their HEPLISAV B® hepatitis B vaccine in Germany

Conference call and webcast

The management of Bavarian Nordic will host a conference call today at 1 pm CET (7 am ET) to present the interim results followed by a Q&A session. A listen-only version of the call can be accessed via <https://www.bavarian-nordic.com/investor/events.aspx?event=6095>. To

join the Q&A session, use one of the following dial-in numbers: Denmark: +45 32 72 80 42, UK: +44 (0) 844 571 8892, USA: +1 631-510-7495. Participant code is 3319667.

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Company Announcement no. 20 / 2021

About Bavarian Nordic

Bavarian Nordic is a fully integrated vaccines company focused on the development, manufacture 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 under the trade name JYNNEOS[®], also for the protection against monkeypox. The vaccine is approved as a smallpox vaccine in Europe under the trade name IMVANEX[®] and in Canada under the trade name IMVAMUNE[®]. Our commercial product portfolio furthermore contains the market-leading vaccine Rabipur[®]/RabAvert[®] against rabies and Encepur[®] against tick-borne encephalitis. Using our live virus vaccine platform technology, MVA-BN[®], 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, MVABEA[®], 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 based on an in-licensed capsid virus-like particle technology. The vaccine candidate, ABNCoV2, is currently being investigated in clinical trials. For more information visit 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	1/1 - 31/3 2021	1/1 - 31/3 2020	1/1-31/12 2020
Income statements			
Revenue	535,253	365,405	1,852,383
Production costs	377,341	243,084	1,195,094
Sales and distribution costs	51,035	74,847	285,783
Research and development costs	122,140	66,081	341,420
Administrative costs	72,730	51,452	278,145
Other operating income	-	627,647	627,647
Income before interest and taxes (EBIT)	(87,993)	557,588	379,588
Financial items, net	(41,738)	(42,001)	(97,612)
Income before company tax	(129,731)	515,587	281,976
Net profit for the period	(130,845)	514,578	277,521
Balance sheet			
Total non-current assets	6,405,533	6,374,683	6,378,017
Securities, cash and cash equivalents	2,588,622	2,205,150	1,669,607
Other current assets	754,279	425,438	711,440
Total assets	9,748,434	9,005,271	8,759,064
Equity	5,920,743	5,110,553	4,894,353
Non-current liabilities	2,378,114	3,184,714	2,912,401
Current liabilities	1,449,577	710,004	952,310
Cash flow statements			
Cash flow from operating activities	(119,535)	432,027	571,911
Cash flow from investment activities	(1,069,407)	(630,145)	(1,911,532)
- Investment in intangible assets	(14,513)	(32,499)	(501,877)
- Investment in property, plant and equipment	(81,177)	(22,787)	(204,833)
- Net investment in securities	(973,277)	(572,679)	(1,202,145)
Cash flow from financing activities	1,146,119	1,363,041	1,334,874
Financial Ratios¹⁾			
EBITDA after Other operating income	1,264	641,205	739,736
EBITDA before Other operating income	1,264	13,558	112,089
Earnings (basic) per share of DKK 10	(2.2)	12.6	5.1
Net asset value per share	92.9	87.7	83.7
Share price at period-end	286	109	187
Share price/Net asset value per share	3.1	1.2	2.2
Number of outstanding shares at period-end (thousand) ²⁾	63,737	58,300	58,450
Equity share	61%	57%	56%
Number of employees, converted to full-time, at period-end	711	552	690

¹⁾ 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.

²⁾ Number of shares increased by 5,150,000 at completion of private placement March 2021.

Reconciliation of EBITDA

Income before interest and tax (EBIT)	(87,993)	557,588	379,588
Depreciation and amortization	89,257	83,617	360,148
EBITDA after Other operating income	1,264	641,205	739,736

Management's Review

Sales and other income

Comparative figures for 2020 are shown in brackets. Where market shares are mentioned, these are measured by value.

Q1 sales

mDKK	Q1 2021	Q1 2020	Growth
Rabipur/RabAvert	80	218	-63%
Encepur	98	103	-5%
JYNNEOS	336	-	
Contract work	20	44	-55%
Total	535	365	

Rabipur/RabAvert revenue amounted to DKK 80 million (DKK 218 million) for the quarter. The 63% decrease versus the prior year was caused by COVID-19 and wholesaler inventory build-up in Q1 2020.

Due to COVID-19, the US market declined by 21% year-over-year whereas the German market declined by 91% in the same period.

For the first quarter, the US market share was approximately 5 percentage points lower compared with prior year where the main competitor faced a temporary out-of-stock situation.

Encepur revenue amounted to DKK 98 million (DKK 103 million) for the quarter, i.e. a decrease of 5% versus prior year primarily caused by wholesaler inventory fluctuations.

The German market grew by nearly 8% versus prior year and the Encepur market share grew by 0.2 percentage points in the German market.

