

Minutes from the Annual General Meeting 2017 in Bavarian Nordic A/S

On 25 April 2017 at 4 p.m., the annual general meeting of Bavarian Nordic A/S was held at Comwell Borupgaard, Nørrevej 80, DK-3070 Snekkersten.

Marianne Philip, attorney-at-law, was appointed as chairman of the meeting and announced that the general meeting had been duly convened. Present or lawfully represented were 404 of the Company's shareholders representing nominally DKK 63.015.570 of the shares and the corresponding number of votes or 20.1 % of the Company's share capital of nominally DKK 314,235,460. The Executive Management, the Board of Directors and the auditors were also present.

Referring to article 12 of the Articles of Association, the agenda was as follows:

1. The Board of Directors' report on the Company's activities in the past year;
2. Presentation of the Annual Report for adoption;
3. A proposal from the Board of Directors regarding the application of profit or covering of loss pursuant to the Annual Report as adopted;
4. A resolution to discharge the Board of Directors and the Board of Management from their obligation;
5. Any proposal from the Board of Directors or shareholders:

The Board of Directors had proposed the following resolutions:

- a. Proposal to increase and extend the authorisations of the Board of Directors in Article 5a of the Articles of Association, so that the Board of Directors is authorised to increase the share capital of the company by nominally DKK 31,423,540 until 30 June 2018.
- b. Proposal to increase and extend the authorisation of the Board of Directors in Article 5b of the Articles of Association, so that the Board of Directors until 31 December 2018 is authorised to issue warrants, which entitle the holders to subscribe for shares in the Company at a nominal value of up to DKK 6,000,000.
- c. Proposal to revise the general guidelines for incentive remuneration of the Board of Directors and the Executive Management.
- d. Proposal to approve remuneration of the Board of Directors and the Board Committees for the current financial year.
- e. Proposal to amend Article 17(1) of the Articles of Association in order that the Company is managed by a Board of Directors of not less than four nor more than seven members.
- f. Proposal to authorise the Board of Directors to repurchase Company shares.

6. Election of Members to the Board of Directors;

7. Election of Auditors;

Re 1, 2, 3 and 4:

Gerard van Odijk, chairman of the Board of Directors, Paul Chaplin, CEO, and Ole Larsen, CFO presented the report of the Board of Directors for 2016 and the accounts for 2016.

Gerard van Odijk mentioned that 2016 had been a busy year for Bavarian Nordic, and stated that there are three important ingredients needed to create a successful company, a unique technology/product, financial strength and the right people. In respect of board composition Gerard van Odijk mentioned that the board had performed a board assessment and had initiated a search for an additional board member. He mentioned that he was proud that the company had been able to attract Liz Anderson to the board and that the boards recommend her for election. In respect of executive management he mentioned the appointment of Henrik Birk to executive management. Gerard van Odijk further mentioned that Bavarian Nordic has a compelling profile as it has a strong cash position, unique technologies based on fully integrated R&D and manufacturing facilities, an approved discovery platform, a differentiated pipeline in infectious diseases and oncology, including three Phase 3 programs and an excellent track record in government and pharma collaborations. Based on that, Bavarian Nordic has a growing and diversified revenue base through both partnered and self-commercialized assets.

During 2016 Bavarian Nordic has been executing the strategy. A successful capital raise in a difficult financial market has been executed allowing Bavarian Nordic to execute on its growth strategy, additional funding from the U.S. Government has been obtained, the pipeline has been expanded, advanced and diversified, and the collaboration with industry leaders has been expanded. Gerard van Odijk mentioned that the success has been appreciated by the capital markets and reviewed the development of the share price since 2013.

In respect of the future Gerard van Odijk mentioned that the company has plans in place for further success in the development of its products but that at the same time the company is also prepared for other scenarios if something goes wrong as one has to be in a biotech company where there is always a risk of failure even though the company is doing everything it can. Gerard van Odijk reviewed the plans for 2017 where it is expected that the company will report data from its PROSTVAC and IMVAMUNE Phase 3 studies, where proof of concept data in RSV are expected as well as initiation of the Roche/CV 301 combination study.

