

# *Remuneration Report 2021*



BAVARIAN NORDIC

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## About the report

This Remuneration Report (the “Report”) provides an overview of the total remuneration received by each member of the Board of Directors (the “Board”) and of the Executive Management of Bavarian Nordic A/S, CVR no. 16271187, (“Bavarian Nordic” or the “Company”) during the 2021 financial year from the Group. The Executive Management consists of executives registered with the Danish Business Authority, namely President and CEO Paul Chaplin and Chief Financial Officer, Henrik Juul.

The Report has been prepared in accordance with section 139b of the Danish Companies Act and the European Commission Guidelines on the standardized presentation of the Remuneration Report under the Shareholder Rights Directive (SRD) (Directive 2007/36/EC), as amended by SRD II (Directive (EU) 2017/828) as regards the encouragement of long-term shareholder engagement.

The information provided in the Report has primarily been derived from the audited annual reports of the Company for the financial years 2019-2021, all available on the Company’s website, [www.bavarian-nordic.com](http://www.bavarian-nordic.com)

## Advisory vote on the Remuneration Report

According to the requirements under section 139b of the Danish Companies Act, the Remuneration Report will be subject to an advisory vote at the Company’s Annual General Meeting in 2022. Likewise, the Remuneration Report for 2020 was dealt with at the Annual General Meeting in 2021, where it was approved without comments relevant to the preparation of the current Remuneration Report.

# Introduction

## Remuneration Policy and objectives

The remuneration principles for the Board and Executive Management are governed by the [Remuneration Policy](#), which has been approved by the Company's shareholders.

The objective of the remuneration principles for the Board and Executive Management is to contribute to the Company's business strategy, long-term interests and sustainability by supporting the Company's abilities to recruit, retain and motivate competent and loyal members to the Board and Executive Management. The remuneration must be competitive and comparable to remuneration in comparable Danish and international enterprises.

In the establishment of the principles for the remuneration of Board and Executive Management, the salary and employment conditions of the employees of the Company were taken into account to ensure that the remuneration of the Board and the Executive Management in general does not reach an unintended level.

In 2021, the Remuneration Policy was amended to the extent that the chair of each board committee's fee was increased from 1.5 times to 2 times the fee of the ordinary board committee members. No other changes were made to the policy that was approved by the Company's shareholders at the Annual General Meeting on April 20, 2021.

The remuneration of members of the Board and the Executive Management for the 2021 is consistent with the scope of the Remuneration Policy. There has been no deviation or derogation from the framework provided by the Remuneration Policy.

## Nomination and Compensation Committee

The Board has established a [Nomination and Compensation Committee](#) to assist the Board with all matters related to establishing, implementing, and executing the principles set out in the Remuneration Policy as well as assisting with the preparation of the Remuneration Report. The committee consists of four members, appointed for a one-year term. The members are: Gerard van Odijk (Chair), Anders Gersel Pedersen, Frank Verwiël and Peter Kürstein.

The work of the committee is governed by a charter, which can be found along a description of its key activities during 2021 on the Company's website.

## Financial performance and business progress

Despite continued significant impact from COVID-19 due to travel restrictions, which had an adverse impact on sales of the two acquired vaccines, Encepur and Rabipur, the financial result for 2021 was in line with the Company's most recent guidance. Revenue was DKK 1,898 million (2020: DKK 1,852 million) and EBITDA was DKK 75 million (2020: DKK 740 million). The market uncertainty had been reflected in the original guidance with intervals for revenues and EBITDA, which, as the year progressed was adjusted to the lower range as market conditions remained challenged by COVID-19. In December, the EBITDA guidance was further slightly lowered to DKK 70 million, as preparations for the Phase 3 trial of the RSV vaccine candidate were intensified.

The execution of the commercial strategy and the integration plan for our two acquired vaccines has remained an important focus area in 2021. The physical distribution of the products was fully assumed during the year, and work continued to expand the production facility as part of the ongoing transfer of the manufacturing process for both vaccines.