Revenue from the sale of JYNNEOS/IMVANEX/IMVAMUNE in the first quarter was DKK 336 million (DKK 0 million), of which DKK 246 million was related to orders from the US government and DKK 90 million was related to rest of World orders.

Revenue from contract work was DKK 20 million (DKK 44 million), mainly related to qualification and validation activities relating to the new 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.

Update on strategic priorities

Bavarian Nordic's fundamental mission is to save and improve lives by unlocking the power of the immune system and in the medium term, we have established a bold vision and aspiration to become one of the largest pure play vaccine companies by developing **innovative life-saving vaccines**, excelling in **commercialization** and being a **best in class vaccine manufacturer**.

Commercial

During first quarter, 11 markets for Rabipur/RabAvert and Encepur were transferred from GSK in addition to the 6 markets transferred in 2020, and more than 90% of the product revenue is now covered by Bavarian Nordic or its partners' distribution. Remaining markets are expected to be transferred by first half of 2021.

In May, the Company entered an agreement with Dynavax on marketing and distribution of their HEPLISAV-B[®] hepatitis B vaccine in Germany with expected launch in the fourth quarter of

2021. The vaccine was granted marketing authorization by the European Commission in February 2021. The vaccine will complement and strengthen Bavarian Nordic's commercial portfolio in Germany, which, in addition to the Company's own vaccines for rabies and tick-borne encephalitis, also will include Valneva's vaccines for Japanese Encephalitis and cholera from 2022 as part of the mutual marketing and distribution agreement entered last year.

R&D innovation

Several key pipeline projects have advanced during the first quarter, supporting the Company's strategy to develop innovative life-saving vaccines.

RSV

As planned, Bavarian Nordic initiated a Phase 2 human challenge trial of its RSV vaccine candidate, MVA-BN RSV in the first quarter of 2021. The trial will generate the first efficacy data against RSV during second half of 2021 and potentially further de-risk the Phase 3 efficacy trial, which has been postponed into 2022 due to COVID-19.

COVID-19 vaccine

The first-in-human study of ABNCoV2, the capsid virus like particle (cVLP) COVID-19 vaccine candidate licensed from AdaptVac, was initiated in March 2021 at the Radhoud University Medical Centre in the Netherlands. The phase 1/2 open label, dose-escalation trial, which is supported by a Horizon 2020 EU grant, will assess the safety and tolerability of two doses of ABNCoV2, formulated with and without adjuvant, in up to 42 healthy, adult, SARS-CoV-2-naïve volunteers. Results from the study are expected in the third quarter of 2021.

In parallel, Bavarian Nordic has conducted a preclinical study, demonstrating that two doses of non-adjuvanted ABNCoV2 led to >50-fold higher titers of neutralizing antibodies against the wild-type (Wuhan) virus when compared to titers measured in convalescent human samples, and this translated into protection from a challenge with wild-type virus. Additionally, a neutralization test of samples from the study has confirmed similarly high levels of neutralizing antibodies against the SARS-CoV2 variants B.1.1.7 (British) and B.1.351 (South African). These are highly encouraging results as it has been reported that high levels of neutralizing antibodies are highly predictive of protection.

Bavarian Nordic will further advance the development of the vaccine by investing in a larger phase 2 clinical trial to investigate the ability of ABNCoV2 to boost existing immunity through prior vaccination, to create a more durable immune response that could protect against the current circulating variants of COVID-19. The study is planned for initiation in the second quarter of 2021.

Additionally, the Company will, through contract manufacturers, scale up manufacturing to phase 3 volume levels in preparation for further clinical development towards licensure.

The Company continues to seek funding to further progress the candidate through Phase 3 towards licensure.

MVA-BN smallpox, freeze-dried

During 2021, the Company expects to complete the Phase 3 trial (lot consistency trial) of freeze-dried MVA-BN smallpox vaccine, with subsequent submission of a supplement to the Biologics License Application (BLA) to extend the approval for both formulations of MVA-BN, anticipated in 2022.

Immuno-oncology

During first quarter, Bavarian Nordic initiated a Phase 1/2 open label trial of intravenous administration of TAEK-VAC, a tumor antibody enhanced therapeutic vaccine targeting HER2 and brachyury, which has been generated from the MVA-BN platform. The first stage of the trial is investigating the safety and tolerability of escalating doses of the vaccine before advancing into stage 2, expectedly in the second half of 2021.

See full pipeline below.

Manufacturing

The ongoing activities to expand Bavarian Nordic's manufacturing footprint are progressing as planned, while also running the planned production in parallel.

Key manufacturing activities in 2021 relate to the production of bulk vaccine for the US government as well as production of bulk vaccine of MVA-BN Filo (Ebola) for Janssen.

Pending final qualification and validation, Bavarian Nordic will initiate the first commercial manufacturing at its new fill and finish facility later in 2021 when transferring the final drug

production of the liquid-frozen JYNNEOS smallpox vaccine to the line.

