

ANNUAL REPORT

2019

*Less risk,
more memories*



BAVARIAN NORDIC

Disclaimer

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.

2019 - a truly transformative year

FDA approval and acquisition of two commercial vaccines marked a turn for Bavarian Nordic



✓ FDA approval of JYNNEOS™ (liquid-frozen) for smallpox and monkeypox

✓ Acquisition of two commercial vaccines from GSK

✓ Fill and finish facility construction completed

✓ Strengthened leadership with appointment of CCO and CMO

✓ Ebola vaccine filed for EMA approval

✓ RSV Phase 3 design agreed with FDA

✓ Equine encephalitis program entered clinical trials

By 2025, we aspire to be one of the largest pure play vaccine companies improving and saving lives by excelling in R&D innovation, manufacturing and commercialization

OUR STRATEGY

Develop innovative life-saving vaccines

Expand and advance portfolio of pipeline projects



A company driven by commercial excellence

Establish a full-scale commercial operation to expand the business and drive profitable growth



Best in class vaccine manufacturer

Expand manufacturing expertise and capacity

Commercial

Establish a full-scale commercial operation to expand the business and drive profitable growth

- Secure profitable growth of the commercial business
- Establish JYNNEOS/IMVANEX/IMVAMUNE as the global leader for the prevention of smallpox and JYNNEOS with respect to monkeypox
- Become a preferred partner to healthcare professionals for the prevention and treatment of rabies and prevention of tick-borne encephalitis, smallpox and monkeypox
- Further expand the portfolio of commercial stage products either organically or through acquisitions



A leading infectious disease franchise

Rabipur/RabAvert *Rabies*



Encepur *Tick-borne encephalitis (TBE)*



JYNNEOS/IMVANEX/IMVAMUNE *Smallpox & monkeypox*



R&D Innovation

Expand and advance portfolio of pipeline projects

- Secure approval of three vaccines:
 - The freeze-dried version of the smallpox vaccine
 - The RSV vaccine, to be launched together with a partner
 - The Janssen partnered Ebola vaccine
- Secure proof-of-concept of new immunotherapy approaches
- Introduce at least one more infectious disease pipeline project



Our pipeline

MVA-BN freeze-dried

Smallpox

Phase 3 lot-consistency study ongoing with anticipated completion in 2021

MVA-BN RSV

Respiratory Syncytial Virus (RSV)

Phase 3 planned to initiate in 2021. Initial data read-out in 2022

MVA-BN Filo

Ebola

Janssen has filed MAA in Europe with potential approval in 2020

MVA-BN WEV

Equine encephalitis

Phase 1 dose finding study ongoing, topline results anticipated in 2020

MVA-BN HPV

HPV

Licensed to Janssen. Phase 1/2a study ongoing

BN-Brachyury

Chordoma

Initial ORR results from Phase 2 study in chordoma during 2020

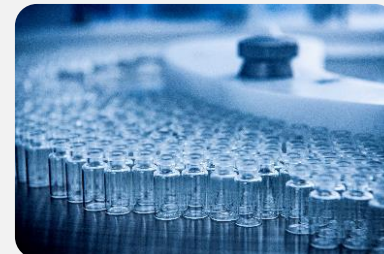
Manufacturing

Expand manufacturing expertise and capacity

- Establish Bavarian Nordic capabilities to fill and finish liquid and freeze-dried products
- Expand bulk manufacturing to introduce new technologies & manufacture multiple products in parallel
- To successfully complete the transfer of the manufacturing of Rabipur/RabAvert and Encepur from GSK, in order to deliver on the anticipated synergies of the transaction



End-to-end manufacturing

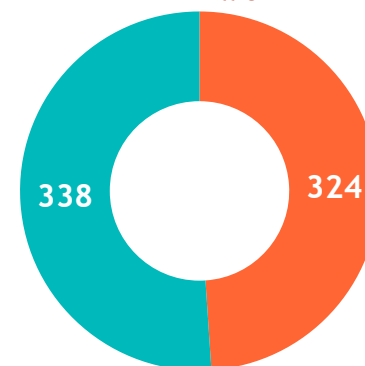


Financial results for 2019

- **Revenue** was DKK 662m
 - DKK 62m higher than guidance. Driven by higher revenue from contract work.
- Earnings before interest and tax (**EBIT**) was a loss of DKK 328m
 - DKK 32m better than guidance. Primarily driven by higher revenue.
- **Cash preparedness** ended at DKK 716m.
 - In line with latest guidance.

Revenue 2019

DKK million



■ Smallpox sales US + RoW ■ R&D Contracts

	DKK million	
	Guidance	Actuals
Revenue	600	662
EBIT	(360)	(328)
Cash preparedness	700	716

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

	USD million	
	Guidance	Actuals
	90	99
	(54)	(49)
	105	107

The USD figures are based upon an assumed exchange rate of DKK 6.68 per 1.00 USD, which was the exchange rate as of December 31, 2019.