Gerard van Odijk finished his presentation by expressing his gratitude to the shareholders for the support, and the employees and executive management for their performance in the year, and the board for good cooperation during the past year.

Paul Chaplin, CEO and President of Bavarian Nordic, gave a resume of 2016, and presented the main drivers for Bavarian Nordic which is to develop innovative and safe therapies against cancer and infectious diseases ultimately to improve the public health and quality of life. As examples Paul Chaplin mentioned the cancer projects with PROSTVAC intending to improve survival, HPV intending to prevent cancer before it starts and CV301 and Brachyury in combination therapies potentially curing cancer, and the infectious disease projects where the intention with the RSV project is to develop a vaccine to protect the broader population against diseases with no approved therapies, and the smallpox/Ebola projects, where the aim is to prevent global pandemic threats.

Paul Chaplin reviewed how Bavarian Nordic has performed on the growth strategy from 2014 where the company had 2 active clinical programs, 6 ongoing clinical trials and strong governmental partnerships to 2017 where the company now has 7 active clinical programs, 24 ongoing clinical trials, strong governmental partnerships, 2 clinical collaborations and 3 commercial partnerships.

Paul Chaplin reviewed the pipeline and the PROSPECT Phase 3 trial where the company is moving towards final data for PROSTVAC expected in the 2nd half of 2017. After a presentation of the PROSTVAC studies Paul Chaplin reviewed the background for the RSV study and the study where Phase 2 results are expected in mid-2017.

Paul Chaplin further presented CV 301 which has been designed by the NCI, and which is an immunotherapy that can be used in multiple cancer indications. The 1st indication is non-small cell lung cancer where the company is collaborating with Bristol Myers Squibb, and the 2nd indication is bladder cancer, where the company has a collaboration with Roche. Paul Chaplin presented the collaborations between the company and Janssen regarding Ebola and HPV and mentioned that Janssen retains options to license two additional infectious disease targets.

Paul Chaplin mentioned that the company is preparing for the next generation of IMVAMUNE smallpox vaccines and finished his presentation by listing selected anticipated milestones for 2017, in relation to IMVAMUNE, RSV, the Janssen collaboration, PROSTVAC, CV301 and Brachyury.

Ole Larsen, Executive Vice President and CFO of Bavarian Nordic, presented the annual report for 2016 and mentioned that consistent with previous years Bavarian Nordic have generated revenues above DKK 1 billion and recorded a break even result. Cash preparedness was significantly strengthened and has more than tripled over the last 3 years, due to the operational break even, milestone payments from partner agreements, the EIB loan and the capital increase in 2016. Ole Larsen reviewed the split of the revenue for 2016 on IMVAMUNE US and Rest of World, Holdback payment relating to the first agreement from 2007 and R&D Contracts, and compared original guidance for 2016 with the actual results, being almost identical.

Ole Larsen finished his presentation by reviewing Bavarian Nordic's financial outlook for 2017, showing revenues in the amount of DKK 1,300 million, EBIT of DKK 350 million and a cash preparedness at year end of DKK 2,400 million. Ole Larsen also reviewed the expected split of revenue for 2017.

Claus Wiinblad, ATP mentioned that 2016 had been a good year for Bavarian Nordic both in the cancer and the infectious disease businesses. In respect of the development of the share price 2016 had not been the best year but the shareholders had been compensated in the beginning of 2017. Claus Wiinblad found it of importance that Bavarian Nordic had delivered good news both from the pipeline and in the form of good financial results. In that respect Claus Wiinblad focused on the substantial investments within R&D where the number of new research projects reduces the risk of when the company will get a product on the market. Claus Wiinblad mentioned that there still is a huge risk and mentioned that this presents an important challenge for management in its communication with the market, not the least when the news maybe is in the grey area. Claus Wiinblad politely reminded management that ATP is not in favour of a dual listing, as ATP also mentioned at the AGM in 2016. Claus Wiinblad thanked management for the good dialogue which ATP is looking forward to continue, and wished management and employees good luck with their work in 2017.

