BAVARIAN NORDIC

Annual Report 2023

Conference Call

March 6, 2024



Bavarian Nordic – Annual Report 2023

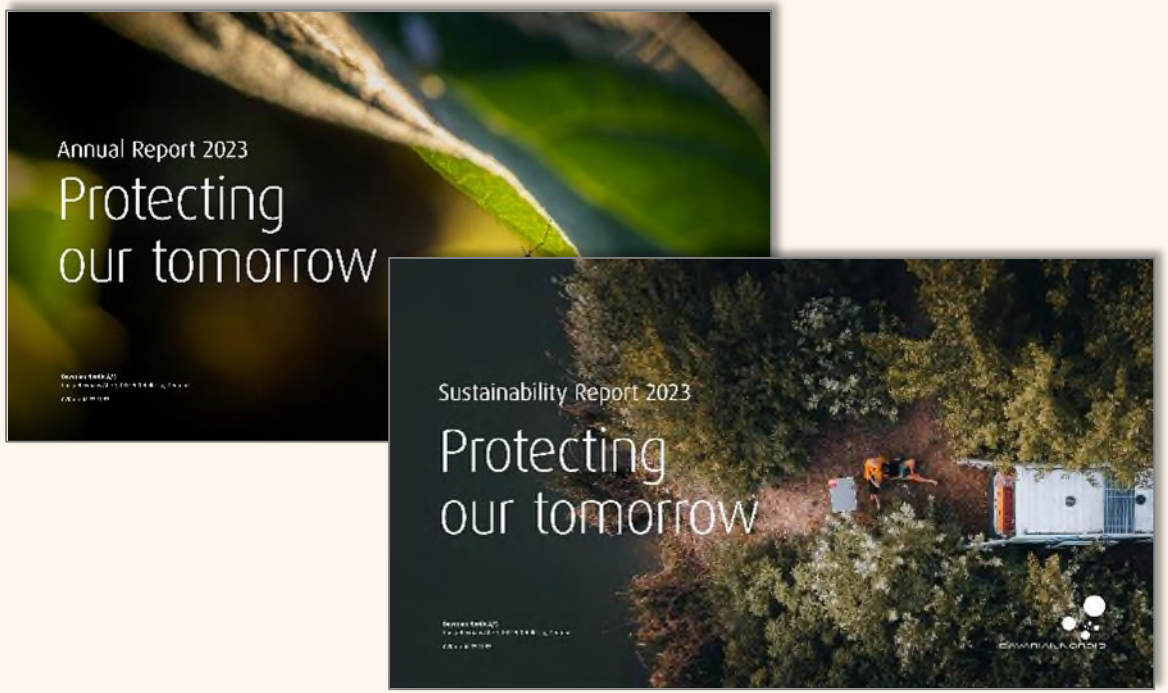
Speakers



Paul Chaplin
President and
Chief Executive Officer



Henrik Juuel
Chief Financial Officer



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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.



Business highlights

Paul Chaplin, President & CEO

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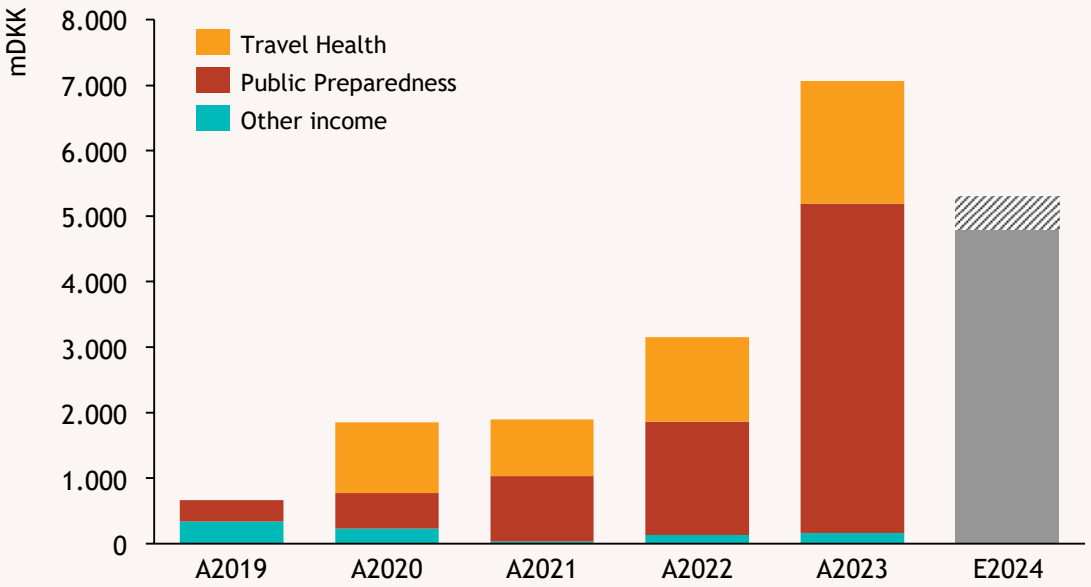
2023: A record year

