



Bavarian Nordic to Acquire Portfolio of Travel Vaccines from Emergent BioSolutions

- Adds two revenue-generating vaccines for the prevention of cholera and typhoid fever that will establish Bavarian Nordic as a global leader in travel vaccines
- Broadens development pipeline with a late-stage Chikungunya vaccine candidate with significant synergistic market opportunity in areas with a high unmet medical need
- Expands manufacturing footprint and flexibility with facility in Switzerland and adds research competences with facility in San Diego, CA
- Total acquisition price of up to USD 380 million, including an upfront payment of USD 270 million
- Conference call today at 2:00 PM CET

COPENHAGEN, Denmark, February 15, 2023 - Bavarian Nordic A/S (OMX: BAVA) announced today that it has entered into an agreement with Emergent BioSolutions Inc. (NYSE: EBS) (“Emergent”) to acquire two marketed travel vaccines, Vivotif® for the prevention of typhoid fever and Vaxchora® against cholera as well as a Phase 3 vaccine candidate for the prevention of Chikungunya virus for a total consideration of up to USD 380 million, including USD 270 million in an upfront payment and up to USD 110 million in future conditional milestone payments. The acquisition also includes facilities and key personnel related to the acquired assets.

Upon closing of the transaction, Bavarian Nordic will acquire:

- Vivotif® (Typhoid Vaccine Live Oral Ty21a), the only oral vaccine licensed by the U.S. Food and Drug Administration (FDA) for the prevention of typhoid fever, a potentially severe and life-threatening infection caused by the bacterium *Salmonella typhi*. The vaccine is also approved in Europe and is marketed in more than 25 countries.
- Vaxchora® (Cholera Vaccine Live Oral), the only FDA-licensed vaccine for the prevention of cholera caused by *Vibrio cholerae* serogroup O1, a potentially serious intestinal disease. The vaccine is also approved in Europe and is marketed in more than 25 countries.
- A late-stage vaccine candidate targeting Chikungunya with expected Phase 3 read-out in the second half of 2023 and projected launch in 2025. The vaccine has a highly competitive profile in an area with a high unmet medical need.
- US-based research and development facilities related to the development of the Chikungunya vaccine, a Swiss-based biologics manufacturing facility, and EU/US-based commercial operations with a specialty salesforce.

“This acquisition adds not only to our commercial portfolio and reinforces our leading position in travel vaccines, but it also strengthens our pipeline with a promising late-stage vaccine candidate against Chikungunya, an emerging infectious disease that represents a significant unmet medical need worldwide. Combined, these assets, together with the acquired capabilities within research and development, manufacturing, and commercial, will make a significant contribution to our vision of becoming one of the largest pure-play vaccine companies. Travel vaccines are seeing a rebound after the COVID-19 pandemic and the expanded portfolio allows us to further explore synergies in our commercial presence across key markets. Likewise, the addition of further manufacturing capabilities provides us with greater flexibility and scale in production, as we continue our preparations for the launch of several new products over the next few years,” said Paul Chaplin, President, and Chief Executive Officer of Bavarian Nordic.

Strategic rationale

Bavarian Nordic has a vision to become one of the largest pure-play vaccine companies through organic growth and launch of new products from its R&D pipeline, combined with a selective M&A approach focused on products that fit strategically into the Company’s infectious disease portfolio. Based on the company’s successful track record of growing underprioritized products, the expectations for this acquisition are high.

Through this acquisition, the Company will further expand and diversify its commercial portfolio and development pipeline. The addition of two market-leading, and revenue-generating vaccines against cholera and typhoid fever, which are marketed in more than 25 countries across US and Europe, provides clear commercial synergies to the Company's existing business as travel vaccines are already a major part of the portfolio. This will establish Bavarian Nordic as a global leader in this area.

Furthermore, the acquisition enables expansion of Bavarian Nordic's US commercial sales, marketing, and distribution setup, as well as increased scale in more European markets where the Company is not present today.

Through the acquisition, Bavarian Nordic has also obtained the global rights and R&D know-how to a promising vaccine candidate against Chikungunya, a viral disease which spreads to humans via infected mosquitoes that can cause severely debilitating joint pain. The disease is endemic in many tropic and subtropic countries with increasing prevalence seen over time. There are currently no approved vaccines against Chikungunya, which analysts estimate could represent an annual market worth more than USD 500 million.

Finally, the company will also strengthen its manufacturing capabilities with the acquisition of a biologics facility in Bern, Switzerland, which, in addition to continued seamless manufacturing of the acquired products, enhances the flexibility of the company's manufacturing setup, and provides opportunities for insourcing the production of future commercial products.

Financial implications of the acquisition in 2023

The acquired business is expected to add approximately DKK 200 million to revenue and a loss of approximately DKK 400 million to EBITDA, not included in the previously announced financial guidance for 2023. The expected loss is due to investments in the Chikungunya Phase 3 program and inclusion of necessary one-off integration costs. The financial impact from the acquired business is pending final closing of the transaction and the timing thereof after which the Company will update its full-year guidance.

Terms, closing conditions, and financing

This transaction, which is subject to customary closing conditions, including antitrust regulatory approval, is expected to close in the first half of 2023.

Upon closing of the transaction, Bavarian Nordic will make an upfront payment of USD 270 million to Emergent, which will be financed through a combination of existing cash and proceeds from a private placement via an accelerated bookbuild process in accordance with the current authorization from the Company's shareholders to increase the share capital by up to 10%. The placement is anticipated to be completed during first half of 2023. Equity bridge facility of DKK 1,500 million has been provided by Danske Bank and Nordea.

Emergent is eligible to receive additional payments of up to USD 110 million conditioned upon the achievement of future milestones related to the successful development of the Chikungunya vaccine (USD 80 million) and sales performance of the marketed vaccines (USD 30 million).

Morgan Stanley acted as an advisor in this transaction, while Nordea and Cooley acted as financial and legal advisors respectively.

Conference call and webcast

The management of Bavarian Nordic will host an investor/analyst call today, February 15, 2023, at 2 pm CET (8 am EST) to discuss the acquisition. A listen-only version of the call and presentation slides can be accessed via <https://www.bavarian-nordic.com/investor/events.aspx?event=6674>. Please register in advance to join the Q&A session via <https://register.vevent.com/register/Bl3a2bc86f8e9d4b848818c3e152a77442>.

About Bavarian Nordic

Bavarian Nordic is a fully integrated vaccines company focused on the research and development, manufacturing and commercialization of life-saving vaccines. We are a global leader in smallpox and mpox vaccines, which have been developed through our long-standing partnership with the U.S. Government to enhance public health preparedness. Our commercial product portfolio furthermore contains market-leading vaccines against rabies and tick-borne encephalitis. Using our live virus vaccine platform technology, MVA-BN®, and in-licensed technologies, 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 Phase 3 development programs

for an RSV vaccine for older adults and a next-generation COVID-19 vaccine. 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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