

Tax policy

1. Background

In Bavarian Nordic, we contribute to the society by developing and manufacturing vaccines that provide protection against deadly diseases. While seeking to create a growing, sustainable business, we are committed to being responsible and to comply with all relevant laws, standards and guidelines.

We have a clear responsibility to comply with the laws and to pay the right amount of taxes at the right time in all the countries where we operate. Bavarian Nordic has operational companies in Denmark, USA, Germany and Switzerland, all of which are governed by national and international tax legislation. This document sets out the Group's Tax policy and describes our governing principles by which we manage our tax affairs. The overall aim is to be a responsible corporate citizen wherever the Group operates while at the same time ensuring a competitive effective tax rate. We are fully aware and respect that taxes constitute important contributions to society and to development of the countries in which we do business.

2. Scope

This policy is mandatory and applies globally to all entities, Executive Management and employees within the Bavarian Nordic Group.

3. Roles and responsibility

The Tax Policy is approved by the Board of Directors and reviewed at least annually on the basis of the business, the organization, and the regulatory developments, and amended when deemed appropriate.

Finance and Legal department in the HQ in Bavarian Nordic A/S will, under report to the CFO, manage and monitor compliance with the Tax policy, and secure implementation of the principles and philosophy throughout the Bavarian Nordic Group.

4. Policy and principles

Compliance

Our Tax policy is conducted on our commitment to comply with local and international tax legislation as well as OECD guidelines. Paying taxes accurately, in a timely manner and where business activities generate value is fundamental to how we do business. At the same time Bavarian Nordic has an obligation to create value to our shareholders by managing tax to secure a competitive effective tax rate and avoid double taxation.

Any tax planning is based on reasonable interpretations of applicable law. We interpret tax laws with due respect to their intention and we avoid aggressive tax planning.

Bavarian Nordic has a clear and transparent corporate structure which is driven by commercial consideration and business strategy and not specifically to obtain tax incentives. We do not set up artificial structures to avoid taxes on activities and we do not adopt tax positions which are not defensible under full disclosure.

Transfer pricing

The Bavarian Nordic Group consists of companies in different countries with intercompany charges and transactions which must be carried out on market terms. Therefore, we pay close attention to transfer pricing

requirements and focus on pricing the value of these intercompany transactions on arm's length basis ensuring profits being taxed where economic activities generating the profits are performed and where value is created.

Dialogue with tax authorities

Bavarian Nordic is committed to be as transparent about its tax matters as can reasonably be expected. We have an open and transparent dialogue and a cooperative relationship with tax authorities. We will disclose all legally required information to the tax authorities and if the tax authorities have any enquiries, we will respond in a straight-forward and timely manner and bring them all required information.

Bavarian Nordic acknowledges that international tax rules are increasingly complex. We aim to always comply with the letter of the law as well as the legislators' intention with the law. Where tax regulations aren't immediately clear or it is subject to interpretation, Bavarian Nordic will seek advice from external tax advisors to ensure compliance with tax laws.

Tax Risk management and reporting

Bavarian Nordic has a low tolerance towards tax risks, and we actively mitigate tax risks and uncertainties where possible.

Monitoring of tax risks is done in collaboration with tax advisors and risks are reported to Executive Management on a regular basis. In case of breaches of the Tax policy, which are considered material, with a risk of causing material economic loss, or reputational damage to Bavarian Nordic, the Executive Management will immediately report such incident to the Board of Directors.

Approved by the Board of Directors of Bavarian Nordic A/S on November 11, 2020.