

# ***Remuneration Report 2022***



BAVARIAN NORDIC

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#### About the report

This remuneration report (the “Report”) provides an overview of the total remuneration received from the Group 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 2022 financial year. The Executive Management consists of executives registered with the Danish Business Authority, namely President & CEO Paul Chaplin and Chief Financial Officer, Henrik Juuel.

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 2019-2022, 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 2023. Likewise, the remuneration report for 2021 was dealt with at the annual general meeting in 2022, where it was approved without comments relevant to the preparation of the current remuneration report.



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# 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.



### [Remuneration Policy](#)

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 Executive Management in general does not reach an unintended level.

The remuneration policy was approved by the Company's shareholders at the annual general meeting on April 5, 2022, where the following changes to the policy were adopted:

- For Executive Management, the terms for vesting and exercise of warrants were amended so that vesting of the warrants under future programs will be determined by fulfilment of predefined targets that support the Company's long-term value creation, i.e. financial, non-financial, operational, strategic and/or sustainability targets. Furthermore, the net value of future warrant programs at the time of exercise may not exceed an amount equivalent to DKK 50 million for the CEO and DKK 30 million for the CFO. The warrants will be issued at an exercise price equivalent to market price at the time of grant.
- Warrants and restricted stock units including matching shares to Executive Management may be granted in exceptional cases, e.g., for the purpose of retention or as a sign-on bonus.
- In case of termination of members of the Executive Management, termination pay and severance pay may not exceed an amount equivalent to 2 years' remuneration all remuneration elements included.

## Nomination and Compensation Committee

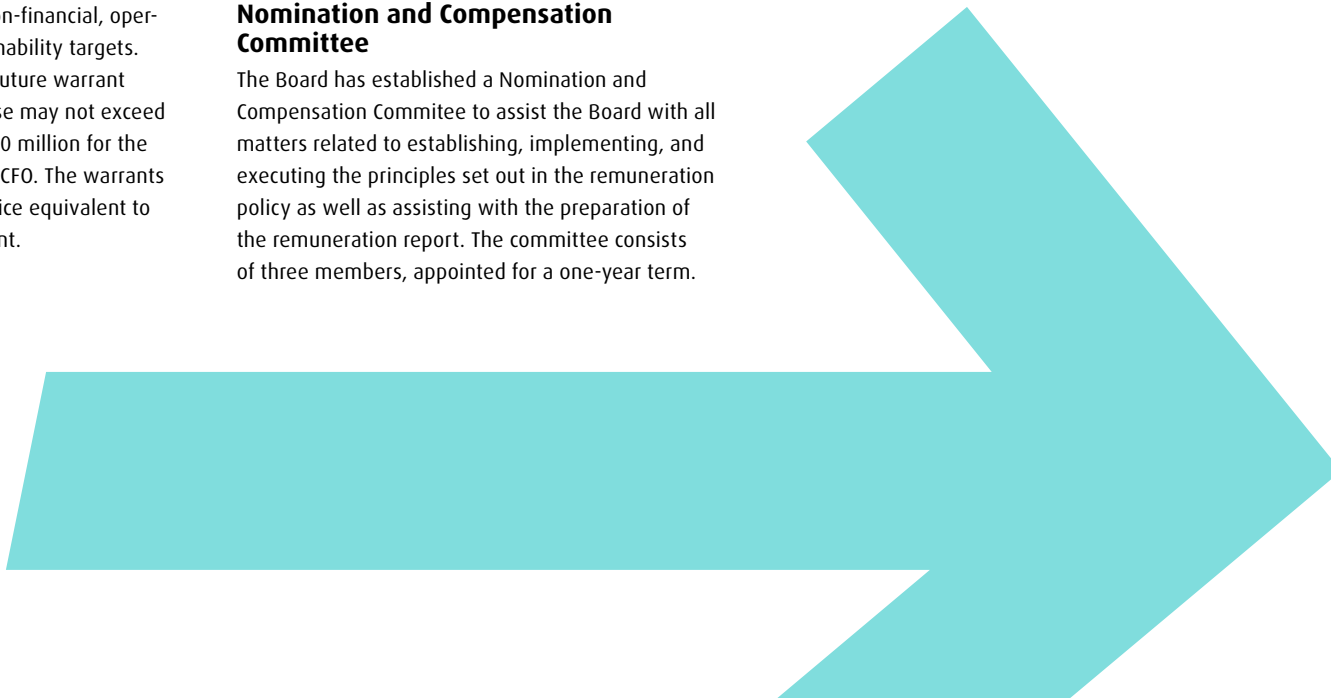
The Board has established a Nomination and Compensation Committee to assist the Board with all matters related to establishing, implementing, and executing the principles set out in the remuneration policy as well as assisting with the preparation of the remuneration report. The committee consists of three members, appointed for a one-year term.