Financial position end 2019

Continued strong financial position

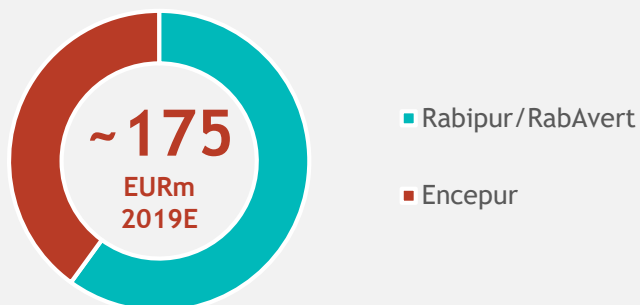
- Sale of Priority Review Voucher generated net proceeds of DKK 620 million in January 2020
- Rights issue targeting net proceeds of approximately DKK 2,600m planned for 1H 2020
- Bridge loan from Citi and Nordea will be repaid upon completion of rights issue

	mDKK		mUSD	
	2019YE	2018YE	2019YE	2018YE
Securities, cash & equivalents	472	2,317	71	347
Less Repo assets	-	(247)	-	(37)
Unutilized credit lines	244	244	37	37
Total cash preparedness	716	2,314	108	347
Mortgage	25	28	4	4
EIB loan	372	372	56	56
Bridge loan	1,373	-	206	-
Total debt (excl. Repo liability)	1,770	400	266	60

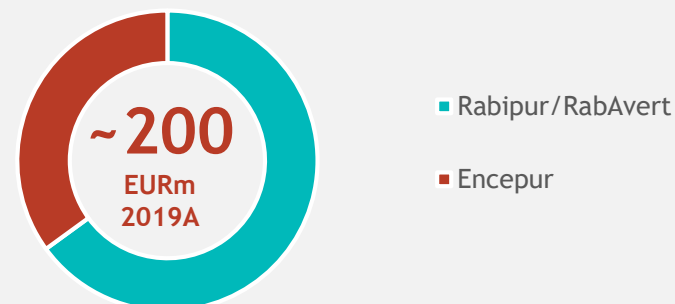
Contribution from the acquired products and long-term outlook

- a pathway to sustainable profitability and positive cash flows for Bavarian Nordic

Estimated 2019 sales of acquired products



Actual 2019 sales of acquired products



Financial ambitions for acquired products

	Transition years 2020-2024	Post full transition 2025
Sales growth	Rabipur/RabAvert (Rabies) - low to mid single digit Encepur (TBE) - mid to high single digit	
EBITDA-margin ¹	30-40% 2020 impacted by non-recurring transition cost (5-10 points)	>50% Even higher, excluding existing indirect production overheads (5-8 points)

Encepur actual sales in line with estimate (EUR 71m vs EUR 70m).

Rabipur/Rabavert actual sales significantly above estimate (EUR 129m vs EUR 105m) primarily due to competitor stock-out in the US and replenishment of inventory levels in the supply chain and hence not a sustainable base for projections.

Guidance for 2020 based on previously communicated growth rates and estimated 2019 sales level (EUR 175m).

Note: (1) Amortization of intangible assets created by the acquisition not included in EBITDA



Financial outlook for 2020

- **Rabipur/RabAvert** and **Encepur** sales are the primary revenue source
 - Combined sales of the new products expected to grow by a low-to-mid single digit rate from the previous estimated 2019 level (DKK 1,300m)
- Other revenue mainly to come from **smallpox vaccine** business
 - Includes expected product revenue not yet secured by contract, but also includes secured contract work related to freeze-dried Phase 3 study and FnF validation funded by BARDA
 - Milestone payment from Janssen related to expected EMA approval of the Ebola vaccine
- Net proceeds of DKK 620m from **PRV sale** to be recognized as other operating income
- R&D costs of approx. DKK 500m (USD 76m) of which approx. DKK 150m (USD 23m) recognized as production cost in P&L
- Non-recurring transition cost of DKK 75m related to the acquisition included

	DKK million	USD million
	Guidance	Guidance
Revenue	1,900	288
EBITDA	675	102
Cash and cash equivalents	1,350	205

FY estimates are based upon an exchange rate of DKK 6.60 per 1.00 USD

Key strategic activities and milestones in 2020



A company driven by commercial excellence

- Assume full sales and marketing responsibility for Rabipur/RabAvert and Encepur from GSK
- Establish a full commercial organization to support Rabipur/RabAvert, Encepur and JYNNEOS for the monkeypox indication
- Take over physical distribution of Rabipur/RabAvert and Encepur in selected markets
- Increase awareness and establish a new market for the monkeypox indication



Develop innovative life-saving vaccines

- Continue preparations for initiation of the Phase 3 trial of MVA-BN RSV in the elderly in 2021
- Advance the Phase 3 trial of smallpox MVA-BN freeze-dried formulation
- Obtain successful marketing authorization of Ebola vaccine MVA-BN Filo in the EEA (partnered with Janssen)
- Establish proof-of-concept for BN-Brachyury in chordoma
- Explore intra-tumoral/intravenous administration within immunotherapy.



Best in class vaccine manufacturer

- Complete the qualification and validation of the newly built fill and finish facility
- Commence investment in expansion of vaccine bulk manufacturing
- Commence the manufacturing technology transfer of Rabipur/RabAvert and Encepur

Other activities

- Rights issue targeting net proceeds of approximately DKK 2,600m planned for 1H 2020

Q&A