Also, in research and development, the Company has maintained a high activity level, partly as it decided to invest in a larger Phase 2 study of the in-licensed COVID-19 vaccine candidate and initiate preparations for a Phase 3 registration study in 2023. The Phase 3 study will be supported through a funding agreement with the Danish Ministry of Health. Furthermore, after demonstrating encouraging results in a human challenge trial of the RSV vaccine candidate, the Company announced its plans to conduct a self-funded Phase 3 study in 2022.

To support the advancement of the COVID-19 and RSV vaccine candidates, the Company raised more than DKK 2.8 billion in proceeds during two capital increases, that were conducted in March and December, both directed towards institutional investors. This has provided the Company a strong capital base for pursuing two market opportunities with significant potential to fulfil its ambitions to become one of the world's largest pure play vaccines companies.

The organization has continued to grow in 2021 with a 10% increase in the workforce, mainly to support the increased manufacturing activities.

Remuneration of the Board in 2021 increased by 38% to a total of DKK 7,152 million (2020: 5.175 million), primarily attributed to the increase of the Board from seven to eleven members, which was due to employee-elected members joining the Board for the first time.

Remuneration of Executive Management totalled DKK 26.1 million in 2021 (2020: DKK 22.4 million) representing an increase of 16%.

# Remuneration of the Board of Directors

## Remuneration principles

Members of the Board receive a fixed fee consisting of cash and restricted stock units (RSUs), reimbursement of certain expenses and an overseas-travel fee or a fixed attendance fee.

Members of the board committees receive an additional cash fee.

In 2021, the cash fee for board membership was DKK 300,000. The Chair and Deputy chair receive a fee that is two and a half (2.5) times and one and a half (1.5) time the cash fee respectively. In addition, RSUs with a value equivalent to 50% of the cash fee are granted, cf. table 1. RSUs have a vesting period of three years after the date of grant.

The cash fee for ordinary members in board committees was DKK 100,000 per committee in 2021. The chair of each board committee's fee is two (2) times the fee of the ordinary board committee members.

The remuneration of the Board for 2021 was approved at the Annual General Meeting on April 20, 2021. The fixed fees to the Board and the Board committees and the attendance fee rates were unchanged compared to 2020. The fees to the chairs of the committees were raised from one and a half (1.5) time the committee fee to two (2) times the committee fee.

**Table 1 – Board fees in 2021**

DKK thousand	Board		Committees		
	Cash	Restricted Stock Units	Finance, Risk and Audit	Nomination and ompensation	Science, Technology and Investment
Member	300	150	100	100	100
Vice chair	450	225	N/A	N/A	N/A
Chair	750	375	200	200	200

## Remuneration 2021

**Table 2 – Remuneration of the Board in 2020**

DKK thousand	Board and committee fees	RSU fee	Attendance fees <sup>1</sup>	2021	2020
				Total	Total <sup>2</sup>
Gerard van Odijk, Chair	1,050	375	5	1,430	1,325
Anders Gersel Pedersen, Deputy chair	650	225	5	880	830
Erik G. Hansen	500	150	15	665	640
Peter Kürstein	500	150	10	660	610
Frank Verwiel	500	150	32	682	600
Elizabeth McKee Anderson	500	150	-	650	575
Anne Louise Eberhard	500	150	15	665	595
Linette M. Andersen (employee-elected)	225	150	5	380	-
Thomas A. Bennekov (employee-elected)	225	150	5	380	-
Anja Gjøøl (employee-elected)	225	150	5	380	-
Karen M. Jensen (employee-elected)	225	150	5	380	-
<b>Total</b>	<b>5,100</b>	<b>1,950</b>	<b>102</b>	<b>7,152</b>	<b>5,175</b>

<sup>1</sup> Attendance fees in 2021 and 2020 have been significantly lower than normal, as most Board and committee meetings were held as virtual meetings due to COVID-19.

<sup>2</sup> Until 2021 there was no employee-elected members of the Board. Four employees were elected during 2021 and joined the Board after the Annual General Meeting in April 2021.

The disclosed remuneration for Board members excludes reimbursed expenses that Board members have incurred in connection with board meetings, such as travel and accommodation, but includes attendance fees.