The members are: Gerard van Odijk (chair), Frank Verwiel 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 2022 on the Company's website.



### [Nomination and Compensation Committee](#)



## Introduction (continued)

### Financial performance and business progress

We delivered significantly stronger financial results in 2022 than anticipated in our original guidance from March 4, 2022. During the year, we upgraded our guidance seven times, primarily resulting from numerous supply contracts for our mpox vaccine, but also due to a higher demand for our rabies vaccine. Preliminary full-year results were reported in January 2023 and exceeded the latest guidance. The final results were largely in line with the preliminary results. Revenue ended at DKK 3,151 million (2021: DKK 1,898 million) compared to the original guidance for revenues of DKK 1,100 - 1,400 million. EBITDA was DKK 328 million (2021: DKK 75 million) compared to an expected loss of DKK (1,300) -(1,000) million. Cash and cash equivalents at year-end were DKK 1,741 million (2021: DKK 3,217 million) compared to the original guidance of DKK 1,000 - 1,200 million, which assumed a debt level of DKK 600 million at year-end, whereas actual year-end cash position included no bank debt, as this was repaid during fourth quarter.

After a challenging year in 2021, where the travel vaccine market remained significantly hit by the COVID-19 pandemic, global travel picked up again and vaccine sales rebounded in 2022. While sales

in the travel segment did not reach pre-COVID-19 levels, the quarter-by-quarter performance showed a clear growth trend that is expected to continue into 2023. Importantly, we succeeded in defending our market shares in key markets. The US domestic rabies business has been more resilient during COVID-19 and showed a historically high performance through 2022. Along with the mpox opportunity that arose during the year due to the global outbreak, which resulted in a significant and unexpected revenue stream, as well as the addition of new products to our portfolio through partnerships, our core vaccine business performed better than anticipated, resulting in all-time high revenues.

Our primary achievement in research and development in 2022 was the advancement of two key pipeline programs into Phase 3 trials. The RSV Phase 3 study was initiated in April and reached its enrollment target of 20,000 subjects on time in December 2022. The start of the Phase 3 study for our COVID-19 booster vaccine candidate experienced delays, due to late additional regulatory demands that have pushed the enrollment completion into 2023. Both programs have significant potential to contribute to our 2025 ambitions, but to also address an unmet medical need. We also received additional funding

from the US government to further advance a program for an equine encephalitis vaccine.

The organization has continued to grow in 2022 and comprised by year-end 975 FTEs (2021 759 FTEs), corresponding to an increase of 28%.

Remuneration of the Board in 2022 totaled DKK 7.2 million (2021: 7.2 million). While the fixed board fees remained unchanged, total fees paid out in 2022 were lower compared to 2021 due to the resignation of two board members (Erik G. Hansen did not seek re-election at the annual general meeting in April 2022, and Elizabeth McKee Anderson resigned during the year). The lower fees were offset by a higher pay-out of attendance fees as physical meetings returned after COVID-19 restrictions were lifted.

Remuneration of Executive Management totaled DKK 31.4 million in 2022 (2021: DKK 26.1 million) representing an increase of 20%.

# 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.

All fees to the Board in 2022 were unchanged compared to 2021 and were approved at the Annual General Meeting on April 5, 2022.

**Table 1 – Board fees in 2022**

DKK thousand	Board		Committees		
	Cash	Restricted Stock Units	Finance, Risk and Audit	Nomination and Compensation	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

In 2022, 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 2022. The chair of each board committee's fee is two (2) times the fee of the ordinary board committee members.

