Company Announcement

Bavarian Nordic Receives Funding from the Danish Ministry of Health to Advance the Development of COVID-19 Booster Vaccine

- Based on successfully achieving certain milestones primarily related to the execution of a Phase 3 trial and development of large-scale manufacturing processes, Bavarian Nordic will be eligible to receive up to DKK 800 million
- Agreement aims to strengthen reliability and security of supply of COVID-19 vaccines to meet future revaccination demands

COPENHAGEN, Denmark, August 23, 2021 – Bavarian Nordic A/S (OMX: BAVA) announced today that the Company has entered a funding agreement with the Danish Ministry of Health to further advance the development of ABNCoV2, the Company's COVID-19 vaccine candidate.

The agreement is valued at up to DKK 800 million and aims to support the completion of the development towards licensure of ABNCoV2 as a booster vaccine, which could help strengthen the reliability and security of supply of COVID-19 vaccines and address the need for revaccination of the population.

Under the agreement, Bavarian Nordic is entitled to an upfront payment of DKK 80 million, in addition to payments of up to DKK 720 million, which are contingent upon reaching a number of predefined milestones including among others completion of the ongoing Phase 2 trial, Phase 3 development milestones and milestones related to upscaling of manufacturing for commercial production of the vaccine.

The agreement is subject to final approval by the Finance Committee of the Danish Parliament.

All payments are potentially subject to repayment, however only upon successful marketing authorization of the vaccine by the European Commission. Repayment may occur via supply of vaccines and royalty payments from the sale of the vaccine to other customers. Royalty payments are only triggered upon reaching a certain volume in sales. The Danish Ministry of Health could be entitled to an additional, capped royalty payment if the sales reach a certain threshold above the sales volume for the ordinary royalty payment.

Paul Chaplin, President and CEO of Bavarian Nordic, commented: "We are very pleased to reach this agreement with the Danish Ministry of Health, as this is a huge recognition of the potential of ABNCoV2 as a universal booster vaccine and will allow us to progress this vaccine through to approval. We are also proud to advance the efforts of this Danish-based research, which has shown very encouraging results in preclinical and clinical trials to-date. Our ongoing Phase 2 trial will provide additional efficacy data on the use of the vaccine as a booster later in 2021, enabling us to finalize the design of Phase 3 and the discussions with the regulatory authorities before anticipated initiation of the pivotal trial in 2022."

The agreement is not expected to have any impact on the Company's financial guidance for 2021.

About ABNCoV2
ABNCoV2 is a next-generation COVID-19 vaccine candidate, initially developed by AdaptVac using their proprietary capsid virus like particle (cVLP) technology. Bavarian Nordic has licensed the global commercialization rights to the vaccine and has assumed the responsibility for further clinical development towards licensure.

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ABNCoV2 has shown to be highly immunogenic in relevant preclinical models inducing durable and highly protective response from a COVID-19 challenge. Initial data from the first-in-human trial of the vaccine have confirmed its ability to induce strong and broad antibody levels, superior to those of the current approved vaccines, while also providing a favorable safety profile. More importantly, the data confirms the potential of ABNCoV2 to induce neutralizing antibodies against circulating variants of SARS-CoV2, including the Delta variant.

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.

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