Additionally, the expansion of the bulk facility to support technology transfer of Rabipur/RabAvert and Encepur have progressed timely.

Other matters

Successful private placement strengthening the capital base and providing flexibility to advance COVID-19 vaccine candidate

In March 2021, Bavarian Nordic announced and completed a directed issue and private placement of 5,150,000 new shares, generating gross proceeds of DKK 1,148 million. Part of the proceeds will be used to fund the planned phase 2 clinical study and scale-up of manufacturing to accommodate potential future clinical development to support licensure of ABNCoV2. Additionally, the proceeds will be used to secure financial flexibility to strengthen the Company's manufacturing capabilities, ensure the strategic flexibility necessary to pursue an active M&A strategy, and to strengthen the Company's capital base and cash preparedness for general corporate purposes.

Our marketed products

PRODUCT	INDICATION
Rabipur®/RabAvert®	Rabies
Encepur®	Tick-borne encephalitis (TBE)
JYNNEOS®/IMVAMUNE®/IMVANEX® (liquid-frozen)	Smallpox (and Monkeypox in the US)
MVABEA® (licensed to Janssen)	Ebola

Our clinical pipeline

VACCINE	INDICATION	PHASE 1	PHASE 2	PHASE 3	STATUS / MILESTONE	
MVA-BN (freeze-dried)	Smallpox				Phase 3 lot-consistency study ongoing with anticipated completion in 2021	
MVA-BN RSV	RSV				Human challenge trial planned with data read-out in 2021 and subsequent Phase 3 initiation in 2022.	
ABNCoV2	COVID-19				Phase 1/2 study ongoing. Phase 2 planned in Q2, 2021	
TAEK-VAC	Cancer				Phase 1/2 study ongoing	
MVA-BN WEV	Equine encephalitis					Phase 1 dose finding study completed.

Financial review

Financial statements for the period January 1 - March 31, 2021 are un-audited. Comparison figures for the same period 2020 are stated in brackets.

Revenue

Revenue generated for the three months ending March 31, 2021 was DKK 535 million (DKK 365 million). Revenue was composed of DKK 179 million (DKK 321 million) from sale of the two new products Rabipur/RabAvert and Encepur, DKK 246 million (DKK 0 million) from sale of MVA-BN smallpox vaccine bulk drug substance to US government, DKK 90 million (DKK 0 million) sale of MVA-BN smallpox vaccines to rest of World, and DKK 20 million (DKK 44 million) from contract work.

Production costs

Production costs totaled DKK 377 million (DKK 243 million). Costs related directly to revenue amounted to DKK 219 million (DKK 172 million), of which cost of goods sold totaled DKK 205 million (DKK 142 million). Contract costs totaled DKK 13 million (DKK 29 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 68 million (DKK 68 million). Other production costs totaled DKK 90 million (DKK 3 million). In first quarter of 2021 the production facility was mainly used for production of RSV Phase 3 clinical trial material, which gives a much lower utilization of the capacity for commercial manufacturing leading to low absorption of indirect production costs causing higher other production costs.

Sales and distribution costs

Sales and distribution costs totaled DKK 51 million (DKK 75 million) split between costs for distribution of products DKK 4 million (DKK 39 million) and costs for running the commercial organization and activities DKK 47 million (DKK 36 million). In 2020 GSK handled the sale and distribution of Rabipur/RabAvert and Encepur for which the Group paid a distribution fee based on the revenue incurred, leading to much higher distribution costs in 2020 compared to 2021.

Research and development costs

Research and development costs totaled DKK 122 million (DKK 66 million). The increase compared to 2020 was driven by manufacturing of RSV phase 3 material and activities related to support technology transfer of Rabipur/RabAvert and Encepur. The amount excludes R&D costs of DKK 13 million (DKK 29 million) classified as production costs.

Administrative costs

Administrative costs totaled DKK 73 million (DKK 51 million). The increase primarily relates to the ongoing transfer project for Rabipur/RabAvert and Encepur and the impact from the extension of the executive management during 2020.

Other operating income

Other operating income for 2020 related to the sale of the Priority Review Voucher, DKK 628 million.

EBIT/EBITDA

Income before interest and tax (EBIT) was a loss of DKK 88 million, compared to a gain of DKK 558 million in first quarter 2020 following the sale of the Priority Review Voucher.

EBITDA was a gain of DKK 1 million (gain of DKK 641 million). Amortization of product rights related to Rabipur/RabAvert and Encepur amounted to DKK 68 million (DKK 68 million) whereas

depreciation on other fixed assets amounted to DKK 21 million (DKK 16 million).

Financial items

Financial items totaled a net expense of DKK 42 million (DKK 42 million) and consisted of interest expense on debt of DKK 5 million (DKK 18 million), net value adjustment of deferred consideration of DKK 26 million (DKK 21 million), a net expense from securities of DKK 13 million (DKK 6 million) and a net loss on derivative financial instruments of DKK 1 million (DKK 3 million), partly offset by net foreign exchange rate gains of DKK 3 million (DKK 6 million).