## Remuneration 2022

**Table 2 – Remuneration of the Board in 2022**

DKK thousand	Board and committee fees	RSU fee	Attendance fees	Total 2022	Total 2021
Gerard van Odijk, chair	1,050	375	15	1,440	1,430
Anders Gersel Pedersen, deputy chair	663	225	40	928	880
Erik G. Hansen <sup>1</sup>	125	-	10	135	665
Peter Kürstein	500	150	35	685	660
Frank Verwiel	500	150	174	824	682
Elizabeth McKee Anderson <sup>2</sup>	375	100	69	544	650
Anne Louise Eberhard	575	150	45	770	665
Linette M. Andersen (employee-elected)	300	150	25	475	380
Thomas A. Bennekov (employee-elected)	300	150	25	475	380
Anja Gjøl (employee-elected)	300	150	25	475	380
Karen M. Jensen (employee-elected)	300	150	25	475	380
<b>Total</b>	<b>4,988</b>	<b>1,750</b>	<b>488</b>	<b>7,226</b>	<b>7,152</b>

<sup>1</sup> Erik G. Hansen was member of the board until the annual general meeting on April 5, 2022, where he resigned.

<sup>2</sup> Elizabeth McKee Anderson resigned from the board in August 2023.

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 2022 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).

## Remuneration of the Board of Directors (continued)

### RSU overview

Table 3 – Board member RSU holdings and details

	Program	Grant date	Vesting date	No of instruments beginning of 2022	No of instruments granted 2022	No of instruments vested 2022	No of instruments terminated 2022	No of instruments end of 2022	Share price at grant (DKK)	Value at grant (mDKK)	Value at vesting (mDKK)	Value at year-end 2022 (mDKK)
Gerard van Odijk <i>Chair</i>	RSU 2019	April 2019	April 2022	3,429	-	3,429	-	-	138	0.4	0,5	-
	RSU 2020	June 2020	June 2023	1,976	-	-	-	1,976	190	0.4	-	0.4
	RSU 2021	April 2021	April 2024	1,372	-	-	-	1,372	273	0.4	.	0.3
	RSU 2022	April 2022	April 2025	-	2,457	-	-	2,457	153	0.4	.	0.5
Anders Gersel Pedersen <i>Deputy chair</i>	RSU 2019	April 2019	April 2022	2,056	-	2,056	-	-	138	0.2	0.3	-
	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
	RSU 2022	April 2022	April 2025	-	1,474	-	-	1,474	153	0.2	-	0.3
Peter Kürstein	RSU 2019	April 2019	April 2022	1,371	-	1,371	-	-	138	0.2	0.2	-
	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 2022	April 2022	April 2025	-	983	-	-	983	153	0.2	-	0.2
Frank Verwiel	RSU 2019	April 2019	April 2022	1,371	-	1,371	-	-	138	0.2	0.2	-
	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 2022	April 2022	April 2025	-	983	-	-	983	153	0.2	-	0.2
Anne Louise Eberhard	RSU 2019	April 2019	April 2022	1,371	-	1,371	-	-	138	0.2	0.2	-
	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 2022	April 2022	April 2025	-	983	-	-	983	153	0.2	-	0.2

## Remuneration of the Board of Directors (continued)

Table 3 – Board member RSU holdings and details (continued)

	Program	Grant date	Vesting date	No of instruments beginning of 2022	No of instruments granted 2022	No of instruments vested 2022	No of instruments terminated 2022	No of instruments end of 2022	Share price at grant (DKK)	Value at grant (mDKK)	Value at vesting (mDKK)	Value at year-end 2022 (mDKK)
Linette M. Andersen <i>Employee-elected</i>	RSU 2021	April 2021	April 2024	-	548	-	-	548	273	0.2	-	0.1
	RSU 2022	April 2022	April 2025	-	983	-	-	983	153	0.2	-	0.2
Thomas A. Bennekov <i>Employee-elected</i>	RSU 2021	April 2021	April 2024	-	548	-	-	548	273	0.2	-	0.1
	RSU 2022	April 2022	April 2025	-	983	-	-	983	153	0.2	-	0.2
Anja Gjøøl <i>Employee-elected</i>	RSU 2021	April 2021	April 2024	-	548	-	-	548	273	0.2	-	0.1
	RSU 2022	April 2022	April 2025	-	983	-	-	983	153	0.2	-	0.2
Karen M. Jensen <i>Employee-elected</i>	RSU 2021	April 2021	April 2024	-	548	-	-	548	273	0.2	-	0.1
	RSU 2022	April 2022	April 2025	-	983	-	-	983	153	0.2	-	0.2
<b>Resigned board members</b>												
Erik G. Hansen	RSU 2019	April 2019	April 2022	1,371	-	1,371	-	-	138	0.2	0.2	-
	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 2019	April 2019	April 2022	1,371	-	1,371	-	-	138	0.2	0.2	-
	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 2022	April 2022	April 2025	-	983	-	328	655	153	0.2	-	0.2

