

ANNUAL GENERAL MEETING 2019



1994 **25** 2019
YEARS
OF GREAT ACHIEVEMENTS
IN THE VACCINE SPACE



BAVARIAN NORDIC

AGENDA

- 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.
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WELCOME

GERARD VAN ODIJK
CHAIRMAN OF THE BOARD

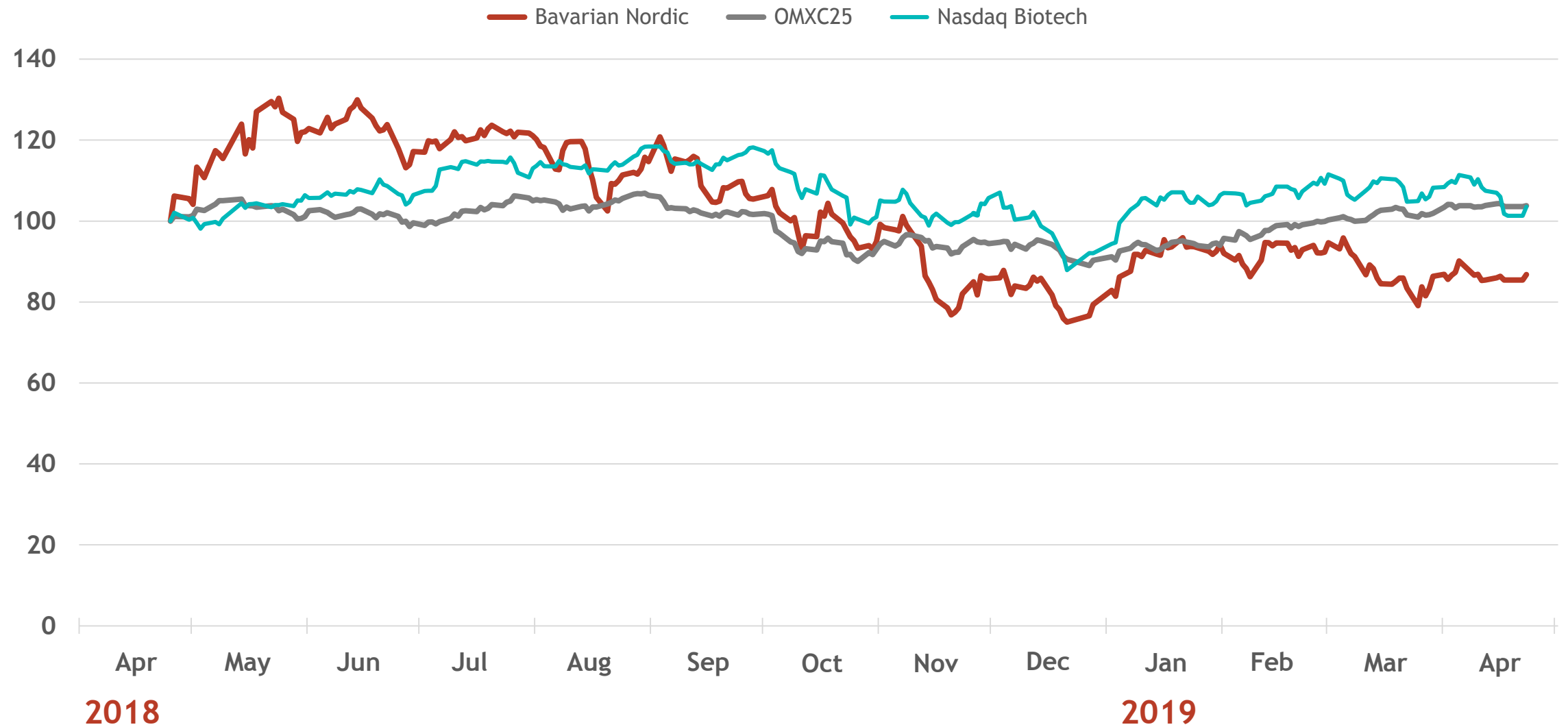


2018 IN REVIEW: OPERATIONALLY ON TARGET

- Moving towards U.S. licensure of **smallpox vaccine** after successful completion of Phase 3 and BLA submission to the FDA
- Initiated construction of **fill and finish facility**
- Expansion of **partnership with U.S. Government** on encephalitis vaccine
- First of three commercial programs under **Janssen partnership** now in clinical trials
- Successfully completed Phase 2 development of **RSV vaccine**
- Strong progress in **immuno-oncology** portfolio with 4 new Phase 2 studies initiated
- Results and cash preparedness **better than guided**