Michael Thøgersen, Dansk Aktionærforening (Danish Shareholders' Association), mentioned that the revenue for 2016 is approx. DKK 1 billion and a small EBIT (DKK 33 million). This was forecasted and to be expected. Michael Thøgersen found it much more interesting, that Bavarian Nordic forecast an EBIT of DKK 350 million DKK for 2017 and expected that in a foreseeable future Bavarian Nordic may show key figures like price/earnings, which will enable the shareholders to judge Bavarian Nordic in comparison with other companies in the business. Michael Thøgersen mentioned that the revenue in 2016 is very close to the revenue of 2015, but noted that productions costs have dropped significantly from DKK 415 million to DKK 298 million or a reduction of 28%. Although Michael Thøgersen found that this was nice and enabled the Company to spend more on R & D he asked for the reason for the drop in production costs. With his extensive experience from the National Cancer Institute and in-depth knowledge of immuno-oncology Michael Thøgersen welcomed Mr. Heery

to the Bavarian Nordic team and wished him all the best in his career with Bavarian Nordic. Although Danish Shareholders Association have high expectations to their performance and therefore finds that experts like the management of Bavarian Nordic should be well paid Michael Thøgersen expressed that he had been pleased that Bavarian Nordics management had not been mentioned in the press for being overpaid. Michael Thøgersen noted that some of the companies explained that the market for managers is very international, and found that the management of Bavarian Nordic is as international as it comes, and was happy that this was possible without being on the list. Michael Thøgersen mentioned that he understands that final data of the phase 3 study of PROSTVAC are expected in 2017, and asked whether it is correct that the longer the patients live the longer it takes to get the final approval. Michael Thøgersen mentioned that this did not seem logical and said that when he had asked the same question previously Mr. Hedegaard had said that there were exceptions to this in case of very significantly successful, but preliminary, results. Mr. Chaplin had mentioned at the general meeting in 2016 that there would not be any treatment of patients before official approval by the FDA. Mr. Thøgersen asked for an explanation. Mr. Thøgersen mentioned that he had read that FDA last year had approved a study called TAME (=Targeting Aging with Metformin) aimed at cancer which in its various forms becomes more and more probable with age. Mr. Thøgersen mentioned that Metformin, which is a very well-known and inexpensive drug for treatment of diabetes 2, may reduce the risk of cancer and asked whether Bavarian Nordic is involved in the TAME study. Mr. Thøgersen appreciated that Bavarian had not had any serious work-related accidents, and noted that the company have an equal distribution of men and women in managerial positions, except for the board of directors and the executive management, but he expected that that is because skills and competences prevail over gender. Michael Thøgersen finished by expressing his thanks to the management and employees for the good and solid work in 2016, with best wishes for 2017.

Paul Chaplin, Ole Larsen and Henrik Birk answered the questions raised by Michael Thøgersen. Paul Chaplin mentioned that he was very proud that he had been able to attract Chris Heery from NCI and that it had not been easy. He mentioned that especially within oncology it is important to be able to attract specialists from the US and that the US does has a different form of compensation. Paul Chaplin further confirmed that no patients can be treated with PROSTVAC before official approval by the FDA has been obtained, and that Bavarian Nordic has not been involved in the TAME study. In respect of the reason for the drop in production costs Ole Larsen mentioned that this was due to product mix, a drop in write downs because the company had been able to manage these better, and finally due to certain investments in a multipurpose facility in 2015 which were not recurring in 2016. Henrik Birk mentioned that the company does a lot to prevent work-related accidents, and stated that the equal distribution of men and women in managerial positions have been obtained through focus on this but with skills and competences still prevailing over gender.