## Remuneration of the Board of Directors (continued)

### 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, 2022	Additions during the year	Sold during the year	Net change	Holding as of December 31, 2022
Gerard van Odijk	28,007	3,429	3,003	426	28,433
Anders Gersel Pedersen	14,903	2,056	-	2,056	16,959
Erik G. Hansen	62,801	-	-	(62,801)	N/A <sup>1</sup>
Peter Kürstein	17,851	1,371	-	1,371	19,222
Frank Verwiel	1,601	1,371	-	1,371	2,972
Elizabeth McKee Anderson	1,601	1,371	-	(2,972)	N/A <sup>1</sup>
Anne Louise Eberhard	-	1,371	-	1,371	1,371
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

<sup>1</sup> Erik G. Hansen and Elizabeth McKee Anderson were both members of the board at the beginning of the year. Erik G. Hansen resigned in April 2022 and Elizabeth McKee Anderson resigned in August 2022.



# 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 fixed and variable remuneration components shown in the table. In addition, the Remuneration Policy contains provisions for post-employment compensation.

Component	Description
<b>Base wage</b>	Fixed annual salary
<b>Pension</b>	Pension contribution, 14% of base wage
<b>Short-term incentives (STI)</b>	<p>Cash bonus related to annual performance against financial, operational and sustainability targets. 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 a case, matching shares corresponding to 50% of the RSUs are granted free of charge as compensation for deferral of the bonus.</p>
<b>Long-term incentives (LTI)</b>	<p>Share-based incentive to promote long-term goals, strategies, and sustainability. Granted as warrants 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 a grant of warrants with a value up to an additional one year's base wage, at the time of grant.</p> <p>For warrants granted in December 2022 and onwards, vesting is subject to achievement of relevant targets and exercise price is established based on market price.</p> <p>For warrants granted before December 2022, no performance criteria have been applied, however the exercise price is established based on market price plus a premium of 15%.</p>
<b>Other benefits</b>	Company car, relocation expenses, housing allowance and certain other benefits

## Remuneration of the Executive Management (continued)

### 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 based on 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 2022.

### 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 12 months towards the

CFO and may be prolonged to up to 16 month in case of change of control situations, 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 6 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 2022

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.

According to benchmark data, the salary of the CEO and the CFO in Bavarian Nordic is at the low end compared to similar roles in Danish C25 and Large Cap companies<sup>1</sup>.

Table 5 – Executive Management remuneration in 2022

DKK thousand	Fixed remuneration					Variable remuneration							Total		
	Salary	Pension	Other benefits	Total	%	Bonus cash <sup>2</sup>	Bonus RSU <sup>3</sup>	Matching shares <sup>4</sup>	Retention RSU	Matching shares <sup>4</sup>	Warrants <sup>5</sup>	Total	%	2022	2021
Paul Chaplin, CEO	6,354	889	540	7,783	35%	1,613	1,613	806	2,666 <sup>6</sup>	1,333	6,451	14,482	65%	22,265	18,293
Henrik Juuel, CFO	3,519	477	152	4,148	46%	871	871	435	-	-	2,787	4,964	54%	9,112	7,841
<b>Total</b>				<b>11,931</b>	<b>38%</b>							<b>19,446</b>	<b>62%</b>	<b>31,377</b>	<b>26,134</b>

<sup>1</sup> Deloitte, Remuneration in Danish Large Cap Companies 2021 and Gorrissen Federspiel: C25 companies on Nasdaq Copenhagen

<sup>2</sup> Bonus related to current year's performance - paid out in the following year

<sup>3</sup> Bonus related to current year's performance - granted as RSU in the following year

<sup>4</sup> 50% matching shares related to granted RSU

<sup>5</sup> Calculation is based on salary in month of December 2022. The valuation of warrant is based on the Black-Scholes formula and further adjusted for the application of performance criteria.