The attendance fee in 2021 was unchanged, DKK 5,000 per meeting (for Board members required to travel overseas to participate in a meeting, the attendance fee was USD 5,000).

## RSU overview

**Table 3 – Board member RSU holdings and details**

	Program	Grant date	Vesting date	No of instru- ments beginning of 2021	No of instru- ments granted 2021	No of instru- ments vested 2021	No of instru- ments end of 2021	Share price at grant (DKK)	Value at grant (mDKK)	Value at vesting (mDKK)	Value at year-end 2021 (mDKK)
Gerard van Odijk, Chair	RSU 2018	April 2018	April 2021	2,709	-	2,709	-	175	0.4	0.8	-
	RSU 2019	April 2019	April 2022	3,429	-	-	3,429	138	0.4	-	0.9
	RSU 2020	June 2020	June 2023	1,976	-	-	1,976	190	0.4	-	0.5
	RSU 2021	April 2021	April 2024	-	1,372	-	1,372	273	0.4	-	0.4
Anders Gersel Pedersen, Deputy chair	RSU 2018	April 2018	April 2021	-	-	1,625	-	175	0.2	0.5	-
	RSU 2019	April 2019	April 2022	2,056	-	-	2,056	138	0.2	-	0.6
	RSU 2020	June 2020	June 2023	1,185	-	-	1,185	190	0.2	-	0.3
	RSU 2021	April 2021	April 2024	-	823	-	823	273	0.2	-	0.2
Erik G. Hansen	RSU 2018	April 2018	April 2021	-	-	1,083	-	175	0.2	0.3	-
	RSU 2019	April 2019	April 2022	1,371	-	-	1,371	138	0.2	-	0.4
	RSU 2020	June 2020	June 2023	790	-	-	790	190	0.2	-	0.2
	RSU 2021	April 2021	April 2024	-	548	-	548	273	0.2	-	0.1
Peter Kürstein	RSU 2018	April 2018	April 2021	-	-	1,083	-	175	0.2	0.3	-
	RSU 2019	April 2019	April 2022	1,371	-	-	1,371	138	0.2	-	0.4
	RSU 2020	June 2020	June 2023	790	-	-	790	190	0.2	-	0.2
	RSU 2021	April 2021	April 2024	-	548	-	548	273	0.2	-	0.1

## RSU overview (continued)

	Program	Grant date	Vesting date	No of instru- ments beginning of 2021	No of instru- ments granted 2021	No of instru- ments vested 2021	No of instru- ments end of 2021	Share price at grant (DKK)	Value at grant (mDKK)	Value at vesting (mDKK)	Value at year-end 2021 (mDKK)
Frank Verwiël	RSU 2018	April 2018	April 2021	-	-	1,083	-	175	0.2	0.3	-
	RSU 2019	April 2019	April 2022	1,371	-	-	1,371	138	0.2	-	0.4
	RSU 2020	June 2020	June 2023	790	-	-	790	190	0.2	-	0.2
	RSU 2021	April 2021	April 2024	-	548	-	548	273	0.2	-	0.1
Elizabeth McKee Anderson	RSU 2018	April 2018	April 2021	-	-	1,083	-	175	0.2	0.3	-
	RSU 2019	April 2019	April 2022	1,371	-	-	1,371	138	0.2	-	0.4
	RSU 2020	June 2020	June 2023	790	-	-	790	190	0.2	-	0.2
	RSU 2021	April 2021	April 2024	-	548	-	548	273	0.2	-	0.1
Anne Louise Eberhard	RSU 2019	April 2019	April 2022	1,371	-	-	1,371	138	0.2	-	0.4
	RSU 2020	June 2020	June 2023	790	-	-	790	190	0.2	-	0.2
	RSU 2021	April 2021	April 2024	-	548	-	548	273	0.2	-	0.1
Linette M. Andersen (employee-elected)	RSU 2021	April 2021	April 2024	-	548	-	548	273	0.2	-	0.1
Thomas A. Bennekov (employee-elected)	RSU 2021	April 2021	April 2024	-	548	-	548	273	0.2	-	0.1
Anja Gjøøl (employee-elected)	RSU 2021	April 2021	April 2024	-	548	-	548	273	0.2	-	0.1
Karen M. Jensen (employee-elected)	RSU 2021	April 2021	April 2024	-	548	-	548	273	0.2	-	0.1



## Board shareholdings

There are no shareholding requirements for members of the Board. However, with a view to aligning the interests of the Company's shareholders and the Board, part of the fixed fee for members of the Board consists of restricted stock units (RSUs) as shown in table 3, which have a three-year vesting period from the time of grant.