7,062
MDKK in revenue

+124%
vs. 2022

2,615
MDKK in EBITDA

37%
EBITDA margin



Public preparedness

Developed and commercialized our proprietary **MVA platform:**

- Smallpox
- Mpox
- JYNNEOS™

Travel Health

Created a leading travel health business via acquisitions and in-licensing:

- Rabies — Rabipur® RabAvert®
- Tick-borne encephalitis (TBE) — Encepur®
- Cholera — Vaxchora®
- Typhoid — Vivotif®
- Japanese encephalitis
- Cholera
- Hepatitis B

Our way forward

**A pioneering force in vaccines –
expanding our reach and impact through life-changing solutions**

Deliver continued growth

- Drive growth in Travel Health
- Expand base business within Public Preparedness
- Strong focus on organic growth supported by selective and synergistic M&A

Bring innovative solutions

- Improve competitiveness of existing product portfolio through life-cycle management
- Secure reliable supply
- Develop new pipeline programs and platforms

Committed to provide sustainable impact on society, patients and employees

Deliver continued growth
Drive growth in our leading position within Travel Health

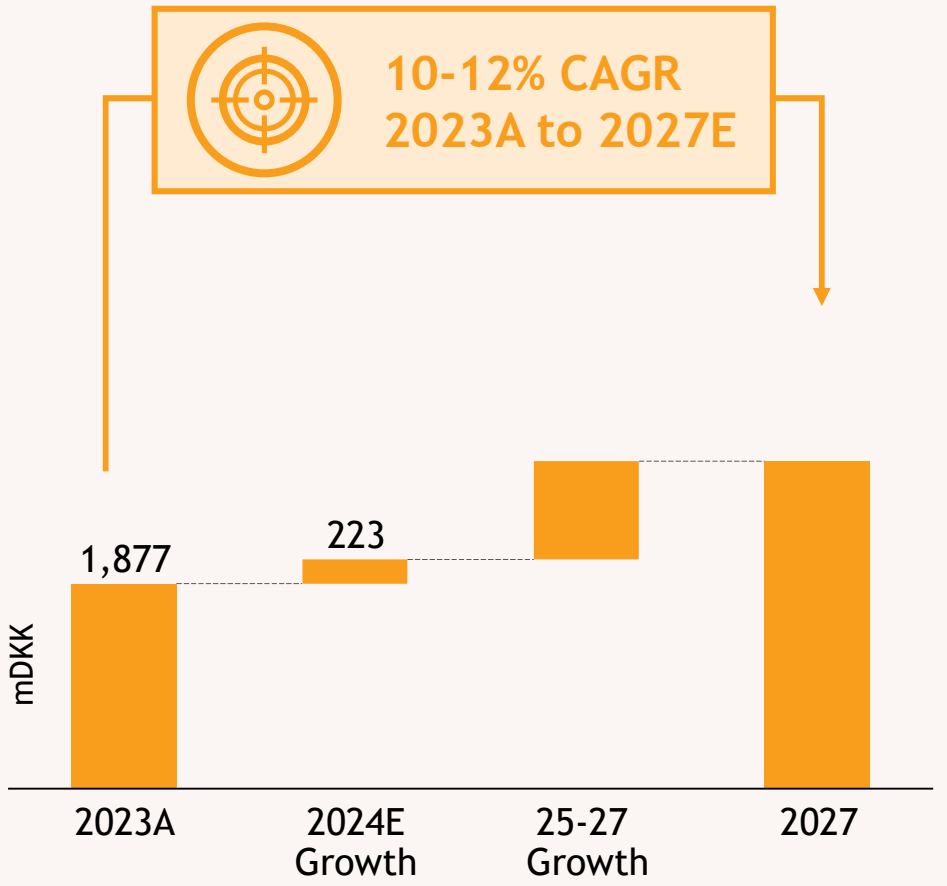
Key growth drivers:

1 TBE & Rabies
- Cont'd market growth driven by increased travel
- Cont'd strong brand performance through dedication and focus
- Geographical expansion of own distribution

2 Cholera & Typhoid
- Relaunch cholera and typhoid vaccines via our existing commercial platform – sales potential of USD ~100m

3 CHIKV
- Expected launch of CHIKV vaccine candidate in H1 2025
- Differentiated product with strong clinical data entering market estimated at USD ~500m