<sup>6</sup> In April 2022 Paul Chaplin was granted RSUs corresponding to 50% of his base salary as part of his retention scheme, introduced in 2021.

## Remuneration of the Executive Management (continued)

### 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, operational and sustainability 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.

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 based on the financial results and other key strategic objectives delivered during the year.

The performance criteria for 2022 and the level of achievement are explained in table 6.

Table 6 - Performance criteria and applicable short-term incentive remuneration in 2022

	Weight	Paul Chaplin, CEO	Henrik Juuel, CFO
		Score	Score
<b>Financial targets</b>	<b>40%</b>	<b>239<sup>1</sup></b>	<b>239<sup>1</sup></b>
Revenue, EBITDA and cash preparedness compared to target			
<b>*Strategic business targets</b>			
- Deliver on Encepur and Rabipur/RabAvert tech transfer milestones			
- Progress RSV development according to the plan including completion of Phase 3 enrolment			
- Advance ABNCoV2 towards regulatory submission			
- Maintain Encepur and RabAvert volume market share	<b>40%</b>	<b>71</b>	<b>71</b>
<b>Sustainability targets</b>	<b>20%</b>	<b>83</b>	<b>83</b>
- Keep workplace accidents and sick leave $\leq$ 2021 level and equal gender diversity in leadership			
- Maintain high level of waste recycling $\geq$ 2021 level			
- Strengthen third party due diligence			
- Expand ESG reporting			
<b>Total bonus achievement</b>		<b>141%</b>	<b>141%</b>
<b>Total bonus awarded adjusted for cap at 100% (%)</b>		<b>100%<sup>2</sup></b>	<b>100%<sup>2</sup></b>
<b>Total bonus achieved (DKK thousand)</b>		<b>3,226</b>	<b>1,742</b>
- pay out in cash		1,613	871
- deferred pay out (conversion to RSUs)		1,613	871

<sup>1</sup> Score of 239 has been set by the Board as the financial performance significantly exceeded the original guidance, See section 2.

<sup>2</sup> Bonus is capped at 100% equal to 6 months base salary.

## Remuneration of the Executive Management (continued)

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”).

### Long-term incentive (LTI) program

To promote and achieve targets that support the Company’s long-term strategy, incentive remuneration in the form of share-based schemes is offered to the Executive Management. Share-based schemes consist of either grant of warrants or restricted stock units (RSUs). RSUs can also be granted in connection with the postponement of payment of a cash bonus.

Members of Executive Management may annually receive warrants with a value at grant corresponding to their fixed annual base wage. The value of each warrant is calculated using the Black-Scholes formula and further adjusted for the application of performance criteria. The potential value at the time of exercise is considered by the Board using

pessimistic, expected, and optimistic scenarios. Furthermore, a cap is applied so that the net value at the time of exercise does not exceed an amount equivalent to DKK 50 million for the CEO and DKK 30 million for the CFO.

To ensure alignment with the Company’s financial and non-financial targets, including sustainability targets, vesting of warrants is subject to achievement of individual targets based on an annual assessment. Exercise of warrants, however, can only occur three years from the date of grant. The exercise price has been established as the market price at the time of grant.

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 2022 program and previous programs are shown in table 7, including

information on programs that have vested in 2022. For programs established before December 2022, different terms apply than described above, such as vesting not being linked to performance criteria and exercise price established based on market price plus a premium of 15%. Furthermore, caps are not applied to the net value at exercise.