The net value adjustment of deferred consideration consists of three components; Adjustment of deferred consideration due to change in estimated timing of payments DKK 0 million (income of DKK 9 million), currency adjustments of DKK 1 million income (income of DKK 1 million) and unwinding¹ of the discounting effect related to deferred consideration DKK 28 million (DKK 31 million), see note 6 and 7.

Income before company tax was a loss of DKK 130 million (gain of DKK 516 million).

Tax

Tax on income was DKK 1 million (DKK 1 million). The parent company's taxable income for the full year of 2021 is expected to be zero due to utilization of taxable amortization on the acquired product rights related to Rabipur/RabAvert and Encepur, leading to an effective tax rate close to 0% for the Group. We do not expect to use any tax loss carry forwards, hence the 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 2020.

Net profit

For the first three months of 2021, Bavarian Nordic reported a net loss of DKK 131 million (net gain of DKK 515 million).

Product rights

Product rights recognized in the balance sheet totaled DKK 5,147 million (DKK 5,186 million as of December 31, 2020) and relates to Rabipur/RabAvert and Encepur.

Securities, cash and cash equivalents

Securities, cash and cash equivalents were DKK 2,589 million as of March 31, 2021 (DKK 1,670 million as of December 31, 2020). The increase is primarily due to the capital increase in March 2021 which generated net proceeds of DKK 1.1 billion.

In addition to the current cash position, the Company has an undrawn loan with the European Investment Bank of EUR 30 million.

Cash flow

Cash flow generated by operating activities was negative by DKK 120 million (positive by DKK 432 million), primarily due to the negative result for the period. Cash flow from investment activities was negative by DKK 1,069 million (negative by DKK 630 million) following net investments in securities of DKK 973 million (net investment of DKK 573 million). Cash flow from investment activities also include DKK 81 million (DKK 23 million) of investments in property, plant and equipment related to the ongoing expansion of the bulk facility for future production of Rabipur/RabAvert and Encepur. Investment in intangible assets

¹ 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.

amounted to DKK 15 million and includes the ongoing Rabipur/RabAvert and Encepur technology transfer project and IT system investments. Cash flow from financing activities was a contribution of DKK 1,146 million (DKK 1,363 million), following the proceeds from capital increase through private placement. The net change in cash and cash equivalents was negative by DKK 43 million (contribution of DKK 1,165 million).

Equity

The Group's equity as of March 31, 2021 stood at DKK 5,921 million (DKK 4,894 million as of December 31, 2020). The capital increase through private placement increased the equity by DKK 1,148 million before costs.

Deferred consideration

Deferred consideration for product rights amounted to DKK 2,849 million, an increase of DKK 26 million compared to December 31, 2020, due to the adjustment of net present value following the unwinding of the discounting effect.

Debt to credit institutions

Debt to credit institutions decreased by DKK 1 million compared to December 31, 2020.

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 48-51 "Risk Management" in the 2020 Annual Report.

In addition to the risk factors stated in the annual report, the COVID-19 situation could impact Bavarian Nordic's business adversely by delaying projects, development or manufacturing or by negatively impacting demand for products.

Outlook for 2021

Bavarian Nordic maintains the financial guidance for 2021 with expected revenue between DKK 1,900 million and DKK 2,200 million and an EBITDA between DKK 100 million and DKK 250 million. Cash and cash equivalents at year-end are expected to be between DKK 1,400 million and DKK 1,600 million.

The low end of the revenue range reflects a scenario where a lockdown due to COVID-19 continues beyond Q1 in key markets like the US and Germany. The higher end of the revenue range reflects a scenario where a gradual reopening will happen in key markets during Q2 and where travel starts picking up again in Q3 and Q4 of 2021.

The smallpox and Ebola business are not expected to be impacted by COVID-19.

The key assumptions for the guidance remain largely unchanged since the publication of guidance in the 2020 Annual Report.

Financial calendar 2021

Half-year report (Q2)

August 25, 2021

Nine-month report (Q3)

November 12, 2021

Financial statements

Unaudited Condensed Consolidated Income Statements for the Periods Ended March 31, 2021 and 2020 and December 31, 2020

DKK thousand	Note	1/1 - 31/3 2021	1/1 - 31/3 2020	1/1-31/12 2020
Revenue	3	535,253	365,405	1,852,383
Production costs	4	377,341	243,084	1,195,094
Gross profit		157,912	122,321	657,289
Sales and distribution costs		51,035	74,847	285,783
Research and development costs	5	122,140	66,081	341,420
Administrative costs		72,730	51,452	278,145
Total operating costs		245,905	192,380	905,348
Other operating income		-	627,647	627,647
Income before interest and tax (EBIT)		(87,993)	557,588	379,588
Financial income	6	6,912	16,779	97,922
Financial expenses	7	48,650	58,780	195,534
Income before company tax		(129,731)	515,587	281,976
Tax on income for the period		1,114	1,009	4,455
Net profit for the period		(130,845)	514,578	277,521
Earnings per share (EPS) - DKK				
Basic earnings per share of DKK 10		(2.2)	12.6	5.1
Diluted earnings per share of DKK 10		(2.2)	12.6	5.1