**Table 4 – Board member shareholdings**

	Holding as of January 1, 2021	Additions during the year	Holding as of December 31, 2021
Gerard van Odijk	25,298	2,709	28,007
Anders Gersel Pedersen	13,278	1,625	14,903
Erik Gregers Hansen	61,718	1,083	62,801
Peter Kürstein	16,768	1,083	17,851
Frank Verwiel	518	1,083	1,601
Elizabeth McKee Anderson	518	1,083	1,601
Anne Louise Eberhard	-	-	-
Linette M. Andersen (employee-elected)	-	-	-
Thomas A. Bennekov (employee-elected)	-	1,313	1,313
Anja Gjøøl (employee-elected)	-	-	-
Karen M. Jensen (employee-elected)	139	-	139

# Remuneration of the Executive Management

## Remuneration principles

Members of the Executive Management are entitled to an annual remuneration in accordance with the Remuneration Policy which may consist of the following fixed and variable remuneration components:

In addition, the Remuneration Policy contains provisions for post-employment compensation.

## Claw back

Variable remuneration in the form of cash bonus or share-based incentives (including restricted stock units, matching shares and warrants) may be subject to recovery or "claw back" by the Company, provided the variable remuneration was paid on the basis of data which the Board subsequently finds to have been incorrect and provided this is in accordance with Danish law.

No recovery of variable remuneration occurred during 2021.

Component	Description
<i>Base wage</i>	Fixed annual salary
<i>Pension</i>	Pension contribution, 14% of base wage
<i>Short-term incentives (STI)</i>	<p>Cash bonus linked to specific and measurable short-term results The maximum cash bonus corresponds to six months' base wage.</p> <p>In exceptional cases, separate agreements may be entered, which can result in payment of a bonus of up to an additional one year's base wage.</p> <p>The cash bonus may, at the discretion of the Board, be deferred in full or in part by conversion into restricted stock units (RSUs). In such case, matching shares corresponding to 50% of the RSUs are granted free of charge as compensation for deferral of the bonus.</p>
<i>Long-term incentives (LTI)</i>	<p>Share-based incentive to promote long-term goals, strategies, and sustainability. Granted as warrants free of charge with a vesting period of minimum three years. The maximum grant corresponds to one year's base wage, at the time of grant.</p> <p>In exceptional cases, separate agreements may be entered, which can result in grant of warrants with a value up to an additional one year's base wage, at the time of grant.</p>
<i>Other benefits</i>	Company car, relocation expenses, housing allowance and certain other benefits

### **Termination agreements etc.**

Contracts with members of Executive Management are open ended until the age of 70 years for the CEO. The termination period on the part of the Company is 18 months towards the CEO and may be prolonged to up to 24 months in case of change of control situations, and periods during which severance payment can be made may be up to 12 months, provided, however, that the total period for payment of termination pay and severance pay may not exceed 24 months. The termination period on the part of the Company is 8 months towards the CFO, and periods during which severance payments can be made equal a lump sum of additional 4 months base salary. The termination periods on the part of the Executive Management towards the Company are 6 months for the CEO and 3 months for the CFO. If the CEO passes away during his employment, the Company shall pay salary for the remaining month plus 12 additional months post-employment benefit to the CEO's cohabiting spouse/partner and secondarily to the Executive's children.

## Remuneration 2021

The remuneration level of the Executive Management, including the composition and balancing of remuneration components, is assessed on an ongoing basis, taking into account remuneration in other Danish and international enterprises which the Company naturally compares to.