## Remuneration of the Executive Management (continued)

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 2022	No. of instruments granted 2022	No. of instruments exercised 2022	No. of instruments terminated 2022	No. of instruments ultimo 2022	Value at grant per instrument (DKK)	Value at grant (mDKK)	Value at exercise (mDKK)	Value at year-end 2022 (mDKK)
Paul Chaplin, CEO	2016	December 2016	March 2020	205.80	73,445	-	-	73,445	-	54.22	3.2	-	-
	2017	November 2017	March 2021	239.60	70,456	-	-	-	70,456	80.18	4.5	-	-
	2018	November 2018	March 2022	142.00	73,001	-	-	-	73,001	51.59	3.0	-	4.1
	2019	November 2019	March 2023	146.60	98,855	-	-	-	98,855	45.47	3.6	-	5.2
	2020	November 2020	March 2024	206.82	123,645	-	-	-	123,645	40.99	5.1	-	0.8
	2021	November 2021	March 2025	353.06	105,159	-	-	-	105,159	76.05	8.0	-	-
	2022	December 2022	March 2026	224.70	-	88,325	-	-	88,325	78.36	6.4	-	-
Henrik Juuel, CFO	2018	November 2018	November 2021	142.00	67,788	-	-	-	67,788	51.59	2.8	-	3.8
	2019	November 2019	March 2023	146.60	42,916	-	-	-	42,916	45.47	1.5	-	2.3
	2020	November 2020	March 2024	206.82	56,210	-	-	-	56,210	40.99	2.3	-	0.4
	2021	November 2021	March 2025	353.06	31,871	-	-	-	31,871	76.05	2.4	-	-
	2022	December 2022	March 2026	224.70	-	38,162	-	-	38,162	78.36	2.8	-	-

## Remuneration of the Executive Management (continued)

### RSU overview

Table 8 – Executive Management RSU holdings and details

Name and position	Program	Grant date	Vesting date	No. of instruments beginning of 2022	No. of instruments granted 2022	No. of instruments vested 2022	No. of instruments end of 2022	Share price at grant (DKK)	Value at grant (mDKK)	Value at vesting (mDKK)	Value at year-end 2022 (mDKK)
Paul Chaplin, CEO	RSU 2019	Mar 2019	Mar 2022	11,458		11,458	-	144	1.3	2.0	-
	RSU 2020 <sup>1</sup>	-	-	-	-	-	-	-	-	-	-
	RSU 2021	Mar 2021	Mar 2024	8,258	-	-	8,258	222	1.8	-	1.8
	RSU 2022	Mar 2022	Mar 2025	-	12,543	-	12,543	163	2.0	-	2.7
	RSU 2022 <sup>2</sup>	Apr 2022	Apr 2025	-	25,663	-	25,663	156	4.0	-	5.5
Henrik Juuel, CFO	RSU 2019	Mar 2019	Mar 2022	966		966	-	144	0.1	0.2	-
	RSU 2020	Mar 2020	Mar 2023	5,845	-	-	5,845	240	1.1	-	1.2
	RSU 2021	Mar 2021	Mar 2024	4,992	-	-	4,992	222	1.1	-	1.1
	RSU 2022	Mar 2022	Mar 2025	-	6,480	-	6,480	163	1.1	-	1.4

<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> Part of retention scheme.

## Remuneration of the Executive Management (continued)

### 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 2022	Additions during the year	Sold during the year	Net change	Holding end of 2022
Paul Chaplin, CEO	130,069	11,458	-	11,458	141,527
Henrik Juuel, CFO	11,400	966	-	966	12,366

# Comparison of remuneration and performance

This is the third year of reporting under this framework and thus Bavarian Nordic has included relevant comparative figures for the financial years 2019-2021 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	2022	Change %	2021	Change %	2020	Change %	2019
Gerard van Odijk (chair)	1,440	0.7%	1,430	7.9%	1,325	2.3%	1,295
Anders Gersel Pedersen (deputy chair)	928	5.4%	880	6.0%	830	1.8%	815
Peter Kürstein	685	3.8%	660	8.2%	610	7.0%	570
Frank Verwiel	824	20.8%	682	13.7%	600	-16.2%	716
Anne Louise Eberhard	770	15.8%	665	11.8%	595	14.9%	518
Linette M. Andersen (employee-elected)	475	25.0%	380	-	-	-	-
Thomas A. Bennekov (employee-elected)	475	25.0%	380	-	-	-	-
Anja Gjøøl (employee-elected)	475	25.0%	380	-	-	-	-
Karen M. Jensen (employee-elected)	475	25.0%	380	-	-	-	-
<b>Resigned board members</b>							
Erik Gregers Hansen	135	-79.7%	665	3.9%	640	0.8%	635
Elizabeth McKee Anderson	594	-8.6%	650	13.0%	575	-15.9%	684

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

DKK thousand	2022	Change %	2021	Change %	2020	Change %	2019
Paul Chaplin, CEO	22,265	21.7%	18,293	25.2%	14,616	22.6%	11,925
Henrik Juuel, CFO	9,112	16.2%	7,841	0.3%	7,819	21.6%	6,428

