



BAVARIAN NORDIC

Company Announcement

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN OR INTO THE UNITED STATES, CANADA, JAPAN, SOUTH AFRICA, HONG KONG OR AUSTRALIA, EXCEPT AS PERMITTED BY APPLICABLE LAW, OR IN ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION IS UNLAWFUL.

Bavarian Nordic A/S Seeks to Strengthen its Capital Base and Commits to Ambitious Strategy on Promising COVID-19 Vaccine Candidate

COPENHAGEN, Denmark, March 9, 2021 - Bavarian Nordic A/S (OMX: BAVA, OTC: BVNRY) (“Bavarian Nordic” or the “Company”) intends to raise new capital through an offering of new shares (the “New Shares”).

Bavarian Nordic remains committed to the vision of creating one of the largest pure-play vaccine companies by 2025. The creation can be driven by organic as well as acquisitive growth; the latter of which was demonstrated through the acquisition of Rabipur/RabAvert and Encepur. Bavarian Nordic possesses leading capabilities within manufacturing, distribution and marketing of vaccines and believes that the developed know-how can now successfully be applied to the benefit of the battle against the COVID-19 pandemic.

The Board of Directors of Bavarian Nordic has resolved to launch an offering of new shares at market price (the “Offering”). The Offering will begin immediately and will be completed through an accelerated bookbuilding offering of up to 5,830,031 New Shares, representing up to 9.97% of Bavarian Nordic’s registered share capital in a private placement directed at institutional and professional investors in Denmark and certain other jurisdictions.

BACKGROUND FOR THE OFFERING

While great progress has been made in the development of effective COVID-19 vaccines, the durability and breadth of protection against new circulating variants remains unknown. It is also unlikely that COVID-19 can be eliminated and regular booster vaccinations and/or new COVID vaccines will likely be required to reduce the continuing burden of disease in the worldwide population.

Bavarian Nordic’s COVID-19 vaccine candidate, ABNCoV2, has shown to be highly immunogenic in relevant pre-clinical models inducing durable responses equivalent to high convalescent sera from patients that have recovered from COVID-19. The durable and highly protective response has now been confirmed in a pre-clinical NHP challenge study. Coupled with the ease of production and the ability to rapidly adapt the vaccine platform to new potentially more deadly variants, ABNCoV2 looks like a highly promising candidate.

Bavarian Nordic has decided to move the ABNCoV2 project forward by investing in a phase 1/2 clinical trial and to scale up manufacturing in preparation for further clinical development towards licensure. The Phase 2 study will investigate the ability of ABNCoV2 to boost existing immunity through prior infection or vaccination, to create a more durable immune response that could protect against the current circulating variants of COVID-19. In parallel the Company will continue to seek funding to further progress the candidate towards licensure.

The requirement for billions of COVID-19 vaccine doses has highlighted the complexity and a number of bottlenecks in vaccine production and supply and calls for a strategic response among the world’s leading vaccine players. With the excellent capabilities in scientific research, vaccine development and manufacturing know-how, Bavarian Nordic is uniquely positioned to play an active role in the battle against the pandemic and remaining disease burden created by COVID-19. Preserving and enhancing the value of Bavarian Nordic’s 2nd generation vaccine candidate, ABNCoV2, would also support the Company’s ambition to become one of the world’s largest pure-play vaccine companies by 2025.

BAVARIAN NORDIC COULD BRING ONE OF THE LEADING 2ND GENERATION COVID-19 VACCINES TO THE MARKET

The preclinical data for Bavarian Nordic/AdaptVac's COVID-19 vaccine - ABNCoV2 cVLP has been published in the peer reviewed Journal Nature Communications and showed after the first immunization with the ABNCoV2 vaccine results which is at least on par, and in most cases better, than what is observed with other vaccine technologies for COVID-19. Indications of a very strong immune response from the ABNCoV2 vaccine could potentially result in sustained efficacy even with new virus strains emerging, which may put ABNCoV2 at an advantage compared to other vaccines already approved or in late stages of clinical trials.

Clinical Phase 1/2 trials in humans are planned to be initiated 12 March 2021 with 42 test subjects and no elderly above 65 years to be included. Results are expected by the end of June 2021. While still seeking funding for the further development of the vaccine candidate, Bavarian Nordic commits to finance another regulatory phase 2 clinical study and upscaling of manufacturing. Bavarian Nordic will seek separate additional funding for a potential phase 3 trial.

