



Bavarian Nordic Announces Interim Results for the First Three Months of 2022

COPENHAGEN, Denmark, May 9, 2022 - Bavarian Nordic A/S (OMX: BAVA) announced today its interim financial results and business progress for the first three months of 2022.

Paul Chaplin, President & Chief Executive Officer of Bavarian Nordic said: “We have reported strong progress in our pipeline during the first quarter with additional Phase 2 results for our COVID-19 vaccine candidate, confirming its potential as a universal booster vaccine and we look forward to initiating the Phase 3 trial later this year. Furthermore, our RSV program was granted a Breakthrough Therapy Designation by the FDA, underlining the importance of the development of a vaccine to fulfil this high unmet medical need and to that end we initiated a Phase 3 program that will read out next year. In line with our RSV commercialization strategy, we were also pleased to enter a license and supply agreement covering selected Asian markets for RSV. Our rabies business demonstrated a stronger than expected performance in both US and Germany that off sets a slower than expected start of the TBE market during Q1. Based on current financial performance and current assessment of uncertainties and risks we maintain our full year financial guidance on revenue, EBITDA and cash.”

Financial highlights from the first quarter

- Revenue was DKK 320 million comprised of DKK 230 million from product sales, DKK 83 million in milestone payments from our RSV partner Nuance Pharma and DKK 7 million from contract work.
- EBITDA was a loss of DKK 94 million.
- Strong cash position of DKK 2,947 million at end of the period
- Financial guidance for the full year is maintained at revenues between DKK 1,100 and 1,400 million, EBITDA with a loss between DKK -1,300 and -1,000 million and cash and cash equivalents at year-end unchanged between DKK 1,000 and 1,200 million.

DKK million	Q1 2022	Q1 2021	2022 Guidance
Revenue	320	535	1,100 - 1,400
EBITDA	(94)	1	(1,300) - (1,000)
Cash and cash equivalents	2,947*	2,589	1,000 - 1,200

* Repo pledged securities deducted.

Other highlights

- In January, Bavarian Nordic announced the appointment of Russell Thirsk as new EVP and Chief Operating Officer to replace Henrik Birk, who has chosen to seek challenges outside Bavarian Nordic. Mr. Thirsk joined Bavarian Nordic in April from GSK, where he served as Head of Operations at GSK Vaccines in Belgium.
- In February, the U.S. Food and Drug Administration (FDA) granted a Breakthrough Therapy Designation for the Company's vaccine candidate, MVA-BN[®] RSV, for the prevention of respiratory syncytial virus (RSV) in older adults. A Breakthrough Therapy Designation is designed to expedite the development and regulatory review of medicines that are intended to treat a serious condition.
- In February, Bavarian Nordic announced additional results from the Phase 2 trial of its COVID-19 booster vaccine candidate, ABNCoV2. The results confirmed the ability of ABNCoV2 to boost neutralizing antibodies to levels reported to be highly efficacious (>90%) against SARS-CoV-2¹ both when used for primary vaccination and when used as a booster in subjects previously vaccinated with mRNA or Adeno-based vaccines.
- In March, Bavarian Nordic entered into a license and supply agreement with Nuance Pharma 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 could 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.

Events after the reporting date

- In April, Bavarian Nordic initiated a global Phase 3 clinical trial of MVA-BN RSV against RSV in older adults. The Phase 3 trial is planned to enroll approximately 20,000 adults, aged 60 years or older across approximately 115 sites in the U.S. and Germany. The trial is designed to run through the RSV season 2022/2023 with topline results expected mid 2023, if the pre-defined number of lower-respiratory tract disease events has occurred.
- In May, Bavarian Nordic reported additional Phase 2 results for 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

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

vaccinated with approved mRNA or adenoviral vaccines. Neutralizing antibodies reached levels reported to be associated with a high level of protection (>90%).

Conference call and webcast

The management of Bavarian Nordic will host a conference call today at 2 pm CET (8 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=6388>. To join the Q&A session, use one of the following dial-in numbers: Denmark: +45 32 72 04 17, UK: +44 (0) 844 481 9752, USA: +1 646-741-3167. Participant code is 7179801.

