



BAVARIAN NORDIC

Company Announcement

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## **Bavarian Nordic publishes prospectus in connection with rights issue**

**Copenhagen, Denmark, March 6, 2020** - Bavarian Nordic A/S (OMX: BAVA, OTC: BVNRY) (the "Company") announces that today the Danish Financial Supervisory Authority has approved publication of the registration document (the "Prospectus") prepared in connection with a capital increase comprising an offering (the "Offering") of 25,911,252 new shares ("New Shares") with preemptive subscription rights ("Preemptive Rights") for the Company's existing shareholders ("Existing Shareholders") at a ratio of 4:5 and a subscription price of DKK 109 (the "Subscription Price"). Further, the Company publishes the timetable for the Offering. The full Prospectus can be found on the company's website, [www.bavarian-nordic.com](http://www.bavarian-nordic.com).

- The Company has decided to increase its share capital and thereby offer 25,911,252 New Shares with a nominal value of DKK 10 each in the Company
- The Offering will raise approximately DKK 2,824 million, with the net proceeds (gross proceeds less estimated costs of the Offering) expected to be approximately DKK 2,724 million. The Offering is fully underwritten by Citigroup Global Markets Limited ("Citi") and Nordea Danmark, Filial af Nordea Bank Abp ("Nordea")
- Each holder of existing shares in the Company ("Existing Shares") registered with VP Securities as a shareholder in the Company on March 11, 2020 at 5.59 p.m. CET will be allocated four (4) Preemptive Rights for each Existing Share. For every five (5) Preemptive Rights, the holder is entitled to subscribe for one (1) New Share against payment of the Subscription Price. The subscription period for New Shares commences on March 12, 2020 and closes on March 25, 2020 at 5.00 p.m. CET ("Subscription Period")
- If a holder of Preemptive Rights does not want to exercise its Preemptive Rights to subscribe for New Shares, the Preemptive Rights may be sold during the rights trading period, which commences on March 10, 2020 at 9.00 a.m. CET and closes on March 23, 2020 at 5.00 p.m. CET ("Rights Trading Period")
- Any Preemptive Rights not exercised during the Subscription Period will lapse with no value, and the holder of such Preemptive Rights will not be entitled to compensation. Once a holder of Preemptive Rights has exercised such rights and subscribed for New Shares, such subscription cannot be withdrawn or modified by the holder
- Existing Shares traded after March 9, 2020 will be traded without Preemptive Rights, provided that the Existing Shares are traded with customary two-day settlement

Reference is made to the Prospectus in its entirety for a description of the Company and the Offering.

### ***Reasons for the Offering and use of proceeds***

On October 21, 2019, the Company entered into an agreement with GlaxoSmithKline ("GSK") to acquire the commercial and manufacturing rights to Rabipur®/RabAvert® for the prevention and treatment of rabies and Encepur® for prevention of tick-borne encephalitis (the "Acquisition"). With the Acquisition, Bavarian Nordic has accelerated its strategy of becoming a leading and profitable vaccine company.

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In connection with the Acquisition, the Company has entered into a committed bridge loan facility agreement with Citi and Nordea as original lenders (the "Bridge Loan Agreement") pursuant to which the lenders have granted a EUR 185 million (DKK 1,382 million) bridge loan to the Company (the "Bridge Loan").

The Bridge Loan was provided on December 30, 2019 and the proceeds were used to (partly) finance the upfront payment of EUR 307.6 million (DKK 2,298 million) paid in cash on December 31, 2019 to GSK. The Bridge Loan will be repaid following the completion of the Offering utilizing the proceeds raised through the Offering. Reference is made to company announcements no. 19 as of October 21, 2019 and no. 28 as of December 31, 2019.

Remaining proceeds after payment of the upfront payment of the Acquisition and repayment of the Bridge Loan will, together with future cash flow from operations, be used towards future milestone payments related to the Acquisition. Gross proceeds will be approximately DKK 2,824 million and net proceeds (gross proceeds less estimated costs of the Offering) are expected to be approximately DKK 2,724 million. The Offering is fully underwritten by Citi and Nordea.