A benchmark performed in 2021 against all companies in the Danish C25 index showed that the total remuneration of the Executive Management in Bavarian Nordic (2020 levels) was in the lower quartile.

**Table 5 – Executive Management remuneration in 2021**

DKK thousand	Fixed remuneration					Variable remuneration						Total		
	Salary	Pension	Other benefits	Total	%	Bonus cash <sup>1</sup>	Bonus RSU <sup>2</sup>	RSU matching shares <sup>3</sup>	Warrants <sup>4</sup>	Total	%	Total 2021	Total 2020	Total 2019
Paul Chaplin, CEO	5,577	781	528	6,886	38%	1,364	1,364	682	7,997 <sup>6</sup>	11,407	62%	18,293	14,616 <sup>5</sup>	11,925 <sup>5</sup>
Henrik Juuel, CFO	3,084	423	150	3,657	47%	704	704	352	2,424	4,184	53%	7,841	7,819	6,428
<b>Total</b>				<b>10,543</b>	<b>40%</b>					<b>15,591</b>	<b>60%</b>	<b>26,134</b>	22,435	18,353

<sup>1</sup> Bonus related to current year's performance – paid out in the following year.

<sup>2</sup> Bonus related to current year's performance – granted as RSU in the following year.

<sup>3</sup> 50% matching shares related to granted RSU for achieved bonus.

<sup>4</sup> Value of granted warrants during the year.

<sup>5</sup> Total remuneration for 2020 and 2019 has been adjusted upward by DKK 726 thousand and DKK 119 thousand respectively, which relates to pension contribution for Paul Chaplin in accordance with pension agreement from November 2019. The amounts have been paid out in 2021.

<sup>6</sup> As announced in the Company's Q3 report in November 2021, and in accordance with the Remuneration Policy, a retention scheme was introduced for Paul Chaplin involving additional warrants in 2021, corresponding to 50% of the base salary, warrants or RSUs in 2022 corresponding to 50% of his base salary and a cash bonus in 2024 corresponding to one year's base salary (2021 level).

## Short-term incentive (STI) program

To promote specific and measurable results within the business area and business strategy within a short timeline, incentive remuneration in the form of cash bonus is offered to the Executive Management. Such results may be linked to inter alia financial, non-financial, operational and/or strategic performance criteria targets. The performance criteria and related bonus targets are set by the Board in the fourth quarter for the following year but can, in exceptional cases, be linked to targets, which extend over a longer period of time, e.g. to contribute to the Company's business strategy, long-term interests and/or sustainability.

The maximum cash bonus that can be achieved corresponds to six months' basic wage. The size of the bonus is determined annually by measuring the achievement of the performance criteria set by the Board on the basis of the financial results and other key strategic objectives delivered during the year

The performance criteria for 2021 and the level of achievement are explained in table 6.

From 2022 and onwards, targets linked to environment, social and governance (ESG) matters will be presented and weighted separately from other, non-financial and operational targets.

The Board has decided to defer for three years 50% of the payment of the cash bonus, converting the bonus into restricted stock units (RSUs). In compensation, the members of the Executive Management will receive a premium of 50% of the deferred bonus by grant of additional RSUs free of charge on expiry of the three years (so-called "matching shares").

**Table 6 - Short-term incentive program – performance in 2021**

	Paul Chaplin CEO	Henrik Juuel CFO	
<b>Value driver and performance measures</b>	Weight	Weight	Score
<b>Financial Targets</b>			
Revenue, EBITDA and cash compared to target	30%	30%	83%
<b>Key strategic business and leadership targets</b>			
<ul style="list-style-type: none"> <li>Recruit and retain key talent and develop the organization to support the commercial transformation</li> <li>Perform organizational review and continue improvement of employee engagement</li> <li>Revisit growth strategy to deliver on the 2025 vision to become one of the largest pure play vaccine companies</li> <li>Secure strong support from key players in equity markets</li> <li>Complete RSV Phase 2 human challenge trial in Q3</li> <li>Continue preparations for RSV Phase 3 trial</li> <li>Deliver first commercial supply of products from fill and finish facilities</li> <li>Advance the development of freeze-dried smallpox formulation</li> <li>Progress manufacturing technology transfer of Rabipur/RabAvert and Encepur according to plan</li> <li>Complete distribution transfer of Rabipur/RabAvert in remaining markets</li> <li>Deliver profitable growth according to targets</li> </ul>	70%	70%	97%
<b>Total performance (%)</b>	<b>93%</b>	<b>93%</b>	
<b>Total bonus award (DKK thousand)</b>	<b>2,728</b>	<b>1,408</b>	