USE OF PROCEEDS

The use of proceeds are intended for:

- 1) Funding of a phase 2 clinical study and scale-up of manufacturing to accommodate potential future clinical development to support licensure of Bavarian Nordic's COVID-19 vaccine candidate ABNCoV2, in-licensed from AdaptVac. Initially, only a smaller share of the total proceeds raised would be committed and deployed towards funding ABNCoV2 as the company continue seeking external funding; and
- 2) Continued strengthening of the Company's manufacturing capabilities, to increase agility and flexibility with respect to potential opportunities where Bavarian Nordic may produce vaccines on behalf of third parties, e.g. COVID-19 vaccines; and
- 3) Ensuring the strategic flexibility necessary to pursue an active M&A strategy, enabling the Company to react swiftly on new opportunities which the Company believe could arise in the market; and
- 4) A strengthening of the Company's capital base and cash preparedness (general corporate purposes).

THE OFFERING

The Offering will be made pursuant to applicable exemptions from the obligation to publish a prospectus to eligible institutional investors in Denmark and in certain other jurisdictions at market price and without pre-emption rights for the Company's existing shareholders. The Offering is not underwritten.

Books will open immediately and will close today. The offer price will be determined after the close of the accelerated bookbuilding process. The final pricing and number of the New Shares are expected to be announced as soon as practically possible thereafter.

Bavarian Nordic has in connection with the Offering, agreed to undertake a lock-up commitment for 180 calendar days following settlement of the Offering (subject to certain exceptions). In addition, members of Bavarian Nordic's board of directors and executive management have in connection with the Offering, agreed to undertake a lock-up commitment for 90 calendar days following settlement of the Offering (subject to certain exceptions).

NEW SHARES

The decision to launch an offering of up to 5,830,031 New Shares, of a nominal value of DKK 10 each, in a directed issue is made pursuant to Article 5a(2) in Bavarian Nordic's Articles of Association pursuant to which the Board of Directors is authorised to make share capital increases without pre-emption rights for the existing shareholders at market price.

The New Shares will rank pari passu in all respects with existing shares in Bavarian Nordic. The New Shares will be negotiable instruments, and no restrictions will apply to their transferability. No shares, including the New Shares, carry or will carry any special rights. Rights conferred by the New Shares, including voting rights and dividend rights, will apply from the time when the capital increase is registered with the Danish Business Authority. The New Shares must be registered in the name of the holder in the Company's register of shareholders.

The New Shares will be issued under the temporary ISIN code DK0061535853. No application for admission to trading and official listing has been, or will be, filed for the New Shares issued under the temporary ISIN code, and the temporary ISIN code will only be registered with VP Securities A/S for subscription of the New Shares. The temporary ISIN code in VP Securities A/S will be merged with the permanent ISIN code for the existing shares, DK0015998017, as soon as possible following registration of the share capital increase with the Danish Business Authority. The New Shares are expected to be admitted to trading and official listing on Nasdaq Copenhagen A/S on or around 15 March 2021.

The admission to trading and official listing of the New Shares is subject to the Offering not being withdrawn prior to the settlement of the Offering and the Company making an announcement to that effect.

SETTLEMENT

The Offering will be settled through VP Securities by way of book entry against cash payment.

JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS

Danske Bank A/S, Jefferies International Limited, Jefferies GmbH and Nordea Danmark, filial af Nordea Bank Abp, Finland are acting as Joint Global Coordinators and Joint Bookrunners in connection with the Offering (jointly the "Joint Global Coordinators and Joint Bookrunners").

EXPECTED TIMETABLE FOR THE OFFERING

<u>Date</u>	<u>Event</u>
Expected Tuesday 9 March 2021	Launch, pricing and allocation
Expected Tuesday 9 March 2021	Announcement of the results of the Offering
Expected Friday 12 March 2021	Settlement and payment for the New Shares
Expected Friday 12 March 2021	Registration of the capital increase with the Danish Business Authority
Expected Monday 15 March 2021	Admission to trading and official listing of the New Shares on Nasdaq Copenhagen A/S

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. Strategic National Stockpile 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 Janssen. 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.