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Company Announcement no. 15 / 2022

About Bavarian Nordic

Bavarian Nordic is a fully integrated vaccines company listed on the NASDAQ Copenhagen exchange and with operations in Europe and the USA. Our mission is to save and improve lives by unlocking the power of the immune system and we aspire 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. 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 approved as a smallpox vaccine 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[®], we have created a diverse portfolio of proprietary and partnered product candidates, 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 and a vaccine against respiratory syncytial virus (RSV), which are both entering Phase 3 clinical trials in 2022. 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 2022	1/1 - 31/3 2021	1/1-31/12 2021
Income statements			
Revenue	320,056	535,253	1,897,875
Production costs	292,183	377,341	1,327,560
Sales and distribution costs	37,388	51,035	191,783
Research and development costs	104,799	122,140	399,159
Administrative costs	77,786	72,730	292,920
Other operating income	-	-	-
Income before interest and taxes (EBIT)	(192,100)	(87,993)	(313,547)
Financial items, net	(78,519)	(41,738)	(140,883)
Income before company tax	(270,619)	(129,731)	(454,430)
Net profit for the period	(271,943)	(130,845)	(464,775)
Balance sheet			
Total non-current assets	7,552,124	6,405,533	7,335,630
Securities, cash and cash equivalents	3,447,069	2,588,622	3,716,615
Other current assets	992,356	754,279	1,037,024
Total assets	11,991,549	9,748,434	12,089,269
Equity	7,125,298	5,920,743	7,374,667
Non-current liabilities	2,834,985	2,378,114	2,806,044
Current liabilities	2,031,266	1,449,577	1,908,558
Cash flow statements			
Cash flow from operating activities	23,796	(119,535)	(358,500)
Cash flow from investment activities	(290,909)	(1,069,407)	(2,876,946)
- Investment in intangible assets	(148,571)	(14,513)	(575,324)
- Investment in property, plant and equipment	(150,018)	(81,177)	(483,127)
- Net investment in securities	16,826	(973,277)	(1,779,454)
Cash flow from financing activities	75,389	1,146,119	3,536,080
Financial Ratios¹⁾			
EBITDA after Other operating income	(93,696)	1,264	74,764
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Earnings (basic) per share of DKK 10	(3.9)	(2.2)	(7.4)
Net asset value per share	101.1	92.9	104.7
Share price at period-end	326	286	269
Share price/Net asset value per share	3.2	3.1	2.6
Number of outstanding shares at period-end (thousand)	70,473	63,737	70,468
Equity share	59%	61%	61%
Number of employees, converted to full-time, at period-end	830	711	759

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.

Reconciliation of EBITDA

Income before interest and tax (EBIT)	(192,100)	(87,993)	(313,547)
Depreciation and amortization	98,404	89,257	388,311
EBITDA after Other operating income	(93,696)	1,264	74,764

Management's Review

Commercial update

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

Rabipur/RabAvert

Rabipur/RabAvert revenue amounted to DKK 117 million (DKK 80 million) for the first quarter. The 45% 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 US market grew by approximately 22% compared with last year, but the market is still not back at pre-COVID-19 levels. RabAvert now has a market share of approximately 64%, in line with the level seen prior to competition facing a stockout situation in the autumn of 2020.

The German market showed a significant growth of approximately 257%. While growing from a COVID-19 depressed base, this made a material contribution to the overall growth. The market share in Germany remained unchanged at approximately 95%.

Q1 sales

mDKK	Q1 2022	Q1 2021	Growth
Rabipur/RabAvert	117	80	45%
Encepur	69	98	-30%
Mvabea	30	-	-
Sale of third-party products	14	-	-
JYNNEOS/IMVANEX/IMVAMUNE	-	336	-
Milestone payments	83	-	-
Contract work	7	20	-67%
Total	320	535	

Encepur

Encepur revenue amounted to DKK 69 million (DKK 98 million) for the first quarter, i.e. a decrease of approximately 30% versus prior year caused by continued negative market development in Germany and inventory movements at wholesaler and partner level (Valneva).

The German market declined by 23%. A revenue decline, which is larger than the market decline in Germany may reflect the hesitancy of wholesalers to build stock based on the low demand

observed last year due to COVID-19. The German market share was unchanged at approximately 29% by end of March, which is in line with the prior year. Our expectation is still that there will be signs of recovery during the main TBE vaccination period during Q2.

Mvabea (Ebola)

In the first quarter, revenue from Mvabea was DKK 30 million (DKK 0 million), which is related to the order announced in June 2020.

Third-party products sale

Revenue from sale of third-party products in the first quarter was DKK 14 million (DKK 0 million), which is related to sale of DUKORAL and IXIARO cf. the marketing and distribution agreement with Valneva.

JYNNEOS/IMVANEX/IMVAMUNE

In accordance with current contracts no smallpox revenue was realized during the first quarter (DKK 336 million).

Contract work

Revenue from contract work in the first quarter was DKK 7 million (DKK 20 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.

Commercial portfolio growing in key markets

In Germany, a dedicated sales force, initially contracted via a third-party during the build-up of the commercial organization, has gradually begun transitioning to Bavarian Nordic during the first quarter. This sales force will support the expansion of the product portfolio in this market, which represents Bavarian Nordic's largest EU market.

During first quarter, marketing and distribution of IXIARO® and DUKORAL®, Valneva's vaccines for Japanese Encephalitis and cholera in Germany and Switzerland were assumed as planned.