#### ***Support from investors***

ATP who holds 1,807,231 shares in the Company (as of December 31, 2019) agrees with the Company that the Acquisition is the right strategic decision for the Company particularly, because the production technology of the acquired vaccines is identical to the one used to produce Bavarian Nordic's smallpox vaccine JYNNEOS and it improves utilization of Bavarian Nordic's manufacturing site in Kvistgaard. ATP has also expressed support for the rights issue as necessary to fund the Acquisition.

Furthermore, certain members of Bavarian Nordic's Board of Directors and Executive Management who hold shares, directly or indirectly, in the Company have expressed that they will exercise their Preemptive Rights in whole or in part.

#### **Consolidated prospective financial information for financial year 2020**

Management confirms that the outlook for the financial year 2020 remains unchanged in respect of the recent guidance presented in the annual report for 2019, published February 20, 2020.

#### **Terms and conditions of the Offering**

##### ***Subscription ratio and allocation of Preemptive Rights***

Preemptive Rights will be allocated free of charge to the Existing Shareholders that are registered as Shareholders with VP Securities on March 11, 2020, at 5.59 p.m. CET. Existing Shares traded after March 9, 2020 will be traded without Preemptive Rights, provided that the Existing Shares are traded with customary two-day settlement.

The Preemptive Rights have been approved for trading and official listing on Nasdaq Copenhagen under the interim ISIN code DK0061268638. The Rights Trading Period commences on March 10, 2020 at 9.00 a.m. CET and closes on March 23, 2020 at 5.00 p.m. CET.

The Offering is being made at the ratio of 4:5, which means that each Existing Shareholder will be allocated four (4) Preemptive Rights for each Existing Share held, and that five (5) Preemptive Rights will be required to subscribe for one (1) New Share at the Subscription Price of DKK 109 per New Share.

##### ***The New Shares***

The Board of Directors of Bavarian Nordic has on March 6, 2020 resolved in accordance with Article 5e of the Company's Articles of Association to exercise its authorization to issue the New Shares with preemptive rights for the existing shareholders. The New Shares will upon issuance and registration with the Danish Business Authority rank *pari passu* and carry the same rights as the Existing Shares.

The Subscription Period for the New Shares commences on March 12, 2020 and closes on March 25, 2020 at 5.00 p.m. CET. The New Shares will be issued under an interim ISIN code DK0061268711 and have been approved for admission to trading and official listing on Nasdaq Copenhagen in the interim ISIN code as from March 10, 2020 and will be traded in the interim ISIN code under the symbol "BANO N".

Registration of the New Shares with the Danish Business Authority will take place following completion of the Offering, expected to take place not later than March 30, 2020, and as soon as possible thereafter, the interim ISIN code of the New Shares will be merged with the ISIN code of the Existing Shares, DK0015998017, expected to take place not later than April 1, 2020.

Until such merger has been completed, the liquidity and market price of the New Shares under the interim ISIN code may be substantially different from the liquidity and market price of the Existing Shares. All dealings in the New Shares prior to the registration of the New Shares with the Danish Business Authority are for the account, and at the sole risk, of the parties concerned.

The Existing Shares are admitted to trading and official listing on Nasdaq Copenhagen under the symbol "BAVA".

#### ***Subscription Period***

The Subscription Period for the New Shares commences on March 12, 2020 and closes on March 25, 2020 at 5.00 p.m. CET.

Once a holder of Preemptive Rights has exercised such rights and subscribed for New Shares, such subscription cannot be withdrawn or modified by the holder.

Holders of Preemptive Rights who do not wish to exercise their Preemptive Rights to subscribe for New Shares may sell their Preemptive Rights during the Rights Trading Period, and the transferee may use the acquired Preemptive Rights to subscribe for New Shares. Holders wishing to sell their Preemptive Rights should instruct their custodian banks accordingly.

Any Preemptive Rights that are not exercised during the Subscription Period will lapse with no value, and the holder of such Preemptive Rights will not be entitled to compensation.