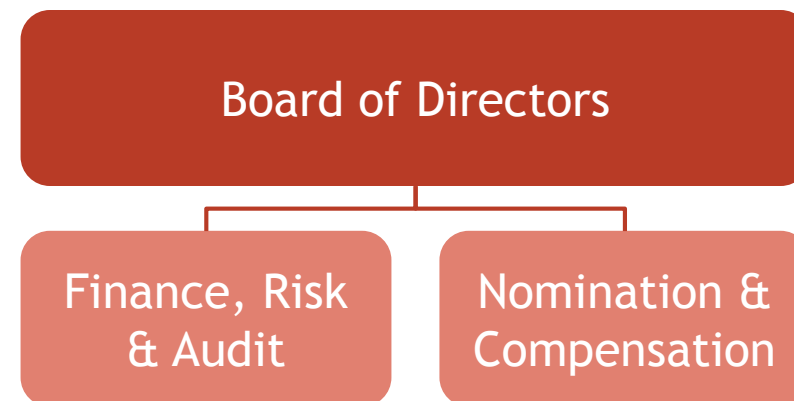


THE BAVARIAN NORDIC SHARE



BOARD GOVERNANCE

- A total of 11 Board meetings and 15 committee meetings held during 2018.
- Board evaluation conducted and facilitated by external consultant. Positive outcome and good input for further development of the Board.



Nominated for election

Anne Louise Eberhard, LL.M. (Danish, born 1963)

Extensive finance and risk management experience and board experience from publicly listed companies

Board memberships: FLSmith A/S, Topdanmark A/S, Finansiell Stabilitet

Other positions: Advisory board member of Moneyflow Group ApS and a faculty member and lecturer at Copenhagen Business School, Board Educations.

INVESTING FOR THE FUTURE

RETURNING TO PROFITABILITY

Consolidating our **leadership position in smallpox vaccines**

- U.S. licensure in 2019 will expand commercial opportunities
- Investment in fill and finish facility will expand our manufacturing capabilities and secure future revenues

Partnerships which could provide evergreen returns

- U.S. Government (smallpox and other contracts)
- Janssen

Applying new tactics in **immuno-oncology**

- Enhanced vaccines and new routes of administration designed to trigger improved responses and tumor killing

Using our platform to **improve public health**

- Our ability to discover new and life-changing therapies demands that we continue to innovate and generate new opportunities for those in need



FINANCIALS

HENRIK JUUEL

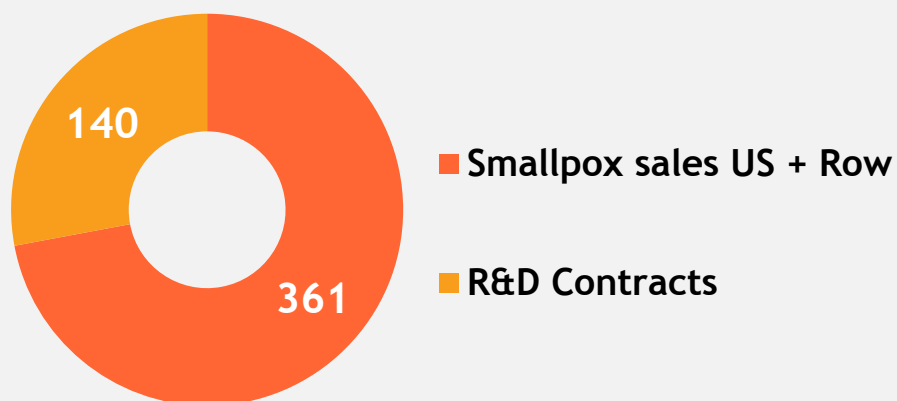
EXECUTIVE VICE PRESIDENT & CFO



FINANCIAL RESULTS 2018

- Consistent with previous years, revenues were in line with our guidance
- EBIT and cash preparedness better than guided due to lower expenses and investments
- The net result was a loss of DKK 362 million which is proposed transferred to 2019