The general meeting noted the report of the Board of Directors, approved the annual report and the proposal to carry for-ward the result for the year to next year, and discharged the Board of Directors and the Executive Management from liability.

Re 5:

- a. The Board of Directors proposed to increase and extend the authorisations of the Board of Directors in Article 5a of the Articles of Association, so that the Board of Directors is authorised to increase the share capital of the Company in one or more issues by a total of nominally DKK 31,423,540 until 30 June 2018.

The proposal entails amending Article 5a of the Articles of Association as follows:

"Subsection 1

For the period ending on 30 June 2018, the Board of Directors shall be authorised to increase the Company's share capital in one or more issues with a total of nominally DKK 31,423,540 (3,142,354 shares of DKK 10 each) by the subscription of new shares. The existing shareholders shall have pre-

emption right to subscribe for the amount by which the share capital is increased, proportional to their shareholdings. The share capital shall be increased by cash payment at a subscription price which may be lower than the value of the shares.

The terms and conditions of the subscription for shares shall be determined by the Board of Directors.

The new shares shall be negotiable instruments, shall be registered in the names of the holders and shall be entered in the Company's register of shareholders. No restrictions shall apply to the transferability of the new shares, and no shareholder shall be obliged to have his shares redeemed - in whole or in part. The shares shall carry the right to dividend as from the date fixed by the Board of Directors, but not later than the first financial year following the capital increase.

Subsection 2

For the period ending on 30 June 2018, the Board of Directors shall be authorised to increase the Company's share capital in one or more issues with a total of nominally DKK 31,423,540 (3,142,354 shares of DKK 10 each) by the subscription of new shares. The existing shareholders shall not have pre-emption right to subscribe for the amount by which the share capital is increased.

The share capital may be increased by cash payment or in other ways, such as by conversion of debts or in payment of a contribution in kind. The share capital shall in any event be increased at a subscription price, which is not lower than market value.

The terms and conditions of the subscription for shares shall be determined by the Board of Directors.

The new shares shall be negotiable instruments, shall be registered in the names of the holders and shall be entered in the Company's register of shareholders. No restrictions shall apply to the transferability of the new shares and no shareholder shall be obliged to have his shares redeemed - in whole or in part. The shares shall carry the right to dividend as from the date fixed by the Board of Directors, but not later than the first financial year following the capital increase.

Subsection 3

When exercising the authorisations given in Articles 5a(1) and 5a(2) the Board of Directors is overall authorised to increase the share capital of the Company with a total of nominally DKK 31,423,540 (3,142,354 shares of DKK 10 each)."

The Chairman reviewed the proposal.

The Chairman ascertained that the proposal had been adopted by more than two-thirds of the votes cast as well as more than two-thirds of the votes represented at the general meeting.

- b. The Board of Directors proposed to increase and extend the authorisation of the Board of Directors in Article 5b of the Articles of Association, so that the Board of Directors until 31 December 2018 is authorised to issue warrants, which entitle the holders to subscribe for shares in the Company at a nominal value of up to DKK 6,000,000. The Board of Directors also proposed to extend the Board of Directors' authorisation to reuse or reissue any lapsed and unexercised warrants under the terms and within the time limitations set out in this authorisation. The proposal entails authorising the Board of Directors to increase the share capital of the Company as a consequence of the issuance of warrants until 1 April 2022 as well as amending Article 5b of the Articles of Association as follows:

"During the period ending 31 December 2018, the Company may issue warrants, in one or more portions by resolution of the Board of Directors. The warrants may be issued to the management and employees of the Company or its subsidiaries for the subscription of a nominal value of up to DKK 6,000,000 shares (600,000 shares of DKK 10 each) by cash contribution at a subscription price and on such other terms as the Board of Directors may determine. Any issuance of warrants to the management shall be made in accordance with the Company's policy for incentive remuneration of the Board of Directors and the Management, prepared in accordance with section 139 of the Danish Companies Act and approved by the general meeting, cf. Article 17a of the Articles of Association.