Furthermore, during second quarter of 2022, the commercial portfolio will be expanded to include HEPLISAV-B®, a novel hepatitis B vaccine from Dynavax. The vaccine was granted marketing authorization by the European Commission in February 2021 and is the only approved hepatitis B vaccine with a two-dose schedule for adults that is completed within one month. Dynavax has chosen Bavarian Nordic to launch their product in the first market in Europe, Germany.

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 in the US)	Sold to governments, primarily U.S. and Canada
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. Will launch during 2022.

Research & development

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

Clinical pipeline

VACCINE	INDICATION	STATUS / MILESTONE
MVA-BN freeze-dried	Smallpox	Phase 3 completed
MVA-BN RSV	RSV	Phase 3 ongoing
ABNCoV2	COVID-19	Phase 3 planned in Q2 2022
TAEK-VAC	Cancer	Phase 1/2 study ongoing

RSV

In April, Bavarian Nordic initiated the global Phase 3 clinical trial of MVA-BN RSV against RSV in older adults. The Phase 3 trial will enroll approximately 20,000 adults, aged 60 years or older across approximately 115 sites in the U.S. and Germany. The Company is targeting completion of enrollment by year-end 2022 with topline results anticipated mid 2023, if the pre-defined number of lower-respiratory tract disease events has occurred.

As part of the strategy to commercialize the vaccine globally, the Company entered into a regional license and supply agreement with Nuance Pharma 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.

In February, the U.S. FDA granted a Breakthrough Therapy Designation for MVA-BN RSV, for the prevention of RSV in older adults. A Breakthrough Therapy Designation is designed to expedite the development and regulatory review of medicines that are intended to treat a serious condition.

COVID-19

The Phase 2 clinical trial of ABNCoV2, a VLP-based COVID-19 booster vaccine candidate has been completed with encouraging results reported in December 2021 and during first quarter 2022. In parallel, preparations for Phase 3 have occurred, including manufacturing of vaccines.

The trial is planned to enroll 4,000 seropositive (previously vaccinated) adults aged 18 years or older, who will receive a booster vaccination with ABNCoV2 or, through existing local vaccination programs, a licensed mRNA vaccine, aiming to demonstrate non-inferiority of ABNCoV2 to the licensed mRNA vaccine based on the induced levels of neutralizing antibodies. Bavarian Nordic is targeting completion of enrollment and reporting of results from the trial during second half of 2022, with an aim to initiate regulatory submission before year-end. The regulatory path forward might change as there are signs that comparator vaccines for the Phase 3 trial could become available. Bavarian Nordic is assessing potential impact on the trial design.

After reporting positive topline data in December 2021, Bavarian Nordic announced additional results from the Phase 2 trial of ABNCoV2 in February 2022. These results were 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-2².

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

A Phase 3 trial of the freeze-dried version of JYNNEOS[®] was previously completed and the Company is now 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 version.

Immuno-oncology

A tumor antibody enhanced therapeutic vaccine, TAEK-VAC, 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.

Update on partnership with Janssen

Following the license agreement in 2014 on MVA-BN Filo, the Ebola vaccine now approved in the EU under the trade name Mvabea, Bavarian Nordic and Janssen Pharmaceutical Companies of Johnson & Johnson signed a license and collaboration

² P. B. Gilbert et al., Science 10.1126/science.abm3425 (2021)

agreement on MVA-BN for three infectious disease targets: HPV, HBV and HIV. In April 2022, the agreements regarding HPV and HBV were terminated. The Ebola and HIV agreements remain in force.

Manufacturing

Activities to expand Bavarian Nordic's manufacturing footprint are progressing as planned with the expansion of the bulk facility to support technology transfer of Rabipur/RabAvert and Encepur currently ongoing. The exterior work has largely been completed and interior construction work, including commissioning of new manufacturing equipment has begun. Meanwhile, training of personnel to support the new processes is ongoing. In accordance with the expansion plans the bulk facility is currently shut down and will not reopen until third quarter of 2022 thus restricting the bulk manufacturing capacity in 2022.

Manufacturing of vaccines for the Phase 3 trial of ABNCoV2 was completed at a contract manufacturer and filling has been completed at Bavarian Nordic's own fill and finish facility. Release testing of the Phase 3 batches is being finalized. Furthermore, validation activities to support transfer of the manufacturing process for freeze-dried JYNNEOS have continued. This is the last activity to support the submission of a supplement to the existing BLA for the vaccine, which is key to unlocking further value from contracts with the U.S. government.