Revenue (mDKK)



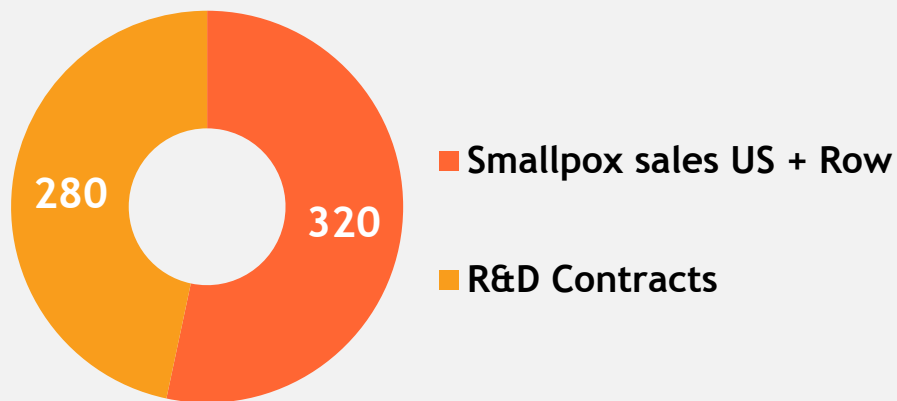
		2018
mDKK	guidance	actual
Revenue	500	501
EBIT	(385)	(354)
Cash preparedness at year-end	2,100	2,314

Cash preparedness includes cash, cash equivalents, investments in securities and the aggregate amount of undrawn credit lines.

FINANCIAL OUTLOOK 2019

- Majority of 2019 revenue expected from second tranche of bulk smallpox vaccine contract (50 mUSD)
- R&D costs of approx. 570 mDKK (420 mDKK in P&L)
- Investments in FnF of approx. 270 mDKK (peak year)
- Sale of Priority Review Voucher has not been included in guidance

Revenue (mDKK)



mDKK	2019
	guidance
Revenue	600
EBIT	(360)
Cash preparedness at year-end	1,600

Cash preparedness includes cash, cash equivalents, investments in securities and the aggregate amount of undrawn credit lines.

2018 IN REVIEW

PAUL CHAPLIN

CEO AND PRESIDENT



OUR VISION & STRATEGY

INVESTING FOR THE FUTURE

By 2023 we aspire to be a leading and profitable biotech company that through harnessing the power of the immune system will develop, manufacture and commercialize products for infectious disease and cancer

MAINTAIN global leadership of our smallpox vaccine business

- Finalize development of smallpox vaccine
- Secure broader sales

EXPAND and rapidly **ADVANCE** the pipeline of infectious disease programs

- Launch RSV vaccine
- Advance partnered programs
- Advance infectious disease pipeline

ESTABLISH a broad and deep cancer immunotherapy portfolio

- Explore combination therapies with vaccines and standard of care
- Explore more advanced combinations