Unaudited Condensed Consolidated Statements of Comprehensive Income for the Periods Ended March 31, 2021 and 2020 and December 31, 2020

DKK thousand	1/1 - 31/3 2021	1/1 - 31/3 2020	1/1-31/12 2020
Net profit for the period	(130,845)	514,578	277,521
Items that might be reclassified to the income statement:			
Exchange rate adjustments on translating foreign operations	3,834	(61)	(3,082)
Change in fair value of financial instruments entered into to hedge future cash flows	(12,956)	(3,569)	(3,096)
Other comprehensive income after tax	(9,122)	(3,630)	(6,178)
Total comprehensive income	(139,967)	510,948	271,343

Unaudited Condensed Consolidated Statements of Cash Flow for the Periods Ended March 31, 2021 and 2020 and December 31, 2020

DKK thousand	1/1 - 31/3 2021	1/1 - 31/3 2020	1/1-31/12 2020
Net profit for the period	(130,845)	514,578	277,521
Adjustment for non-cash items:			
Financial income	(6,912)	(16,779)	(97,922)
Financial expenses	48,650	58,780	195,534
Tax on income for the period	1,114	1,009	4,455
Depreciation, amortization and impairment losses	89,256	83,616	360,147
Share-based payment	26,238	6,360	32,998
Changes in inventories	(31,749)	(86,002)	(420,320)
Changes in receivables	(10,409)	(138,665)	(88,094)
Changes in current liabilities	(96,743)	17,925	345,723
Cash flow from operations (operating activities)	(111,400)	440,822	610,042
Received financial income	660	542	5,847
Paid financial expenses	(8,620)	(9,337)	(40,034)
Paid company taxes	(175)	-	(3,944)
Cash flow from operating activities	(119,535)	432,027	571,911
Investments in products rights	-	(21,671)	(393,992)
Investments in other intangible assets	(14,513)	(10,828)	(107,885)
Investments in property, plant and equipment	(81,177)	(22,787)	(204,833)
Investments in financial assets	(440)	(2,180)	(2,677)
Investments in securities	(1,062,058)	(671,190)	(2,343,828)
Disposal of securities	88,781	98,511	1,141,683
Cash flow from investment activities	(1,069,407)	(630,145)	(1,911,532)
Payment on loans	(544)	(1,382,918)	(1,375,598)
Repayment of lease liabilities	(4,853)	(3,548)	(17,799)
Proceeds from warrant programs exercised	28,245	-	15,564
Proceeds from rights issue	-	2,824,326	2,824,326
Proceeds from capital increase through private placement	1,148,450	-	-
Cost related to issue of new shares	(25,179)	(99,983)	(103,184)
- hereof accrued costs	-	22,500	-
Sale of preemptive rights - treasury shares	-	2,664	2,664
Purchase of treasury shares	-	-	(11,099)
Cash flow from financing activities	1,146,119	1,363,041	1,334,874
Cash flow of the period	(42,823)	1,164,923	(4,747)
Cash as of 1 January	285,487	297,545	297,545
Currency adjustments 1 January	3,171	2,055	(7,311)
Cash end of period	245,835	1,464,523	285,487

Unaudited Condensed Consolidated Statements of Financial Position - Assets as of March 31, 2021 and 2020 and December 31, 2020

DKK thousand	Note	31/3 2021	31/3 2020	31/12 2020
Assets				
Product rights		5,117,531	5,390,466	5,185,765
Acquired patents and licenses		29,813	-	29,813
Software		16,623	20,693	17,631
Intangible assets in progress		70,587	13,240	57,543
Intangible assets		5,234,554	5,424,399	5,290,752
Land and buildings		367,830	158,005	366,232
Leasehold improvements		3,513	2,424	3,713
Plant and machinery		269,266	43,261	204,664
Fixtures and fittings, other plant and equipment		222,768	23,177	223,238
Assets under construction		215,374	633,261	213,309
Property, plant and equipment		1,078,751	860,128	1,011,156
Right-of-use assets	14	87,666	86,531	71,987
Other receivables		4,562	3,625	4,122
Financial assets		4,562	3,625	4,122
Total non-current assets		6,405,533	6,374,683	6,378,017
Inventories	8	552,831	186,764	521,082
Trade receivables	9	159,187	210,604	139,292
Tax receivables		-	747	-
Other receivables	10	23,416	18,183	37,334
Prepayments		18,845	9,140	13,732
Receivables		201,448	238,674	190,358
Securities		2,342,787	740,627	1,384,120
Cash and cash equivalents		245,835	1,464,523	285,487
Securities, cash and cash equivalents		2,588,622	2,205,150	1,669,607
Total current assets		3,342,901	2,630,588	2,381,047
Total assets		9,748,434	9,005,271	8,759,064