Other matters

Russell Thirsk appointed new EVP and Chief Operating Officer

In January, Bavarian Nordic announced the appointment of Russell Thirsk as new Executive Vice President and Chief Operating Officer to replace Henrik Birk, who has chosen to seek challenges outside Bavarian Nordic. Mr. Thirsk joined Bavarian Nordic in April from GSK, where he served as Head of Operations at GSK Vaccines in Belgium, a role he assumed after GSK's acquisition of Novartis' vaccine business, where he served for more than two decades, holding leadership roles of increasing responsibility in vaccine manufacturing operations across various geographies. Mr. Thirsk holds a Master of Chemical Engineering from University of Nottingham.

Financial review

Financial statements for the period January 1 - March 31, 2022 are un-audited. Comparison figures for the same period 2021 are stated in brackets.

Revenue

Revenue for the period was DKK 320 million (DKK 535 million). Revenue was composed of DKK 186 million (DKK 179 million) from sales of the two new products Rabipur/RabAvert and Encepur, DKK 30 million (DKK 0 million) from sales of Mvabea to Janssen, DKK 14 million (DKK 0 million) from sale of third-party products, DKK 83 million milestone payments (DKK 0 million) from our RSV partner Nuance and DKK 7 million (DKK 20 million) from contract work.

Production costs

Production costs totaled DKK 292 million (DKK 377 million). Costs related directly to revenue amounted to DKK 114 million (DKK 219 million), of which cost of goods sold totaled DKK 112 million (DKK 206 million). Contract costs totaled DKK 2 million (DKK 13 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 110 million (DKK 90 million). Since August 2021, the current bulk manufacturing facility has been shut down due to the ongoing expansion of the drug substance facility for future production of Rabipur/RabAvert and Encepur, therefore limited absorption of indirect production costs for Q1 2022. In Q1 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.

Sales and distribution costs

Sales and distribution costs totaled DKK 37 million (DKK 51 million) split between costs for distribution of products of DKK 3 million (DKK 4 million) and costs for running the commercial organization and activities of DKK 34 million (DKK 47 million).

Research and development costs

Research and development costs totaled DKK 105 million (DKK 122 million). The decrease compared to 2021 relates to 2021 manufacturing of RSV Phase 3 material. The amount excludes R&D costs of DKK 2 million (DKK 13 million) recognized as production costs, see [note 5](#).

Administrative costs

Administrative costs totaled DKK 78 million (DKK 73 million).

EBIT/EBITDA

Income before interest and tax (EBIT) was a loss of DKK 192 million, compared to a loss of DKK 88 million in first three months of 2021.

EBITDA was a loss of DKK 94 million (gain of DKK 1 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 30 million (DKK 21 million).

Financial items

Financial items totaled a net expense of DKK 78 million (net expense of DKK 42 million) and consisted of interest expense on debt of DKK 4 million (DKK 5 million), net value adjustment of deferred consideration of DKK 21 million (DKK 26 million) from

the acquisition of Encepur and Rabipur/RabAvert, a net expense from securities of DKK 59 million (net expense of DKK 13 million) and a net loss on derivative financial instruments of DKK 2 million (loss DKK 1 million), partly offset by net foreign exchange rate gains of DKK 8 million (gain DKK 3 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 7 million income (income of DKK 0 million), currency adjustments of DKK 1 million expense (income of DKK 1 million) and unwinding³ of the discounting effect related to deferred consideration DKK 28 million (DKK 28 million), see note [6](#) and [7](#).

Income before company tax was a loss of DKK 271 million (loss of DKK 130 million).

Tax

Tax on income was DKK 1 million (DKK 1 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 three months of 2022, Bavarian Nordic reported a net loss of DKK 272 million (net loss of DKK 131 million).

Product rights

Product rights recognized in the balance sheet totaled DKK 4,845 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 845 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 upcoming 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 finance of the ABNCoV2 development through the funding obtained from the Danish Ministry of Health. Under the agreement, the Company 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 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 March 31, 2022 the upfront payment of DKK 80 million and further milestones amounting to DKK 160 million, in total DKK 240 million, have been received and recognized as 'Prepayment and loan from Government'.

Securities, cash and cash equivalents

Securities, cash and cash equivalents were DKK 3,447 million as of March 31, 2022, including repo pledged securities of DKK 500 million (DKK 3,717 million as of December 31, 2021, including repo pledged

³ 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.

securities of DKK 500 million). The net cash position amounts to DKK 2,947 million (DKK 3,217 million as of December 31, 2021).

Cash flow

Cash flow generated by operating activities was positive by DKK 24 million (negative by DKK 120 million). Working capital improved by DKK 108 million (worsened DKK 139 million) compared to year-end 2021. Cash flow from investment activities was negative by DKK 291 million (negative by DKK 1,069 million, including DKK 973 million net investment in securities) and includes investments in property, plant and equipment, DKK 150 million (DKK 81 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 152 million (DKK 14 million) and includes the ongoing Rabipur/RabAvert and Encepur technology transfer project, the development project for the COVID-19 vaccine and IT system investments. Cash flow from financing activities was a contribution of DKK 75 million (DKK 1,146 million), primarily funding received from the Danish Ministry of Health. The net change in cash and cash equivalents was negative by DKK 192 million (negative by DKK 43 million).