Holders of warrants shall have pre-emption right to subscribe for the shares, issued based on the warrants, meaning that the pre-emption rights to subscribe to warrants and new shares for existing shareholders are deviated from.

As a consequence of the exercise of awarded warrants, the Board of Directors is authorised during the period until 1 April 2022 to increase the share capital by a nominal value of up to DKK 6,000,000 shares (600,000 shares of DKK 10 each) in one or more portions by resolution of the Board of Directors by cash contribution at a subscription price and on such other terms as the Board of Directors may determine without pre-emption right for the existing shareholders.

The new shares issued based on warrants shall have the same rights as existing shares according to the Articles of Association. The new shares shall be negotiable instruments, shall be registered in the names of the holders and shall be entered in the Company's register of shareholders. No restrictions shall apply to the transferability of the new shares and no shareholder shall be obliged to have his shares redeemed - in whole or in part. The new shares shall carry the right to dividend from the time of subscription.

Subject to the rules in force at any time, the Board of Directors may reuse or reissue lapsed and unexercised warrants if any, provided that the reuse or reissue occurs under the terms and within the time limitations set out in this authorisation. Reuse is to be construed as the Board of Directors' entitlement to let another party enter into an existing agreement on warrants. Reissue is to be construed as the Board of Directors' option to reissue new warrants, under the same authorisation, if previously issued warrants have lapsed."

The Chairman reviewed the proposal.

The Chairman ascertained that the proposal had been adopted by more than two-thirds of the votes cast as well as more than two-thirds of the votes represented at the general meeting.

- c. The Board of Directors proposed to amend the general guidelines for incentive remuneration of the Board of Directors and the Executive Management on the following points:
1. Board members travelling from the US/Asia to Europe or reverse in connection with board and/or committee meetings will receive an overseas-travel fee of USD 5,000 per meeting. When board meetings and committee meetings are held in connection, board members will only be entitled to one overseas-travel fee. Board members receiving the overseas-travel fee will not be entitled to an attendance fee.
 2. Board members may receive payment in shares in the form of Restricted Stock Units at a value equivalent to 50% of the annual base fee (for the Chairman, however, equivalent to 50% of two and a half times the annual base fee and the Deputy Chairman equivalent to 50% of one and a half of the annual base fee). Restricted Stock Units may at the earliest be exercised three years after

grant, and the exercise can be made conditional on e.g. the board member not having passed away prior to exercise. The proposal to remunerate the board with cash payment and payment in shares shall ensure that the total remuneration of the board is competitive and comparable to remuneration in other Danish and international enterprises which the Company naturally compares to. Further, this remuneration ensures a better alignment of interests with the Company's other shareholders. The grant of Restricted Stock Units is in accordance with the Corporate Governance recommendations as a fixed non-performance based fee in the form of shares at market price.

The amended guidelines can be downloaded from www.bavarian-nordic.com/agm.

The Chairman reviewed the proposal.

The Chairman ascertained that the proposal had been adopted by more than a simple majority.

- d. The Board of Directors proposed to maintain the level of the annual base fee to the members of the Board of Directors for the financial year 2017; (i) the annual base fee to members of the Board of Directors will be DKK 300,000; (ii) the remuneration to the Chairman will be two and a half times the annual base fee (DKK 750,000); and (iii) the remuneration to the Deputy Chairman will be one and a half times the annual base fee (DKK 450,000).

The Board of Directors proposed that the members of the two board committees will receive an additional annual committee fee of DKK 100,000. The remuneration to the Chairmen of the board committees will, however, be one and a half times the annual committee fee (DKK 150,000).

In addition to the basic fee to the Board of Directors, the Board proposed that the Board receives shares Restricted Stock Units equal to 50% of the annual base fee of DKK 300,000 (for the Chairman, however, equivalent to 50% of two and a half times the annual base fee and the Deputy Chairman equivalent to 50% of one and a half of the base annual fee) in accordance with the Company's general guidelines for incentive pay.