Unaudited Condensed Consolidated Statements of Financial Position - Equity and Liabilities as of March 31, 2021 and 2020 and December 31, 2020

DKK thousand	Note	31/3 2021	31/3 2020	31/12 2020
Equity and liabilities				
Share capital		637,368	583,003	584,501
Treasury shares		(946)	(599)	(1,077)
Retained earnings		5,224,064	4,444,869	4,246,359
Other reserves		60,257	83,280	64,570
Equity		5,920,743	5,110,553	4,894,353
Deferred consideration for product rights		1,915,908	2,715,580	2,464,932
Debt to credit institutions	11	392,725	394,901	393,268
Lease liabilities	14	69,481	74,233	54,201
Non-current liabilities		2,378,114	3,184,714	2,912,401
Deferred consideration for product rights		933,188	435,073	357,736
Debt to credit institutions	11	2,173	2,163	2,174
Lease liabilities	14	20,890	13,878	20,422
Prepayment from customers	12	72,691	28,117	74,347
Trade payables		273,291	150,910	345,320
Company tax		1,126	-	497
Other liabilities	13	146,218	79,863	151,814
Current liabilities		1,449,577	710,004	952,310
Total liabilities		3,827,691	3,894,718	3,864,711
Total equity and liabilities		9,748,434	9,005,271	8,759,064

Unaudited Condensed Consolidated Statements of Changes in Equity for the Periods March 31, 2021 and 2020

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, 2021	584,501	(1,077)	4,246,359	(40,640)	(809)	106,019	4,894,353
Comprehensive income for the period							
Net profit	-	-	(130,845)	-	-	-	(130,845)
Other comprehensive income							
Exchange rate adjustments on translating foreign operations	-	-	-	3,834	-	-	3,834
Change in fair value of financial instruments entered into to hedge future cash flows	-	-	-	-	(12,956)	-	(12,956)
Total comprehensive income for the period	-	-	(130,845)	3,834	(12,956)	-	(139,967)
Transactions with owners							
Share-based payment	-	-	-	-	-	14,841	14,841
Warrant program exercised	1,367	-	34,376	-	-	(7,498)	28,245
Capital increase through private placement	51,500	-	1,096,950	-	-	-	1,148,450
Cost related to issue of new shares	-	-	(25,179)	-	-	-	(25,179)
Transfer regarding restricted stock units	-	131	2,403	-	-	(2,534)	-
Total transactions with owners	52,867	131	1,108,550	-	-	4,809	1,166,357
Equity as of March 31, 2021	637,368	(946)	5,224,064	(36,806)	(13,765)	110,828	5,920,743

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, 2020	323,891	(684)	1,460,007	(37,558)	2,287	117,512	1,865,455
Comprehensive income for the period							
Net profit	-	-	514,578	-	-	-	514,578
Other comprehensive income							
Exchange rate adjustments on translating foreign operations	-	-	-	(61)	-	-	(61)
Change in fair value of financial instruments entered into to hedge future cash flows	-	-	-	-	(3,569)	-	(3,569)
Total comprehensive income for the period	-	-	514,578	(61)	(3,569)	-	510,948
Transactions with owners							
Share-based payment	-	-	-	-	-	7,143	7,143
Capital increase through rights issue	259,112	-	2,565,214	-	-	-	2,824,326
Cost related to issue of new shares	-	-	(99,983)	-	-	-	(99,983)
Transfer regarding restricted stock units	-	85	2,389	-	-	(2,474)	-
Sale of preemptive rights - treasury shares	-	-	2,664	-	-	-	2,664
Total transactions with owners	259,112	85	2,470,284	-	-	4,669	2,734,150
Equity as of March 31, 2020	583,003	(599)	4,444,869	(37,619)	(1,282)	122,181	5,110,553

Notes

1. Significant accounting policies
 2. Significant accounting estimates, assumptions and uncertainties
 3. Revenue
 4. Production costs
 5. Research and development costs
 6. Financial income
 7. Financial expenses
 8. Inventories
 9. Trade receivables
 10. Other receivables
 11. Debt to credit institutions
 12. Prepayment from customers
 13. Other liabilities
 14. Right-of-use assets and lease liabilities
 15. Financial instruments
 16. Warrants
 17. Significant changes in contingent liabilities and other contractual obligations
 18. Significant events after the balance sheet date
 19. Approval of the unaudited condensed consolidated interim financial statements
-

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, 2021, the Company has implemented all new or amended accounting standards and interpretations as adopted by the EU and applicable for the 2021 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 2020, the Management has not changed significant estimates and judgments regarding recognition and measurement.