Equity

The Group's equity as of March 31, 2022 stood at DKK 7,125 million (DKK 7,375 million as of December 31, 2021).

Deferred consideration

Deferred consideration to GlaxoSmithKline for purchase of product rights amounted to DKK 2,566 million, whereas deferred consideration to AdaptVac related to potential future development and sales milestones and tiered royalties amounted to DKK 603 million as per March 31, 2022.

Debt to credit institutions

As of March 31, 2022, debt to credit institutions amounted to DKK 893 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 21 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

Based on financial performance to date and an assessment of uncertainties and risks the financial guidance is maintained.

Revenue is expected between DKK 1,100 million and DKK 1,400 million, EBITDA expectations remain unchanged as well with a loss between DKK 1,300 and 1,000 million and cash and cash equivalents at year-end also remain unchanged between DKK 1,000 and 1,200 million.

The key assumptions for the guidance remain largely unchanged since the publication of guidance in the 2021 Annual Report.

Financial calendar 2022

Half-year report (Q2)
Nine-month report (Q3)

August 24, 2022
November 9, 2022

Financial statements

Unaudited Condensed Consolidated Income Statements for the Periods Ended March 31, 2022 and 2021 and December 31, 2021

DKK thousand	Note	1/1 - 31/3 2022	1/1 - 31/3 2021	1/1-31/12 2021
Revenue	<u>3</u>	320,056	535,253	1,897,875
Production costs	<u>4</u>	292,183	377,341	1,327,560
Gross profit		27,873	157,912	570,315
Sales and distribution costs		37,388	51,035	191,783
Research and development costs	<u>5</u>	104,799	122,140	399,159
Administrative costs		77,786	72,730	292,920
Total operating costs		219,973	245,905	883,862
Income before interest and tax (EBIT)		(192,100)	(87,993)	(313,547)
Financial income	<u>6</u>	19,008	6,912	50,233
Financial expenses	<u>7</u>	97,527	48,650	191,116
Income before company tax		(270,619)	(129,731)	(454,430)
Tax on income for the period		1,324	1,114	10,345
Net profit for the period		(271,943)	(130,845)	(464,775)
Earnings per share (EPS) - DKK				
Basic earnings per share of DKK 10		(3.9)	(2.2)	(7.4)
Diluted earnings per share of DKK 10		(3.9)	(2.2)	(7.4)

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

DKK thousand	1/1 - 31/3 2022	1/1 - 31/3 2021	1/1-31/12 2021
Net profit for the period	(271,943)	(130,845)	(464,775)
Items that might be reclassified to the income statement:			
Exchange rate adjustments on translating foreign operations	1,821	3,834	10,081
Change in fair value of financial instruments entered into to hedge future cash flows	1,686	(12,956)	(542)
Other comprehensive income after tax	3,507	(9,122)	9,539
Total comprehensive income	(268,436)	(139,967)	(455,236)

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

DKK thousand	1/1 - 31/3 2022	1/1 - 31/3 2021	1/1-31/12 2021
Net profit for the period	(271,943)	(130,845)	(464,775)
Adjustment for non-cash items:			
Financial income	(19,008)	(6,912)	(50,233)
Financial expenses	97,527	48,650	191,116
Tax on income for the period	1,324	1,114	10,345
Depreciation, amortization and impairment losses	98,403	89,256	388,310
Share-based payment	6,642	26,238	56,857
Changes in inventories	(123,527)	(31,749)	41,039
Changes in receivables	169,116	(10,409)	(364,393)
Changes in current liabilities	62,213	(96,743)	(146,007)
Cash flow from operations (operating activities)	20,747	(111,400)	(337,741)
Received financial income	8,301	660	6,198
Paid financial expenses	(4,449)	(8,620)	(24,383)
Paid company taxes	(803)	(175)	(2,574)
Cash flow from operating activities	23,796	(119,535)	(358,500)
Investments in products rights	3,595	-	(371,849)
Investments in other intangible assets	(152,166)	(14,513)	(203,475)
Investments in property, plant and equipment	(150,018)	(81,177)	(483,127)
Investments in/disposal of financial assets	(9,146)	(440)	(39,041)
Investments in securities	(17,209)	(1,062,058)	(2,115,796)
Disposal of securities	34,035	88,781	336,342
Cash flow from investment activities	(290,909)	(1,069,407)	(2,876,946)
Payment on loans	(545)	(544)	(2,173)
Proceeds from loans	80,000	-	660,000
Repayment of lease liabilities	(4,686)	(4,853)	(19,507)
Proceeds from warrant programs exercised	645	28,245	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	(25)	(25,179)	(57,438)
Purchase of treasury shares	-	-	(8,581)
Cash flow from financing activities	75,389	1,146,119	3,536,080
Cash flow of the period	(191,724)	(42,823)	300,634
Cash as of 1 January	591,820	285,487	285,487
Currency adjustments 1 January	1,270	3,171	5,699
Cash end of period	401,366	245,835	591,820