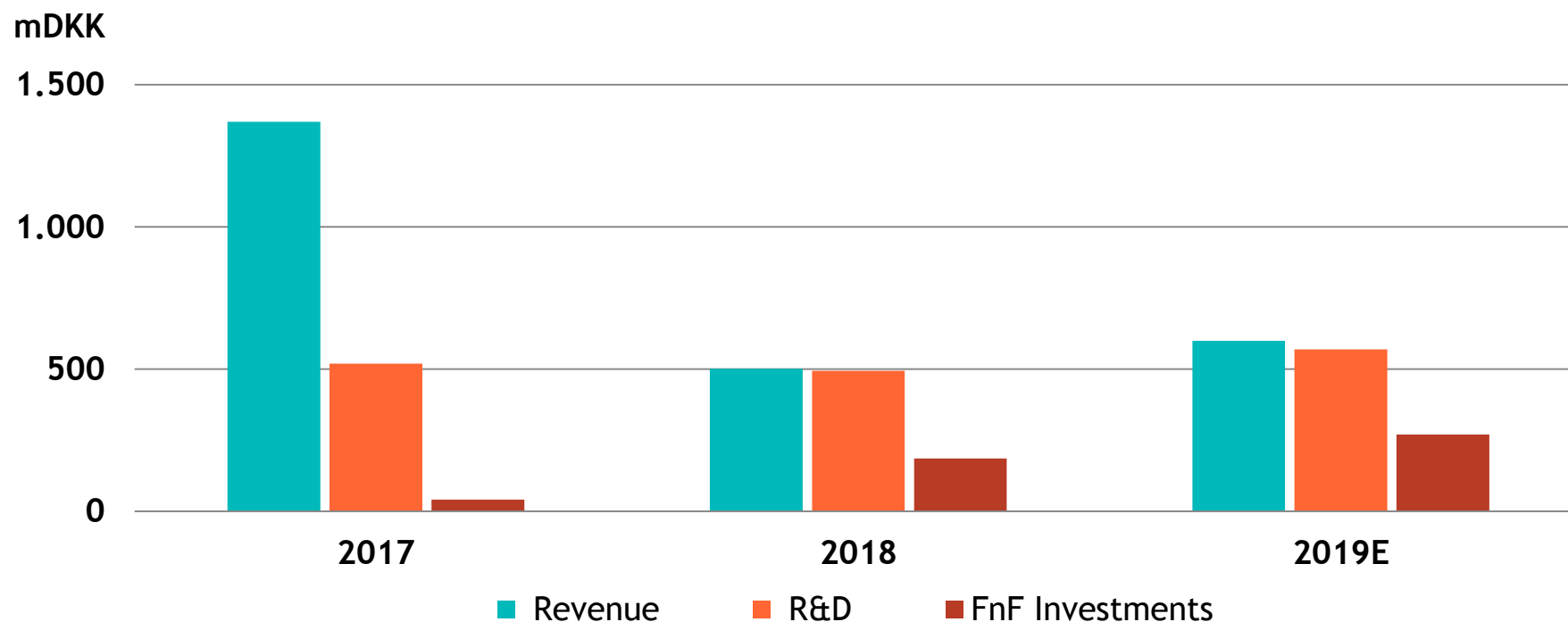
EXPAND the commercial footprint and capabilities

- Take advantage of core manufacturing capabilities and capacity
- Build commercial infrastructure to drive profitable growth

INVESTING FOR THE FUTURE

RETURNING TO PROFITABILITY

- Adding value to the pipeline assets - R&D investments remain unchanged
- Expanding manufacturing capabilities - transitional period of lower revenues
- Investments in Fill and Finish plant will peak in 2019 as construction will be finalized this year
- Financially well prepared for these investments.