Travel Health Revenue



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Deliver continued growth
Expanding the Public Preparedness business

Historical development in Public Preparedness

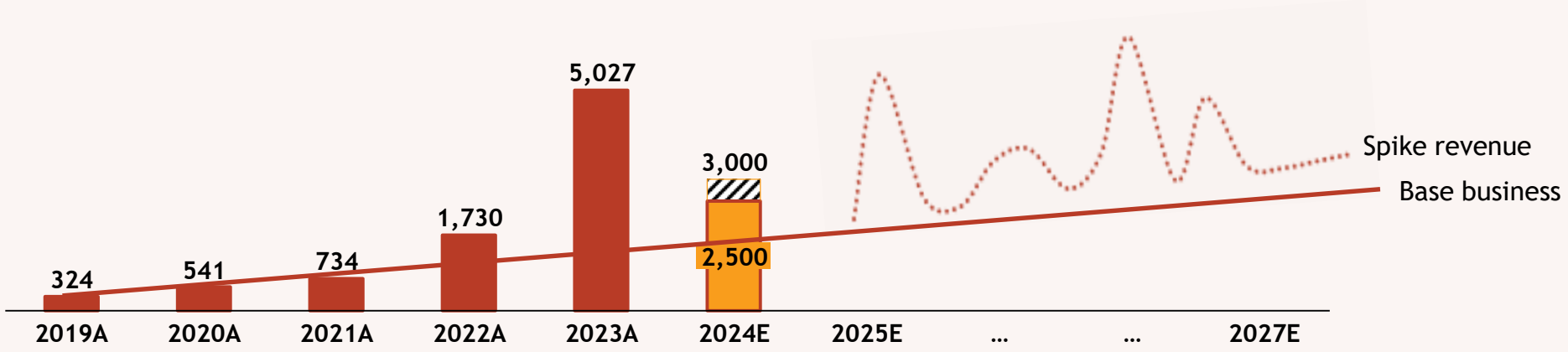
- Sales in 2022 and 2023 impacted by mpox outbreak and created many new governmental customers. Orders from the US and Canada were also impacted by the outbreak.
- Successful manufacturing of and delivery on sudden spike orders from the mpox outbreak 2022-2023.

Public Preparedness business going forward

Base business from existing partners

DKK 1.5-2.0bn annual sales expected from the US, Canada and repeat business from smaller countries plus broadening of base through ongoing dialogues with new countries.

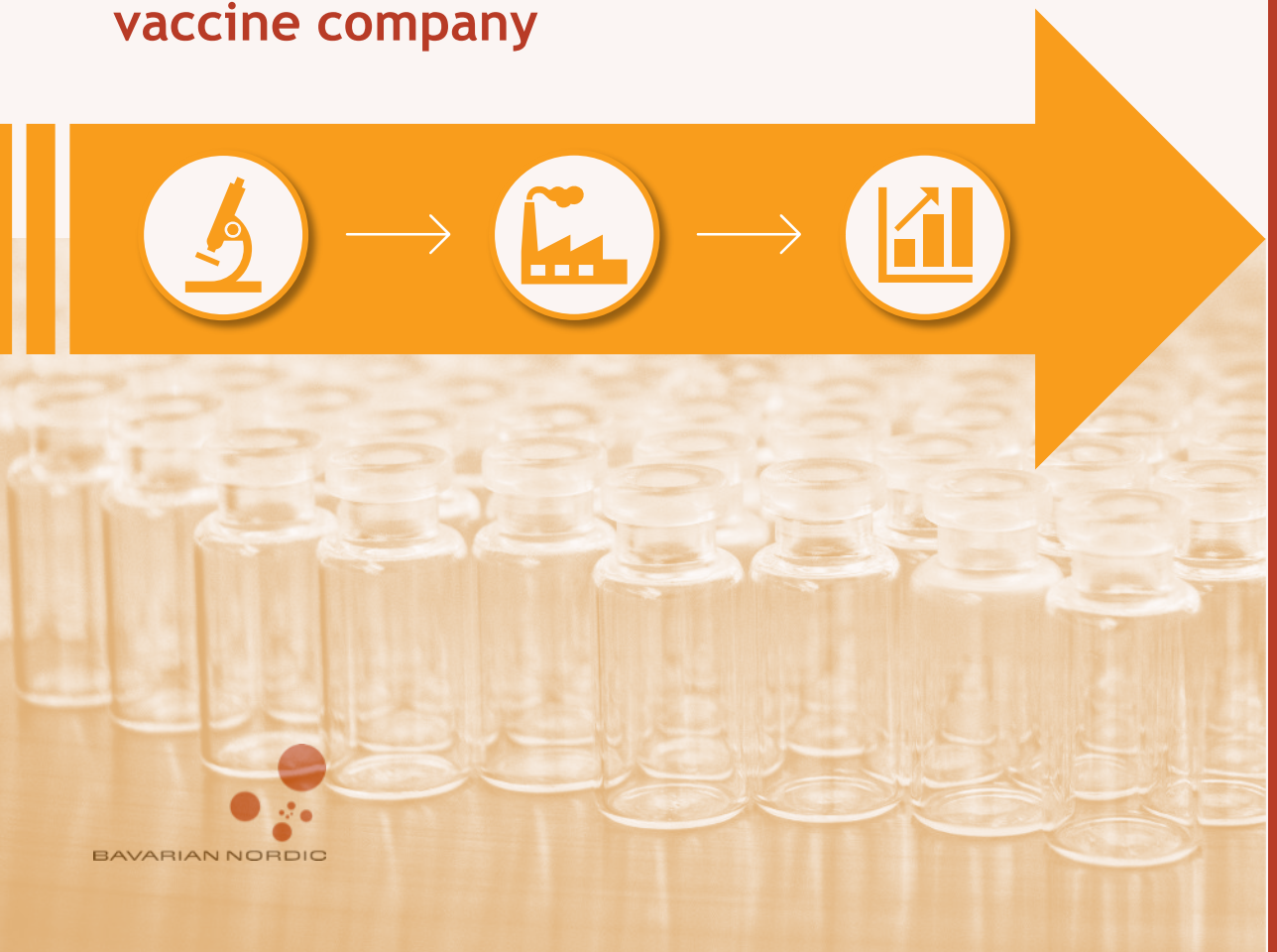
- **Launch private market JYNNEOS**
  Launch in H1-2024 with a total gross value of approximately DKK 1,725m to be captured over the next 4 years
- **Future sudden demand spikes expected**
  Spikes beyond base business driven by new mpox outbreaks and irregular government stockpiling purchases