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

DKK thousand	Note	31/3 2022	31/3 2021	31/12 2021
Assets				
Product rights		4,844,596	5,117,531	4,912,830
Acquired rights and development in progress		844,763	29,813	733,770
Software		23,208	16,623	22,985
Intangible assets in progress		168,185	70,587	134,371
Intangible assets		5,880,752	5,234,554	5,803,956
Land and buildings		340,492	367,830	345,953
Leasehold improvements		9,393	3,513	10,011
Plant and machinery		250,381	269,266	254,530
Fixtures and fittings, other plant and equipment		218,771	222,768	223,467
Assets under construction		722,638	215,374	578,707
Property, plant and equipment		1,541,675	1,078,751	1,412,668
Right-of-use assets	<u>14</u>	77,388	87,666	75,843
Other receivables		4,845	4,562	4,778
Prepayments		47,464	-	38,385
Financial assets		52,309	4,562	43,163
Total non-current assets		7,552,124	6,405,533	7,335,630
Inventories	<u>8</u>	603,570	552,831	480,043
Trade receivables	<u>9</u>	285,396	159,187	381,624
Other receivables	<u>10</u>	36,162	23,416	66,517
Prepayments		67,228	18,845	108,840
Receivables		388,786	201,448	556,981
Securities	<u>15, 16</u>	3,045,703	2,342,787	3,124,795
Cash and cash equivalents		401,366	245,835	591,820
Securities, cash and cash equivalents		3,447,069	2,588,622	3,716,615
Total current assets		4,439,425	3,342,901	4,753,639
Total assets		11,991,549	9,748,434	12,089,269

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

DKK thousand	Note	31/3 2022	31/3 2021	31/12 2021
Equity and liabilities				
Share capital		704,729	637,368	704,684
Treasury shares		(871)	(946)	(1,112)
Retained earnings		6,323,560	5,224,064	6,588,908
Other reserves		97,880	60,257	82,187
Equity		7,125,298	5,920,743	7,374,667
Deferred consideration for product rights		2,518,740	1,915,908	2,569,090
Debt to credit institutions	11	18,352	392,725	18,896
Lease liabilities	14	57,382	69,481	57,547
Non-current liabilities		2,834,985	2,378,114	2,806,044
Deferred consideration for product rights		649,493	933,188	577,667
Debt to credit institutions	11, 15	874,372	2,173	874,373
Lease liabilities	14	22,922	20,890	21,266
Prepayment from customers	12	120,415	72,691	16,904
Trade payables		204,418	273,291	263,611
Company tax		3,976	1,126	3,743
Other liabilities	13	155,670	146,218	150,994
Current liabilities		2,031,266	1,449,577	1,908,558
Total liabilities		4,866,251	3,827,691	4,714,602
Total equity and liabilities		11,991,549	9,748,434	12,089,269

Unaudited Condensed Consolidated Statements of Changes in Equity for the Periods March 31, 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
Equity as of January 1, 2022	704,684	(1,112)	6,588,908	(30,559)	(1,351)	114,097	7,374,667
Comprehensive income for the period							
Net profit	-	-	(271,943)	-	-	-	(271,943)
Other comprehensive income							
Exchange rate adjustments on translating foreign operations	-	-	-	1,821	-	-	1,821
Change in fair value of financial instruments entered into to hedge future cash flows	-	-	-	-	1,686	-	1,686
Total comprehensive income for the period	-	-	(271,943)	1,821	1,686	-	(268,436)
Transactions with owners							
Share-based payment	-	-	-	-	-	18,447	18,447
Warrant program exercised	45	-	785	-	-	(185)	645
Cost related to issue of new shares	-	-	(25)	-	-	-	(25)
Transfer regarding restricted stock units	-	241	2,503	-	-	(2,744)	-
Total transactions with owners	45	241	6,595	-	-	12,186	19,067
Equity as of March 31, 2022	704,729	(871)	6,323,560	(28,738)	335	126,283	7,125,298

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 rights issue	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