Partnerships

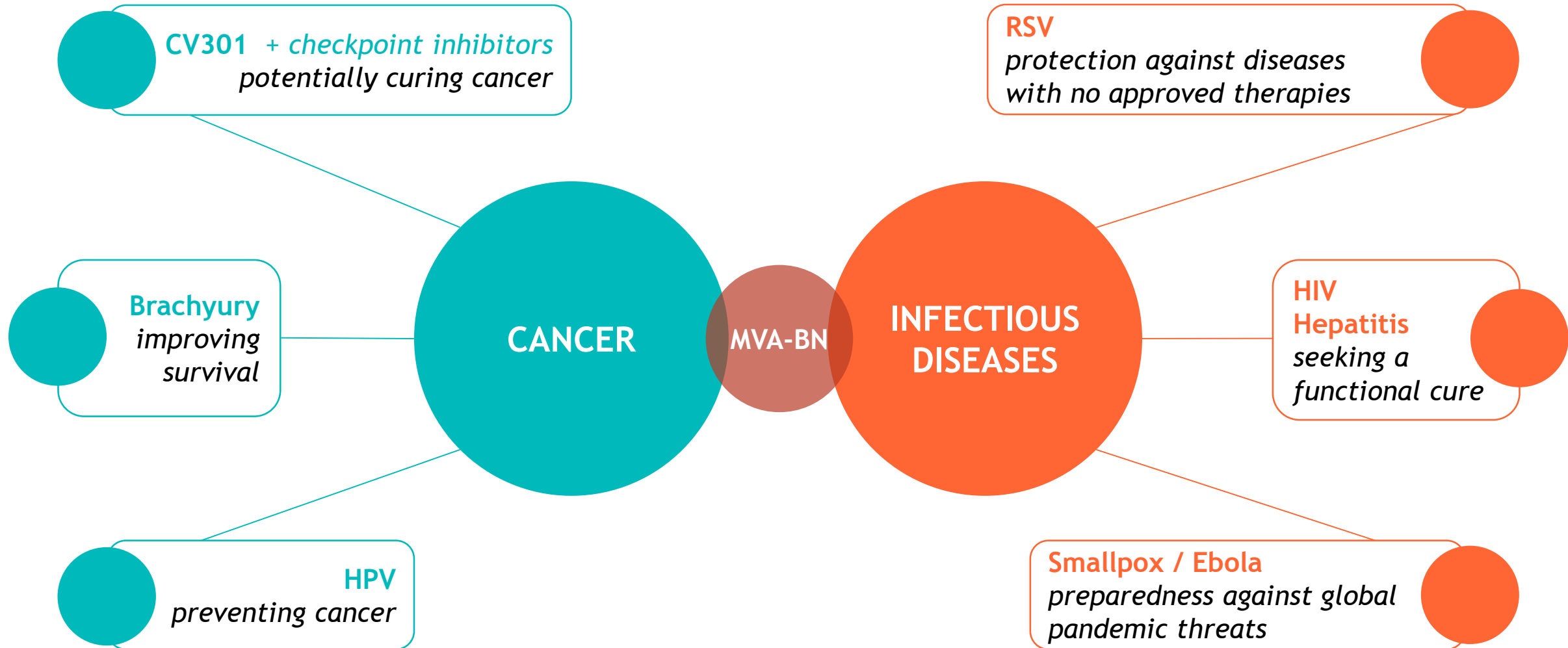


Collaborators



ONE PLATFORM - MULTIPLE OPPORTUNITIES

Unlocking the power of the immune system to improve public health with a focus on high unmet medical needs





A GLOBAL LEADER IN SMALLPOX VACCINES

- Strong presence and capabilities in the smallpox vaccine area
- MVA-BN is the only **non-replicating approved smallpox vaccine** in Europe and Canada
- U.S. government contracts awarded to-date valued at nearly DKK 12 billion

THE PAST

- 22 clinical trials completed including two Phase 3 studies
- Approved for emergency use
- 28 million doses stockpiled for immune compromised - now expired
- BLA submitted

THE PRESENT

- Bulk vaccine worth > DKK 2 billion produced to-date and stored for future fill and finish
- Approval expected in 2019
- Priority Review Voucher to be sold
- Initiating Phase 3 with freeze-dried vaccine
- Finalizing construction of fill and finish facility