Contacts

Europe: Rolf Sass Sørensen, Vice President Investor Relations, Tel: +45 61 77 47 43

US: Graham Morrell, Paddock Circle Advisors, graham@paddockcircle.com, Tel: +1 781 686 9600

Company Announcement no. 04 / 2021

DISCLAIMER

This company announcement contains forward-looking statements. These statements are not guarantees of future performance and involve certain risks and uncertainties, in particular this announcement should not be construed as a confirmation neither that the Offering will complete, nor of the deal size or the price. Therefore, actual future results and trends may differ materially from what is forecast in this report due to a variety of factors.

This announcement is intended for the sole purpose of providing information. Persons needing advice should consult an independent financial adviser. This announcement does not constitute an investment recommendation.

This announcement is not for release, publication or distribution, in whole or in part, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia, the "United States"), Canada, Japan, South Africa, Hong Kong or Australia, except as permitted by applicable law, or any other jurisdiction in which such publication or distribution is unlawful.

This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States, Canada, Japan, South Africa, Hong Kong, Australia or any other jurisdiction in which such offers or sales are unlawful (the “Excluded Territories”). Any failure to comply with this may constitute a violation of US, Canadian, Japanese, South African, Hong Kong or Australian securities laws or the securities laws of other states as the case may be.

The securities referred to in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or under the securities laws of any state of the United States, and may not be offered, sold, resold or delivered, directly or indirectly, in or into the United States absent registration except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Subject to certain limited exceptions, the securities referred to in this announcement are being offered and sold only outside the United States. The securities offered in connection with the offering have not been and will not be registered under any applicable securities laws of any state, province, territory, county or jurisdiction of the Excluded Territories. Accordingly, such securities may not be offered, sold, resold, taken up, exercised, renounced, transferred, delivered or distributed, directly or indirectly, in or into the Excluded Territories or any other jurisdiction if to do so would constitute a violation of the relevant laws of, or require registration of such securities in, the relevant jurisdiction. There will be no public offer of securities in the United States or elsewhere.

This announcement is not a prospectus and has been prepared on the basis that any offers of securities referred to herein in any member state of the European Economic Area will be made pursuant to an exemption under Regulation (EU) 2017/1129 on prospectuses (the “Prospectus Regulation”). The information set forth in this announcement is only being distributed to, and directed at, persons in member states of the European Economic Area who are qualified investors (“Qualified Investors”) within the meaning of the Prospectus Regulation.

This announcement and any offer subsequently made is, and will be, addressed to and directed only at persons, in the United Kingdom, who are (a) both “qualified investors” within the meaning of the UK version of the EU Prospectus Regulation (2017/1129/ EU) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 and either (i) persons 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 (the “Order”) or (ii) who are high net worth entities falling within Article 49 of the Order; or (b) other persons to whom it may otherwise lawfully be communicated (all such persons under (a) and (b) together being referred to as “Relevant Persons”). Any investment or investment activity to which this document relates is available in the United Kingdom only to Relevant Persons.

This information must not be acted or relied on by, and any investment activity to which this information relates is not available to and may not be engaged with, persons (i) in any member state of the European Economic Area or the United Kingdom who are not Qualified Investors, and (ii) in the United Kingdom who are not Relevant Persons.

No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Bavarian Nordic or by any of its affiliates or agents, or the Joint Global Coordinators or Joint Bookrunners, as to or in relation to, the accuracy, completeness or sufficiency of this announcement or any other written or oral information made available to or publicly available to any interested party or its advisers in connection with the Company's New Shares and/or the private placement referred to herein, and any liability therefore is expressly disclaimed.

The Joint Global Coordinators and Joint Bookrunners and each of their affiliates are acting exclusively for Bavarian Nordic A/S 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 A/S 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.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“MiFID II”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “MiFID II Product Governance Requirements”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Bavarian Nordic A/S have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “Target Market Assessment”). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in

Bavarian Nordic A/S may decline and investors could lose all or part of their investment; the shares in Bavarian Nordic A/S offer no guaranteed income and no capital protection; and an investment in the shares in Bavarian Nordic A/S is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the contemplated share issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Danske Bank A/S, Jefferies International Limited, Jefferies GmbH and Nordea Danmark, filial af Nordea Bank Abp, Finland will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Bavarian Nordic A/S. Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Bavarian Nordic A/S and determining appropriate distribution channels.