Notes

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|---|--|
| <ol style="list-style-type: none"> 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 | <ol style="list-style-type: none"> 11. Debt to credit institutions 12. Prepayment from customers 13. Other liabilities 14. Right-of-use assets and lease liabilities 15. Transferred financial assets that are not derecognized 16. Financial instruments 17. Warrants 18. Significant changes in contingent liabilities and other contractual obligations 19. Significant events after the balance sheet date 20. 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, 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	1/1 - 31/3 2022	1/1 - 31/3 2021	1/1-31/12 2021
3. Revenue			
MVA-BN smallpox vaccine sale	123	336,211	733,593
Rabipur/RabAvert	116,739	80,332	505,769
Encepur	69,338	98,480	363,054
Other product sale	44,221	-	260,225
Sale of goods	230,421	515,023	1,862,641
Milestone payments	83,048	-	-
Contract work	6,587	20,230	35,234
Sale of services	89,635	20,230	35,234
Revenue	320,056	535,253	1,897,875
Total revenue includes: Fair value adjustment concerning financial instruments entered into to hedge revenue	-	269	(7,072)
4. Production costs			
Cost of goods sold	111,762	205,411	539,789
Contract costs	2,158	13,486	21,959
Amortization product rights	68,234	68,234	492,877
Other production costs	110,029	90,210	272,935
Production costs	292,183	377,341	1,327,560
5. Research and development costs			
Research and development costs occurred in the period	106,957	135,626	421,118
Of which:			
Contract costs recognized as production costs	(2,158)	(13,486)	(21,959)
Research and development costs	104,799	122,140	399,159
6. Financial income			
Financial income from bank and deposit contracts	149	41	1,739
Interest income from financial assets measured at amortized cost	149	41	1,739
Financial income from securities	4,322	2,291	11,045
Adjustment of deferred consideration due to change in estimated timing of payments	7,274	335	32,185
Currency adjustment deferred consideration	(514)	1,366	1,677
Net foreign exchange gains	7,777	2,879	3,587
Financial income	19,008	6,912	50,233
7. Financial expenses			
Interest expenses on debt	4,511	4,662	18,487
Interest expenses on financial liabilities measured at amortized cost	4,511	4,662	18,487
Fair value adjustments on securities	63,089	14,849	39,056
Unwinding of the discounting effect related to deferred consideration	28,236	28,129	133,573
Net loss on derivative financial instruments at fair value through the income statement	1,691	1,010	-
Financial expenses	97,527	48,650	191,116

DKK thousand	31/3 2022	31/3 2021	31/12 2021
8. Inventories			
Raw materials and supply materials	110,209	74,086	80,243
Work in progress	199,468	60,044	79,904
Manufactured goods and commodities	466,835	450,329	492,837
Write-down on inventory	(172,941)	(31,628)	(172,941)
Inventories	603,570	552,831	480,043
Write-down on inventory 1 January	(172,941)	(63,537)	(63,537)
Write-down during the period	-	(2,451)	(171,643)
Use of write-down	-	34,360	62,239
Write-down end of period	(172,941)	(31,628)	(172,941)
9. Trade receivables			
Trade receivables from smallpox vaccine sale	123	12,011	78,218
Trade receivables from Encepur and Rabipur/RabAvert	164,389	138,725	162,546
Trade receivables from other product sale	30,281	-	137,731
Trade receivables from milestone payments	83,753	-	-
Trade receivables from contract work	6,850	8,451	3,129
Trade receivables	285,396	159,187	381,624
10. Other receivables			
Receivable VAT and duties	29,304	18,216	55,973
Derivative financial instruments at fair value	335	-	191
Interest receivables	6,523	5,199	10,353
Other receivables	-	1	-
Other receivables	36,162	23,416	66,517
11. Debt to credit institutions			
Mortgage	20,529	22,703	21,074
European Investment Bank (loan in DKK)	372,195	372,195	372,195
Security lending (repo transactions)	500,000	-	500,000
Debt to credit institutions	892,724	394,898	893,269
12. Prepayment from customers			
Prepayments from customers as of January 1	16,904	74,347	74,347
Prepayments received during the period	103,511	-	33,850
Recognized as revenue during the period	-	(1,656)	(91,293)
Prepayments from customers end of period	120,415	72,691	16,904
13. Other liabilities			
Financial instruments at fair value	863	13,764	1,351
Liability relating to phantom shares	4,036	16,246	23,917
Payable salaries, holiday accrual etc.	63,003	67,722	68,491
Gross to net deduction accrual	71,212	24,261	37,134
Other accrued costs	16,556	24,225	20,101
Other liabilities	155,670	146,218	150,994

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	-	2,456	-	2,456
Modifications	5,067	1,066	-	6,133
Disposals	(2,412)	-	-	(2,412)
Depreciations	(4,943)	(552)	(125)	(5,620)
Reversal depreciations	909	-	-	909
Exchange rate adjustments	67	13	(1)	79
Right-of-use assets as of March 31, 2022	71,714	4,725	949	77,388

Lease liabilities

DKK thousand	31/3 2022
Non-current	57,382
Current	22,922
Lease liabilities	80,304

Amounts included in the income statement

DKK thousand	1/1 - 31/3 2022
Interest expense leases	493
Depreciation recognized on right-of-use assets	5,620
Cost recognized for short term leases (less than 12 months)	55

In the first three months of 2022 the total cash outflow relating to lease was DKKt 5.179 split between interests of DKKt 493 and repayment of DKKt 4,686.