## Long-term incentive (LTI) program

To promote and achieve long-term goals and strategies for the Company, as well as sustainability, and thereby contributing to the Company's development and growth, incentive remuneration in the form of share-based schemes is offered to the Executive Management. Share-based schemes consist of either grant of warrants free of charge or grant of restricted stock units (RSUs) in connection with the postponement of payment of a cash bonus and have a vesting period of minimum three years from the date of grant.

The value of warrants is calculated using the Black-Scholes formula. To ensure that the value of warrants does not reach an unintended level in relation to other remuneration of Executive Management, the value of the warrants at the time of the grant may not exceed the value of

the fixed annual base wage. Furthermore, to secure full transparency, the Board considers the potential value at the time of exercise under pessimistic, expected, and optimistic scenarios, also based on Black- Scholes calculations.

In exceptional cases, separate agreements may be entered into with Executive Management, which can result in grant of warrants with a value at the time of grant of up to an additional one year's fixed annual base wage, e.g. to retain the member of Executive Management or as a sign-on compensation.

An overview of the warrants granted to Executive Management under the 2021 program and previous programs are shown in table 7, including information on programs that have vested in 2021.

**Table 7 – Executive Management warrant holdings and details**

Name and position	Program	Grant date	Earliest vesting date	Exercise price (DKK)	No of instruments beginning of 2021	No of instruments granted 2021	No of instruments exercised 2021	No of instruments terminated 2021	No of instruments ultimo 2021	Value at grant per instrument (DKK)	Value at grant (mDKK)	Value at exercise (mDKK)	Value at year-end 2021 (mDKK)
<b>Paul Chaplin, CEO</b>	2016	December 2016	March 2020	205.80	73,445	-	-	-	73,445	54.22	3.2	-	3.7
	2017	November 2017	March 2021	239.60	70,456	-	-	-	70,456	80.18	4.5	-	1.6
	2018	November 2018	March 2022	142.00	73,001	-	-	-	73,001	51.59	3.0	-	7.3
	2019	November 2019	March 2023	146.60	98,855	-	-	-	98,855	45.47	3.6	-	9.6
	2020	November 2020	March 2024	206.82	123,645	-	-	-	123,645	40.99	5.1	-	7.7
	2021	November 2021	March 2025	353.06	-	105,159	-	-	105,159	76.05	8.0	-	-
<b>Henrik Juuel, CFO</b>	2018	November 2018	March 2022	142.00	67,788	-	-	-	67,788	51.59	2.8	-	6.8
	2019	November 2019	March 2023	146.60	42,916	-	-	-	42,916	45.47	1.5	-	4.1
	2020	November 2020	March 2024	206.82	56,210	-	-	-	56,210	40.99	2.3	-	3.5
	2021	November 2021	March 2025	353.06	-	31,871	-	-	31,871	76.05	2.4	-	-

## RSU overview

**Table 8 – Executive Management RSU holdings and details**

Name and position	Program	Grant date	Vesting date	No of instruments start of 2021	No of instruments granted 2021	No of instruments vested 2021	No of instruments end of 2021	Share price at grant (DKK)	Value at grant (mDKK)	Value at vesting (mDKK)	Value at year-end 2021 (mDKK)
<b>Paul Chaplin, CEO</b>	RSU 2018	March 2018	March 2021	7,704	-	7,704	-	244	1.5	1.7	-
	RSU 2019	March 2019	March 2022	11,458	-	-	11,458	144	1.3	-	3.1
	RSU 2020 <sup>1</sup>	-	-	-	-	-	-	-	-	-	-
	RSU 2021	March 2021	March 2024	-	8,258	-	8,258	222	1.8	-	2.2
<b>Henrik Juuel, CFO</b>	Sign-on <sup>2</sup>	November 2018	November 2021	12,831	-	12,831	-	156	1.1	4.0	-
	RSU 2019	March 2019	March 2022	966	-	-	966	144	0.1	-	0.3
	RSU 2020	March 2020	March 2023	5,845	-	-	5,845	240	1.1	-	1.6
	RSU 2021	March 2021	March 2024	-	4,992	-	4,992	222	1.1	-	1.3