Further, the Board of Directors proposed that each member of the Board of Directors receives (i) an attendance fee of DKK 5,000 for each board member and/or committee meeting he/she attends to, which in no event can exceed DKK 5,000 per day or (ii) for members of the Board of Directors, who travel overseas in order to participate, a fee of USD 5,000. Furthermore, the Company pays the travelling expenses incurred by the board members in connection with board- and/or committee meetings, and any social costs associated with the remuneration of the Board of Directors and the board committees (e.g. mandatory contributions to social security in other countries).

The Chairman reviewed the proposal.

The Chairman ascertained that the proposal had been adopted by more than a simple majority.

- e. As part of building the Board of Director's total competences and succession planning on the Board, the Board of Directors proposed that Article 17(1) of the Articles of Association is amended to the following:

"The Company shall be managed by a Board of Directors of not less than four nor more than seven members to be elected for one year at a time by the shareholders at the General Meeting. Retiring Directors shall be eligible for re-election. In addition to the Directors elected by the General

Meeting, the Board of Directors may be comprised of such members that are to be elected pursuant to the statutory rules on employee representation."

The Chairman reviewed the proposal.

The Chairman ascertained that the proposal had been adopted by more than two-thirds of the votes cast as well as more than two-thirds of the votes represented at the general meeting.

- f. The Board of Directors proposed that the Board of Directors is authorised on behalf of the Company to acquire own shares in the Company.

It was therefore proposed that the following authorisation is granted to the Company's Board of Directors pursuant to Article 198 of the Danish Companies Act:

"The General Meeting hereby authorises the Board of Directors to acquire own shares on behalf of the Company in accordance with Article 198 of the Danish Companies Act. The Company may only acquire own shares for a total nominal value of up to 10 % of the Company's share capital for the time being. The remuneration paid for the Company's shares may not deviate by more than 10 % from the bid rate established by Nasdaq Copenhagen A/S at the time of acquisition. The bid rate shall be the closing rate at Nasdaq Copenhagen A/S - all trades at 5:00 PM CET.

This authorisation is granted to the Company's Board of Directors for the period until the next annual General Meeting."

The Chairman reviewed the proposal.

The Chairman ascertained that the proposal had been adopted by more than a simple majority.

Re 6:

Gerard van Odijk, Anders Gersel Pedersen, Claus Bræstrup, Erik G. Hansen, Peter Kürstein and Frank Verwiel were ready to accept re-election. The Board of Directors further proposed that Elizabeth McKee Anderson was elected as a new member of the Board of Directors.

The Chairman informed the meeting about the managerial positions held by the candidates in other Danish and foreign-owned enterprises, other than wholly-owned subsidiaries.

Gerard van Odijk had motioned the election of Elizabeth McKee Anderson during his presentation of the report of the board of directors.

The proposal was adopted.

Following the resolution, the Board of Directors consists of:

Gerard van Odijk (Chairman)
Anders Gersel Pedersen (Vice Chairman)
Claus Bræstrup
Erik Gregers Hansen
Peter Kürstein
Frank Verwiel
Elizabeth McKee Andersen

Re 7:

The Board of Directors proposed that Deloitte, Statsautoriseret Revisionspartnerselskab, be re-elected as auditor in accordance with the recommendation of the Finance, Risk and Audit Committee. The Finance, Risk and Audit Committee has been free from influence by a third party and has not been subject to any contract with a third party restricting the choice by the general meeting on the selection of a statutory auditor or an audit firm.

The proposal was adopted.

ooo000ooo

The general meeting authorised Marianne Philip, attorney-at-law, to register the proposals adopted by the General Meeting with the Danish Business Authority (Erhvervsstyrelsen) and to make such additions, alterations or amendments thereto or therein, including to the Articles of Association, and to take any other action as the Danish Business Authority may require for registration.

The chairman announced that there was no further business to transact and the general meeting was closed.

Chairman of the meeting:

Marianne Philip