THE FUTURE

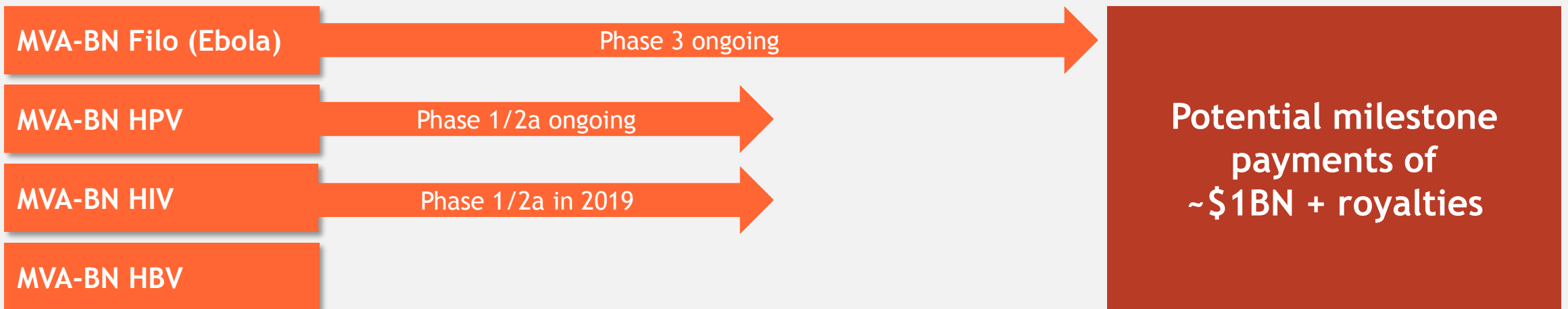
- DKK 2 billion in secured future revenue from completion of 13M freeze-dried doses
- 10-year contract with additional procurement options
- Post-approval opportunities beyond stockpiling
 - Military personnel
 - Healthcare workers

OUR COLLABORATION WITH JANSSEN

A LONG-TERM VALUE DRIVER

4 license agreements in place

- The combination of Janssen's AdVac + MVA-BN has demonstrated robust and sustained immune responses in humans
- The synergistic benefit of combining our technology has been key to establishing collaborations in blockbuster indications
- Equity investments have made JNJ a major shareholder with ownership of 5.77%



RSV - A LARGE UNMET MEDICAL NEED

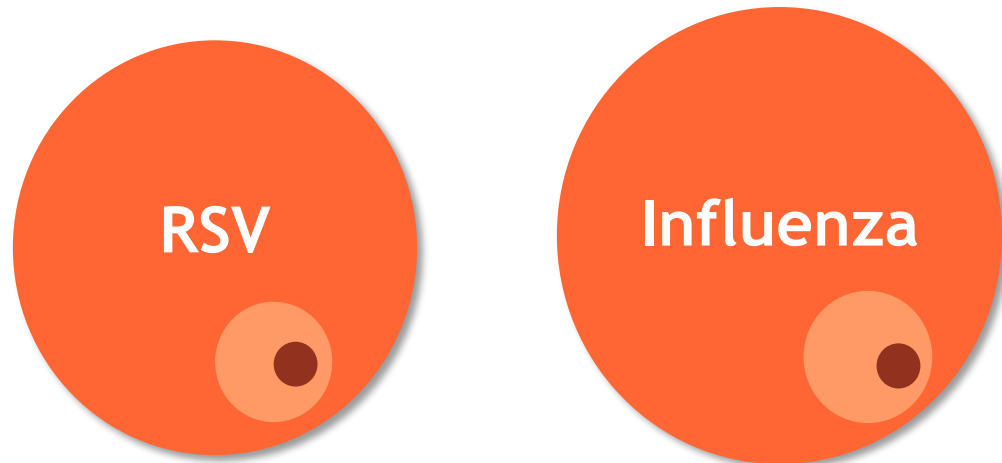
*Differentiated **RSV vaccine** ready for **Phase 3** after completing two successful Phase 2 studies*

RSV

No approved prophylactic vaccine

Influenza

\$5.4B USD
global market



● Infections ● Hospitalizations ● Deaths

Initial target population:

Elderly and At-Risk Adults

- ~180,000 hospitalizations in the US per year
- ~14,000 deaths in the US per year
- Similar in the EU



BUILDING A BROAD IMMUNOTHERAPY PORTFOLIO



BN vaccine + standard of care (e.g. chemotherapy & radiation)