<sup>1</sup> Paul Chaplin has no RSUs under the 2020 program, as his bonus for 2019 was paid full in cash.

<sup>2</sup> At vesting 6,400 shares were transferred to Henrik Juuel, the remaining 6,431 restricted stock units were converted to a cash bonus of DKK 2.0 million.

## Executive Management shareholdings

There are no shareholding requirements for members of the Executive Management. However, with a view to aligning the interests of the Company's shareholders and the Executive Management, part of the remuneration of the Executive Management consists of warrants as shown in table 7, which have a three-year vesting period from the time of grant. Furthermore, RSUs are granted, either by conversion of the annual cash bonus in part or in full, or as a sign-on compensation in accordance with the Remuneration Policy. The RSUs also have a three-year vesting period.

**Table 9 – Executive Management shareholdings**

	Holding beginning of 2021	Additions during the year	Sold during the year	Holding end of 2021
<b>Paul Chaplin, CEO</b>	122,365	7,704	-	130,069
<b>Henrik Juuel, CFO</b>	5,000	6,400	-	11,400

# Comparison of remuneration and performance

This is the second year of reporting under this framework and thus Bavarian Nordic has included relevant comparative figures for the financial years 2019 and 2020 in accordance with the transitional relief provided in the guidelines from the Danish Business Authority. Prospectively and year-on-year, Bavarian Nordic will build up five years of comparative figures for the annual change in remuneration, in company performance, and in average remuneration based on full-time equivalents (“FTEs”) of employees other than Executive Management members.

**Table 10 – Total remuneration of the Board, year-over-year change**

DKK thousand	2021	change	2020	change	2019
Gerard van Odiijk (Chair)	1,430	7.9%	1,325	2.3%	1,295
Anders Gersel Pedersen (Deputy chair)	880	6.0%	830	1.8%	815
Erik Gregers Hansen	665	3.9%	640	0.8%	635
Peter Kürstein	660	8.2%	610	7.0%	570
Frank Verwiel	682	13.7%	600	-16.2%	716
Elizabeth McKee Anderson	650	13.0%	575	-15.9%	684
Anne Louise Eberhard	665	11.8%	595	14.9%	518
Linette M. Andersen (employee-elected)	380	-	-	-	-
Thomas A. Bennekov (employee-elected)	380	-	-	-	-
Anja Gjøøl (employee-elected)	380	-	-	-	-
Karen M. Jensen (employee-elected)	380	-	-	-	-

**Table 11 – Total remuneration of the Executive Management, year-over-year change<sup>1</sup>**

DKK thousand	2021	change	2020	change	2019
Paul Chaplin, CEO	18,293	25.2%	14,616	22.6%	11,925
Henrik Juuel, CFO	7,841	0.3%	7,819	21.6%	6,428

<sup>1</sup> Total remuneration as included in table 5 above.



**Table 12 – Financial Measures (Parent)**

	2021	change	2020	change	2019
Revenue (DKKm)	1,938	2.9%	1,883	184.9%	661
EBITDA (DKKm)	144	-81.2%	766	N/A	(347)
Number of FTE's (excl. Executive Management)	507	25.5%	404	37.4%	294
Average total remuneration for company employees (DKK) <sup>1</sup>	857,281	2.1%	839,804	-0.5% <sup>3</sup>	844,218
CEO Pay Ratio <sup>2</sup>	16		16		14

<sup>1</sup> "Staff costs" minus "Total management remuneration" divided by FTE's excl. Executive Management (Annual Report 2021, note 4 in Parent).