This announcement also constitutes an announcement under article 163 of the Danish Companies Act. Bavarian Nordic's Articles of Association are available at the Company's website [www.bavarian-nordic.com](http://www.bavarian-nordic.com).

#### ***Withdrawal of the offering***

Completion of the Offering is conditional upon the Offering not being withdrawn. The Offering may be withdrawn at any time prior to registration of the capital increase relating to the Offering with the Danish Business Authority. Any such withdrawal will be notified via Nasdaq Copenhagen.

If the Offering is not completed, any exercise of Preemptive Rights that has already taken place will be cancelled automatically. The subscription amount for the New Shares will be refunded (less any transaction costs) to the last registered owner of the New Shares as at the date of withdrawal. All Preemptive Rights will be null and void, and no New Shares will be issued. However, trades of Preemptive Rights executed during the Rights Trading Period will not be affected. As a result, shareholders and investors who have acquired Preemptive Rights will incur a loss corresponding to the purchase price of the Preemptive Rights and any transaction costs.

Trades in New Shares will also not be affected, and shareholders and investors that have acquired New Shares will receive a refund of the subscription amount for the New Shares (less any transaction costs). As a result, shareholders and investors that have acquired New Shares will incur a loss corresponding to the difference between the purchase price and the subscription price of the New Shares and any transaction costs.

#### ***Minimum and maximum subscription amount***

The minimum number of New Shares that a holder of Preemptive Rights may subscribe will be one (1) New Share, requiring the exercise of five (5) Preemptive Rights and the payment of the Subscription Price. The number of New Shares that a holder of Preemptive Rights may subscribe is not capped. However, the number is limited to the number of New Shares which may be subscribed through the exercise of the Preemptive Rights held or acquired.

#### ***Payment***

Upon exercise of the Preemptive Rights, the holder must pay the Subscription Price, DKK 109, per New Share subscribed.

Payment for the New Shares shall be made in Danish kroner and shall be made upon subscription against registration of the New Shares in the transferee's account with VP Securities. Holders of Preemptive Rights shall adhere to the account agreement with their own Danish custodian institution or other financial intermediary, through which they hold shares. Financial intermediaries through which a holder holds Preemptive Rights may require payment at an earlier date.

***Procedure for exercise of and dealings in Preemptive Rights and treatment of Preemptive Rights***

The Preemptive Rights have been approved for trading and official listing on Nasdaq Copenhagen under the interim ISIN code DK0061268638.

Holders of Preemptive Rights wishing to subscribe for New Shares must do so through their own custodian institution, in accordance with the rules of such institution. The deadline for notification of exercise depends on the holder's agreement with, and the rules and procedures of, the relevant custodian institution or other financial intermediary and may be earlier than the end of the Subscription Period. Once a holder has exercised its Preemptive Rights, the exercise may not be revoked or modified.

***Pre-allotment information***

There is no pre-allotment of New Shares.

***Publication of the result of the Offering***

The result of the Offering is expected to be announced through Nasdaq Copenhagen on March 27, 2020.

***Underwriting***

Subject to the satisfaction of certain conditions, New Shares not subscribed for by holders of Preemptive Rights will be subscribed for by the Joint Global Coordinators.

***Expected timetable of principal events***

Publication of the Prospectus	March 6, 2020
Last day of trading of Existing Shares with Preemptive Rights	March 9, 2020
First day of trading of Existing Shares without Preemptive Rights	March 10, 2020
Rights Trading Period commences	March 10, 2020, 9.00 a.m. CET
Date of listing of the New Shares under the interim ISIN code	March 10, 2020
Allocation Time of Preemptive Rights in VP securities	March 11, 2020, 5.59 p.m. CET
Subscription Period for New Shares commences	March 12, 2020
Rights Trading Period closes	March 23, 2020, 5.00 p.m. CET
Subscription Period for New Shares closes	March 25, 2020, 5.00 p.m. CET
Publication of the results of the Offering	March 27, 2020
Registration of the capital increase regarding the New Shares with the Danish Business Authority and issuance of the New Shares through VP Securities	March 30, 2020
Completion of the Offering	The Offering will only be completed if and when the New Shares subscribed for are issued by the Company and the capital increase is registered with the Danish Business Authority, expected to take place on March 30, 2020
Official listing and trading of the New Shares under the existing ISIN code	April 1, 2020
Merger of the interim ISIN code of the New Shares and the ISIN code for the Existing Shares in VP Securities	April 2, 2020