- Pivotal trial of **BN-Brachyury** plus radiation ongoing in rare cancer chordoma
- Data expected in 2H19

AstraZeneca

Bristol-Myers Squibb

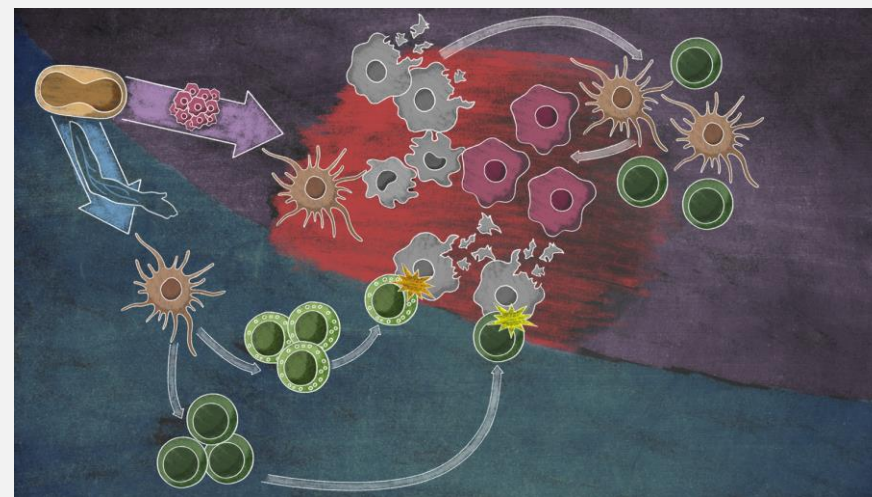
Roche

BN vaccine + checkpoint inhibitors

- Three Phase 2 trials of **CV301** in combination with checkpoint inhibitors ongoing
- Bladder data expected in 2H19

Next-generation BN vaccines

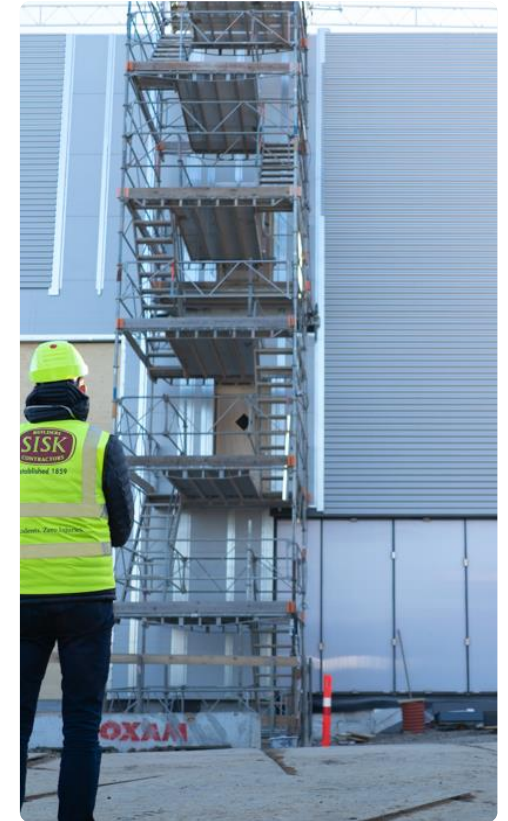
- Providing the body with more weapons
- Customizable for type of cancer & delivery
- One construct for multiple targets



Initiating 2019

INVESTING FOR THE FUTURE

- Fill and finish facility
 - Up to 8M freeze-dried & 40M liquid doses per year
- Expands our manufacturing capability
 - Key driver in securing higher smallpox revenues in the years to come
- Support new partnerships
 - Launch RSV
 - Licensing of pipeline assets
 - Manufacturing for partners/collaborators



Project timeline



2019 PRIORITIES AND GOALS



MAINTAIN global leadership of our smallpox vaccine business

- FDA approval of liquid-frozen **MVA-BN**
- Award of Priority Review **Voucher**
- Initiate Phase 3 study of freeze-dried **MVA-BN**