DKK thousand	1/1 - 31/3 2021	1/1 - 31/3 2020	1/1-31/12 2020
3. Revenue			
MVA-BN smallpox vaccine sale	336,211	186	540,769
Rabipur/RabAvert	80,332	218,140	627,699
Encepur	98,480	102,770	455,012
Sale of goods	515,023	321,096	1,623,480
Milestone payments	-	-	66,553
Contract work	20,230	44,309	162,350
Sale of services	20,230	44,309	228,903
Revenue	535,253	365,405	1,852,383
Total revenue includes: Fair value adjustment concerning financial instruments entered into to hedge revenue	269	-	13,146
4. Production costs			
Cost of goods sold	205,411	142,295	584,574
Contract costs	13,486	29,253	104,409
Amortization product rights	68,234	68,234	272,935
Other production costs	90,210	3,302	233,176
Production costs	377,341	243,084	1,195,094
5. Research and development costs			
Research and development costs occurred in the period	135,626	95,334	445,829
Of which:			
Contract costs recognized as production costs	(13,486)	(29,253)	(104,409)
Research and development costs	122,140	66,081	341,420
6. Financial income			
Financial income from bank and deposit contracts	41	188	193
Interest income from financial assets measured at amortized cost	41	188	193
Financial income from securities	2,291	1,153	8,756
Fair value adjustments on securities	-	-	6,783
Adjustment of deferred consideration due to change in estimated timing of payments	335	8,670	67,719
Currency adjustment deferred consideration	1,366	954	11,900
Adjustment of net present value of provisions	-	-	-
Net gains on derivative financial instruments at fair value through the income statement	-	-	2,571
Net foreign exchange gains	2,879	5,814	-
Financial income	6,912	16,779	97,922
7. Financial expenses			
Interest expenses on debt	4,662	18,457	31,853
Interest expenses on financial liabilities measured at amortized cost	4,662	18,457	31,853
Fair value adjustments on securities	14,849	6,921	-
Unwinding of the discounting effect related to deferred consideration	28,129	30,818	145,149
Net loss on derivative financial instruments at fair value through the income statement	1,010	2,584	-
Net foreign exchange losses	-	-	18,532
Financial expenses	48,650	58,780	195,534

DKK thousand	31/3 2021	31/3 2020	31/12 2020
8. Inventories			
Raw materials and supply materials	74,086	48,761	73,919
Work in progress	60,044	237,686	201,601
Manufactured goods and commodities	450,329	336	309,099
Write-down on inventory	(31,628)	(100,019)	(63,537)
Inventories	552,831	186,764	521,082
Write-down on inventory as of January 1	(63,537)	(104,056)	(104,056)
Write-down during the period	(2,451)	-	(25,692)
Use of write-down	34,360	3,854	65,672
Reversal of write-down	-	183	539
Write-down end of period	(31,628)	(100,019)	(63,537)
9. Trade receivables			
Trade receivables from smallpox vaccine sale	12,011	36	-
Trade receivables from Encepur and Rabipur/RabAvert	138,725	183,792	121,355
Trade receivables from contract work	8,451	26,776	17,937
Other receivables	159,187	210,604	139,292
10. Other receivables			
Receivable VAT and duties	18,216	15,391	31,486
Derivative financial instruments at fair value	-	-	606
Interest receivables	5,199	2,792	3,767
Other receivables	1	-	1,475
Other receivables	23,416	18,183	37,334
11. Debt to credit institutions			
Mortgage	22,703	24,869	23,247
European Investment Bank (loan in DKK)	372,195	372,195	372,195
Repo transactions	-	-	-
Debt to credit institutions	394,898	397,064	395,442
12. Prepayment from customers			
Prepayments from customers as of January 1	74,347	6,631	6,631
Prepayments received during the period	-	22,079	77,185
Recognized as revenue during the period	(1,656)	(593)	(9,469)
Prepayments from customers end of period	72,691	28,117	74,347
13. Other liabilities			
Financial instruments at fair value	13,764	1,282	1,414
Liability relating to phantom shares	16,246	352	4,849
Payable salaries, holiday accrual etc.	67,722	57,046	101,229
Gross to net deduction accrual	24,261	-	26,355
Other accrued costs	24,225	21,183	17,967
Other liabilities	146,218	79,863	151,814

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	68,931	2,312	744	71,987
Additions	-	523	-	523
Modifications	20,040	-	38	20,078
Depreciations	(4,454)	(400)	(112)	(4,966)
Exchange rate adjustments	8	36	(0)	44
Right-of-use assets as of March 31, 2021	84,525	2,471	670	87,666

Lease liabilities

DKK thousand	31/3 2021
Non-current	69,481
Current	20,890
Lease liabilities	90,371

Amounts included in the income statement

DKK thousand	1/1 - 31/3 2021
Interest expense leases	492
Depreciation recognized on right-of-use assets	4,966
Cost recognized for short term leases (less than 12 months)	132

In the first three months of 2021 the total cash outflow relating to lease was DKKt 5,345 split between interests of DKKt 492 and repayment of DKKt 4,853.