The above timetable is subject to change. Any changes will be announced via Nasdaq Copenhagen.

#### **Joint Global Coordinators, Managers and Legal Advisors**

Nordea and Citi are acting as Joint Global Coordinators of the Offering. Danske Bank is acting as Co-Lead Manager and Needham is acting as Co-Manager. Kromann Reumert and Cooley act as Danish and International legal advisors respectively to the Company. Plesner and Proskauer act as Danish and International legal advisors respectively to the underwriters.

#### **Prospectus**

Subject to certain restrictions, the Prospectus can be accessed on the Company's website [www.bavarian-nordic.com](http://www.bavarian-nordic.com). Except for information included by reference in the Prospectus, the contents on the Company's website do not constitute a part of the Prospectus.

#### **About Bavarian Nordic**

Bavarian Nordic is a fully integrated biotechnology 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. Strategic National Stockpile of a non-replicating smallpox vaccine, which has been approved by the FDA, also for the protection against monkeypox. Our commercial product portfolio furthermore contains market-leading vaccines against rabies and 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 investigational Ebola vaccine, licensed to Janssen. 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 are statements that are not historical facts and that can be identified by words such as “believe”, “expect”, “anticipate”, “intends”, “estimate”, “will”, “may”, “continue”, “should”, and similar expressions. The forward-looking statements in this announcement are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although Bavarian Nordic believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this announcement by such forward-looking statements. The information, opinions and forward-looking statements contained in this announcement speak only as at its date and are subject to change without notice.

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In any member state of the European Economic Area other than Denmark (each a "Relevant Member State"), this announcement is only addressed to, and is only directed at, investors in that Relevant Member State who fulfil the criteria for exemption from the obligation to publish a prospectus, including qualified investors, within the meaning of Regulation 2017/1129.

This announcement is not for publication or distribution, directly or indirectly, in or into the United States of America. This announcement is not an offer of securities for sale into the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States.

In addition to the European Economic Area restriction above, in the United Kingdom, this announcement is being distributed only to, and is directed only at, and any investment or investment activity to which this announcement relates is available only to persons who are “qualified investors” (as defined in the Prospectus Regulation) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”) and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “Relevant Persons”). Persons who are not Relevant Persons should not take any action on the basis of this announcement and should not act or rely on it.

This announcement does not constitute a prospectus, and nothing herein contains an offering of securities. No one should purchase or subscribe for any securities in Bavarian Nordic, except on the basis of information in the Prospectus published by Bavarian Nordic in connection with the Offering and admission of securities to trading and official listing on Nasdaq Copenhagen. Copies of the Prospectus will be available from the website of Bavarian Nordic. The Joint Global Coordinators and Managers and each of their affiliates are acting exclusively for Bavarian Nordic and no-one else in connection with the Offering. They will not regard any other person as their respective clients in relation to the Offering and will not be responsible to anyone other than Bavarian Nordic for providing the protections afforded to their respective clients, nor for providing advice in relation to the Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein. In connection with the Offering, the Joint Global Coordinators, the Managers and any of their respective affiliates, acting as investors for their own accounts, may purchase preemptive rights and subscribe shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such shares and other securities of Bavarian Nordic or related investments in connection with the Offering or otherwise. Accordingly, references in the Prospectus to the preemptive rights and shares being issued, offered, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or acquisition, placing or dealing by, such Joint Global Coordinator, Managers and any of their respective affiliates acting as investors for their own accounts. The Joint Global Coordinators and the Managers do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.