EXPAND and rapidly **ADVANCE** the pipeline of infectious disease programs

- Finalize **RSV** development plan
- Initiate Phase 1/2a study of **HIV** vaccine with Janssen
- Initiate Phase 1 dose finding study of **equine encephalitis virus** vaccine

ESTABLISH a broad and deep cancer immunotherapy portfolio

- Initiate Phase 1 study of intra-tumoral administration of **CV301** in solid tumors
- Initiate Phase 1 study of intravenous administration of **BN-Brachyury**
- Report initial ORR results from **CV301** in combination with atezolizumab in bladder cancer
- Report initial ORR results from Phase 2 study of **BN-Brachyury** in chordoma

EXPAND the commercial footprint and capabilities

- Finalize construction of **fill and finish** facility

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The loss for year is proposed transferred to retained earnings (equity)
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PROPOSALS FROM THE BOARD OF DIRECTORS



5a Authorisations to increase the share capital

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 until 30 June 2020 is authorised to increase the share capital of the Company by nominally DKK 32,310,560, corresponding to 10% of the Company's share capital.

PROPOSALS FROM THE BOARD OF DIRECTORS



5b Warrants

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 2020 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.

Warrants may not be granted to members of the Company's Board of Directors but only to members of the Executive Management and to employees of the Company or the Company's subsidiaries.

PROPOSALS FROM THE BOARD OF DIRECTORS



5c Guidelines for incentive remuneration

Proposal to amend the Remuneration Policy including the general guidelines for incentive remuneration of the Board of Directors and the Executive Management.

"The base wage of the Executive Management comprises a fixed annual wage. In addition, the members of the Executive Management may receive non-cash compensation such as education, health insurance coverage, company car, company phone, internet and allowances for reallocation expenses. Members not living in their home country may receive housing allowances or compensation for housing expenses or the Company may provide for living accommodation (provided the market value of the house/apartment at the time of first occupancy by the Executive does not exceed DKK 12 million)."

PROPOSALS FROM THE BOARD OF DIRECTORS



5d Remuneration

Proposal to approve remuneration of the Board of Directors and the Board Committees for the current financial year.

PROPOSALS FROM THE BOARD OF DIRECTORS



5e Repurchase of shares

Proposal to authorise the Board of Directors to repurchase own shares.

PROPOSALS FROM THE BOARD OF DIRECTORS



5f Change in the Articles of Association

Proposal to align the Danish terminology of the Company's Articles of Association so that the word "ejerbog" (in English "register of shareholders") is used instead of the word "aktiebog". The proposal entails adjustments of Articles 8, 10, 11 and exhibit 1.

PROPOSALS FROM THE BOARD OF DIRECTORS



5g Change in the Articles of Association

Proposal to amend Article 10, subsection 4 of the Articles of Association so that the obligation to convene General Meetings by publication in the IT information system of the Danish Business Authority is omitted.

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6. ELECTION OF MEMBERS TO THE BOARD OF DIRECTORS



Anders G. Pedersen

Deputy chairman since 2014

Member since 2010

Member of the Finance, Risk and Audit Committee since 2015

Erik G. Hansen

Member since 2010

Chairman of the Finance, Risk and Audit Committee since 2015

Elizabeth M. Anderson

Member since 2017

Member of the Nomination and Compensation Committee since 2018

Gerard van Odijk

Chairman since 2014

Member since 2008

Chairman of the Nomination and Compensation Committee since 2015

Frank Verwiel

Member since 2016

Member of the Finance, Risk and Audit Committee since 2016

Peter Kürstein

Member since 2012

Member of the Nomination and Compensation Committee since 2015

Anne Louise Eberhard

Nominated for election as new member



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The Board of Directors proposes that Deloitte is re-elected as the Company's auditor.

FORWARD-LOOKING STATEMENTS

This presentation 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 regarding our short-term objectives and opportunities, financial expectations for the full year and financial preparedness as of year end, as well as 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.