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	31/3 2022	31/3 2021	31/12 2021
Carrying amount of transferred securities	497,575	-	498,534
Carrying amount of associated liabilities (repo transactions)	(500,000)	-	(500,000)
Net position	(2,425)	-	(1,466)

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 March 31, 2022

DKK thousand	Level 1	Level 2	Total
Securities	2,548,128	-	2,548,128
Transferred securities that are not derecognized	497,575	-	497,575
Financial assets measured at fair value through the income statement	3,045,703	(231)	3,045,472
Derivative financial instruments to hedge future cash flow (interest)	-	335	335
Financial assets/liabilities used as hedging instruments	-	335	335
Derivative financial instruments at fair value through the income statement (currency)	-	(863)	(863)
Security lending (repo transactions)	(500,000)	-	(500,000)
Liability relating to phantom shares	-	(4,036)	(4,036)
Financial liabilities measured at fair value through the income statement	(500,000)	(4,899)	(504,899)

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
Financial assets measured at fair value through the income statement	3,124,795	191	3,124,986
Derivative financial instruments to hedge future cash flow (currency)	-	(646)	(646)
Derivative financial instruments to hedge future cash flow (interest)	-	(705)	(705)
Financial assets/liabilities used as hedging instruments	-	(1,351)	(1,351)
Liability relating to phantom shares	-	(23,917)	(23,917)
Financial liabilities measured at fair value through the income statement	-	(23,917)	(23,917)

17. Warrants**Outstanding warrants as of March 31, 2022**

	Outstanding as of January 1	Addition during the period	Warrants exercised	Annulled	Terminated	Transferred	Outstanding as of March 31
Corporate Management	743,346	-	-	-	(73,445)	-	669,901
Other Executive Management	418,163	-	-	-	-	(174,070)	244,093
Other employees	1,880,363	-	(4,542)	(8,397)	(4,216)	(65,810)	1,797,398
Resigned employees	314,612	-	-	-	-	239,880	554,492
Total	3,356,484	-	(4,542)	(8,397)	(77,661)	-	3,265,884
Weighted average exercise price	145		142	313	206	-	144
Weighted average share price at exercise			166				
Numbers of warrants which can be exercised as of March 31, 2022							734,825
at a weighted average exercise price of DKK							219

The total recognized cost of the warrant programs was DKK 14.3 million in the first three months of 2022 (DKK 10.5 million).

Specification of parameters for Black-Scholes model

DKK	Jul 2017	Nov 2017	Nov 2018	Nov 2019	Jan 2020	Nov 2020	Nov 2021
Average share price	383.50	259.50	159.00	154.05	171.20	179.84	307.20
Average exercise price at grant	430.40	303.00	179.60	185.40	197.00	206.82	353.06
Average exercise price determined at date of rights issue March 30, 2020 (DKK)	340.40	239.60	142.00	146.60	155.80	-	-
Applied volatility rate	44.1%	52.4%	53.3%	52.2%	53.0%	39.8%	41.8%
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.	-0.46%	-0.55%	-0.43%	-0.69%	-0.65%	-0.66%	-0.53%
Fair value at grant ¹⁾	98	80	52	45	53	41	76

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

¹⁾ 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 April 20, Bavarian Nordic announced the initiation of a global Phase 3 clinical trial of MVA-BN RSV against respiratory syncytial virus (RSV) in older adults.

On May 5, Bavarian Nordic reported Omicron data from the Phase 2 trial of ABNCoV2, the COVID-19 booster vaccine candidate.

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 May 9, 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 March 31, 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 March 31, 2022, and the results of the group’s activities and cash flows for the period January 1 to March 31, 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, May 9, 2022

Corporate Management:



Paul John Chaplin
President & CEO

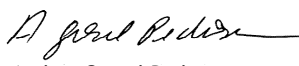


Henrik Juuel
Executive Vice President & CFO

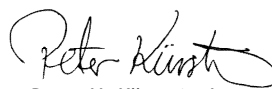
Board of Directors:



Gerard W.M. van Odijk
Chairman of the Board



Anders Gersel Pedersen
Deputy Chairman



Peter H. Kürstein-Jensen




Frank A.G.M. Verwiel



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