<sup>2</sup> Total CEO remuneration expensed cf. Annual Report 2021, note 4 in Parent, over average total remuneration expensed for company employees.

<sup>3</sup> Increase in number of contract employees to operate the new fill and finish facility.

**Table 13 – Financial Measures (Group)**

	2021	change	2020	change	2019
Revenue (DKKm)	1,898	2.5%	1,852	179.8%	662
EBITDA (DKKm)	75	-89.9	740	N/A	(271)
Number of FTE's (excl. Executive Management)	728	21.1%	601	30.4%	461
Average total remuneration for Group employees (DKK) <sup>1</sup>	865,430	3.3%	837,606	4.0%	805,471
CEO Pay Ratio <sup>2</sup>	16		16		15

<sup>1</sup> "Staff costs" minus "Total management remuneration" divided by FTE's excl. Executive Management (Annual Report 2021, note 8 in Group).

<sup>2</sup> Total CEO remuneration expensed cf. Annual Report 2021, note 8 in Group, over average total remuneration expensed for Group employees.

# Statement by the Board of Directors

The Board of Directors has today considered and approved the Remuneration Report of Bavarian Nordic A/S for the financial year January 1 – December 31, 2021.

The Remuneration Report has been prepared in accordance with section 139b of the Danish Companies Act.

In our opinion, the Remuneration Report is in accordance with the Remuneration Policy adopted at the Annual General Meeting, and is free from material misstatement and omissions, whether due to fraud or error.

The Remuneration Report will be presented for an advisory vote at the Annual General Meeting.

Copenhagen, March 4, 2022

## Board of Directors



Gerard W.M. van Odijk  
Chairman of the Board



Anders Gersel Pedersen  
Deputy chairman



Erik Gregers Hansen



Anne Louise Eberhard



Thomas Alex Bennekov  
Employee-elected



Anja Gjøel  
Employee-elected



Peter H. Kürstein-Jensen



Frank A.G.M. Verwiel



Elizabeth McKee Anderson



Karen Merete Jensen  
Employee-elected



Linette Munksgaard Andersen  
Employee-elected

# Independent Auditor's Report

## To the shareholders of Bavarian Nordic A/S

We have examined whether Management has fulfilled its obligations to disclose the information required by section 139b(3) of the Danish Companies Act in the Company's Remuneration Report for 2021.

## Management's responsibility

Management is responsible for the preparation of the Remuneration Report in accordance with section 139b of the Danish Companies Act and the Remuneration Policy adopted at the Annual General Meeting.

Further Management is responsible for the internal control that the Board of Directors considers needed to prepare the Remuneration Report that is free from material misstatement and omissions, whether due to fraud or error.

## Auditor's responsibility

It is our responsibility to express a conclusion on whether Management has fulfilled its obligations to disclose the information required by section 139b(3) of the Danish Companies Act in the Company's Remuneration Report.

We have conducted our examinations in accordance with ISAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and additional requirements under Danish audit regulation to obtain reasonable assurance about our conclusion.

Deloitte Statsautoriseret Revisionspartnerselskab is subject to International Standard on Quality Control (ISQC) 1 and, accordingly, applies a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the requirements for independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and ethical requirements applicable in Denmark.

Our examinations included an examination of whether the Remuneration Report, to the extent relevant, includes the disclosures required by section 139b(3), items 1-6, of the Danish Companies Act for the remuneration of each member of Management.

Our examinations have not included an examination of accuracy and completeness of the disclosures, and we do not express any conclusion on this.

## Conclusion

It is our opinion that Management has fulfilled its obligations to disclose, in all material respects, the information required by section 139b(3) of the Danish Companies Act in the Company's Remuneration Report for 2021.

Copenhagen, March 4, 2022

## Deloitte

Statsautoriseret Revisionspartnerselskab  
Business Registration No 33 96 35 56



Kirsten Aaskov Mikkelsen  
State-Authorised Public Accountant  
MNE no mne 21358



Eskild Nørregaard Jakobsen  
State-Authorised Public Accountant  
MNE no mne 11681

**Bavarian Nordic A/S**

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Denmark

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