15. 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 March 31, 2021

DKK thousand	Level 1	Level 2	Total
Securities	2,342,787	-	2,342,787
Financial assets measured at fair value through the income statement	2,342,787	-	2,342,787
Derivative financial instruments to hedge future cash flow (currency)	-	(12,712)	(12,712)
Derivative financial instruments to hedge future cash flow (interest)	-	(1,052)	(1,052)
Financial assets/liabilities used as hedging instruments	-	(13,764)	(13,764)
Liability relating to phantom shares	-	(16,246)	(16,246)
Financial liabilities measured at fair value through the income statement	-	(16,246)	(16,246)

As of December 31, 2020

DKK thousand	Level 1	Level 2	Total
Securities	1,384,120	-	1,384,120
Financial assets measured at fair value through the income statement	1,384,120	-	1,384,120
Derivative financial instruments to hedge future cash flow (currency)	-	606	606
Derivative financial instruments to hedge future cash flow (interest)	-	(1,414)	(1,414)
Financial assets/liabilities used as hedging instruments	-	(808)	(808)
Liability relating to phantom shares	-	(4,849)	(4,849)
Financial liabilities measured at fair value through the income statement	-	(4,849)	(4,849)

16. Warrants**Outstanding warrants as of March 31, 2021**

	Outstanding as of January 1	Addition during the period	Warrants exercised	Annulled	Terminated	Trans- ferred	Outstanding as of March 31
Corporate Management	439,402	-	-	-	-	-	439,402
Other Executive Management	723,326	-	-	-	-	(215,328)	507,998
Other employees	2,062,360	-	(110,559)	(75,479)	-	(43,243)	1,833,079
Resigned employees	167,901	-	(26,133)	-	-	258,571	400,339
Total	3,392,989	-	(136,692)	(75,479)	-	-	3,180,818
Weighted average exercise price	188	-	207	192	-	-	187
Weighted average share price at exercise	-	-	302	-	-	-	-

Numbers of warrants which can be exercised as of March 31, 2021	689,512
at a weighted average exercise price of DKK	230

The total recognized cost of the warrant programs was DKK 10.5 million in the first three months of 2021 (DKK 4.8 million).

Specification of parameters for Black-Scholes model

DKK	Dec 2016	Jul 2017	Nov 2017	Nov 2018	Nov 2019	Jan 2020	Nov 2020
Average share price	222.50	383.50	259.50	159.00	154.05	171.20	179.84
Average exercise price at grant	260.20	430.40	303.00	179.60	185.40	197.00	206.82
Average exercise price determined at date of rights issue March 30, 2020 (DKK)	205.80	340.40	239.60	142.00	146.60	155.80	-
Applied volatility rate	44.6%	44.1%	52.4%	53.3%	52.2%	53.0%	39.8%
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.	-0.48%	-0.46%	-0.55%	-0.43%	-0.69%	-0.65%	-0.66%
Fair value at grant ¹⁾	54	98	80	52	45	53	41

The applied volatility is based on the historical volatility of the Bavarian Nordic share, except for November 2020 program where the volatility is based on the volatility for a peer group.

¹⁾ Fair value of each warrant applying the Black-Scholes model

17. Significant changes in contingent liabilities and other contractual obligations

No significant changes in contingent liabilities and other contractual obligations have occurred since December 31, 2020.

18. Significant events after the balance sheet date

On May 27, Bavarian Nordic announced an agreement with Dynavax on marketing and distribution of their HEPLISAV B® hepatitis B vaccine in Germany.

On May 7, 2021, Bavarian Nordic announced that the US government had exercised the final USD 12 million option remaining under the USD 202 million order for JYNNEOS® awarded in April 2020.

On April 29, 2021, Bavarian Nordic reported additional preclinical data for the capsid virus-like particle (cVLP) COVID-19 vaccine candidate, ABNCov2, confirming its ability to induce neutralizing antibodies against SARS-CoV-2 variants.

On April 6, 2021, Bavarian Nordic announced that the Company had received a new supply order from Janssen Pharmaceutica NV, part of the Janssen Pharmaceutical Companies of Johnson & Johnson, valued at approximately USD 28 million for manufacturing and delivery of bulk drug substance of MVA-BN® Filo vaccine.

19. 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 May 27, 2021.

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 March 31, 2021.

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 March 31, 2021, and the results of the group’s activities and cash flows for the period January 1 to March 31, 2021.

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, May 27, 2021

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



Erik Gregers Hansen



Peter H. Kürstein-Jensen



Frank A.G.M. Verwiel



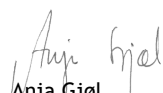
Elizabeth Mckee Anderson



Anne Louise Eberhard



Thomas Alex Bennekov
Employee-elected



Anja Gjøel
Employee-elected



Karen Merete Jensen
Employee-elected



Linette Munksgaard Andersen
Employee-elected