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



## Comparison of remuneration and performance (continued)

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

	2022	Change %	2021	Change %	2020	Change %	2019
Revenue (DKKm)	2,939	51.7%	1,938	2.9%	1,883	184.9%	661
EBITDA (DKKm)	142	-1.4%	144	-81.2%	766	N/A	(347)
Number of FTE's (excl. Executive Management)	600	18.4%	507	25.5%	404	37.4%	294
Average total remuneration for company employees (DKK) <sup>1</sup>	884,325	3.2%	857,281	2.1%	839,804	-0.5% <sup>3</sup>	844,218
CEO Pay Ratio <sup>2/3</sup>	22		16		16		14

<sup>1</sup> "Staff costs" minus "Total management remuneration" divided by FTE's excl. Executive Management (Annual Report 2022, note 4 in Parent)

<sup>2</sup> Total CEO remuneration expensed cf. Annual Report 2022, 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 decreased the average remuneration per employee

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

	2022	Change %	2021	Change %	2020	Change %	2019
Revenue (DKKm)	3,151	66.0%	1,898	2.5%	1,852	179.8%	662
EBITDA (DKKm)	328	339.0%	75	-89.9%	740	N/A	(271)
Number of FTE's (excl. Executive Management)	868	19.2%	728	21.1%	601	30.4%	461
Average total remuneration for Group employees (DKK) <sup>1</sup>	888,616	2.7%	865,430	3.3%	837,606	4.0%	805,471
CEO Pay Ratio <sup>2</sup>	22		16		16		15

<sup>1</sup> "Staff costs" minus "Total management remuneration" divided by FTE's excl. Executive Management (Annual Report 2022, note 8 in Group)

<sup>2</sup> Total CEO remuneration expensed cf. Annual Report 2022, note 8 in Group, over average total remuneration expensed for Group employees

### Compliance with the Remuneration Policy

The remuneration of members of the Board and Executive Management for 2022 is consistent with the scope of the remuneration policy. There has been no deviation or derogation from the framework provided by the remuneration policy.

# 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, 2022.

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 2, 2023

## Board of Directors



Gerard W.M. van Odijk  
Chairman of the Board



Anders Gersel Pedersen  
Deputy chairman



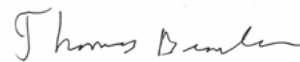
Peter H. Kürstein-Jensen



Frank A.G.M. Verwiel



Anne Louise Eberhard



Thomas Alex Bennekov  
Employee-elected



Anja Gjøøl  
Employee-elected



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 the remuneration report for Bavarian Nordic A/S for the financial year 1 January – 31 December 2022 - contains the information required by section 139b(3) of the Danish Companies Act.

We express a conclusion providing reasonable assurance.

## The Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the remuneration report in accordance with section 139b(3) of the Danish Companies Act and the remuneration policy adopted at the Annual General Meeting.

Further, the Board of Directors is responsible for the internal control that the Board of Directors considers necessary to prepare the remuneration report without material misstatement and omissions, whether due to fraud or error.

## Auditor's responsibility

Our responsibility is to express a conclusion on the remuneration report based on our examinations.

We 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 statutory 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.

As part of our examinations, we have checked whether the remuneration report, to the extent relevant, includes the information required by section 139b(3), items 1-6, of the Danish Companies Act for

the remuneration of each member of the Executive Management and the Board of Directors.

We believe that the procedures performed provide a sufficient basis for our conclusion.

Our examinations have not included an examination to verify the accuracy and completeness of the information provided in the remuneration report, and therefore we do not express any conclusion in this regard.

## Conclusion

In our opinion the remuneration report contains, in all material respects, the information required by section 139b(3) of the Danish Companies Act.

Copenhagen, 2 March, 2023

## Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556



**Kirsten Aaskov Mikkelsen**  
State-Authorised Public Accountant  
Identification No (MNE) mne21358



**Eskild Nørregaard Jakobsen**  
State-Authorised Public Accountant  
Identification No (MNE) mne11681

**Bavarian Nordic A/S**

Philip Heymans Alle 3  
DK-2900 Hellerup  
Denmark

CVR no: 16 27 11 87

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