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Continued growth supported by multiple drivers

Successful transformation into a leading pure play vaccine company



- Attractive underlying market growth
- Focused on organic growth strategy
- Focused R&D strategy
- Opportunity to solidify profitability
- Solid financial position and stronger cash flow generation going forward



Commercial performance & financials

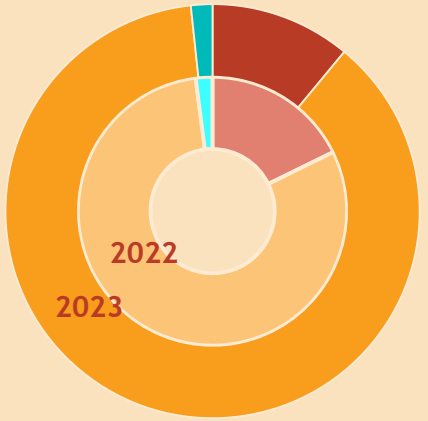
Henrik Juuel, EVP & Chief Financial Officer

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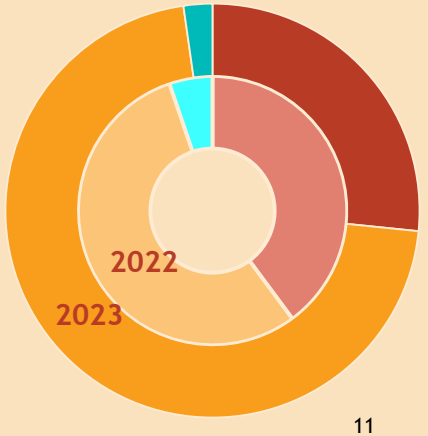
High growth across product portfolio

	Fourth quarter			Full year		
mDKK	Q4 2023	Q4 2022	Growth	FY 2023	FY 2022	Growth
Travel health						
Rabipur/RabAvert	173	190	-9%	1,161	879	32%
Encepur	30	24	25%	417	299	40%
Vivotif	38	-	N/A	119	-	N/A
Vaxchora	24	-	N/A	24	-	N/A
Third-party products	24	15	60%	157	79	99%
	269	**229**	**17%**	**1,877**	**1,257**	**49%**
Public preparedness						
JYNNEOS/IMVANEX/IMVAMUNE	**2,137**	**1,035**	**106%**	**5,027**	**1,730**	**190%**
Other revenue	**41**	**26**	**58%**	**158**	**164**	**-4%**
Total	**2,447**	**1,290**	**90%**	**7,062**	**3,151**	**124%**

Q4 sales



FY sales



Rabies sales performance

- A record year for RabAvert/Rabipur across both the US endemic market and the European travel market, exceeding sales numbers prior to BN ownership
- Strong brand performance supporting the market-leading positions in both regions

25% market growth vs. 2022

41% vs. 2019

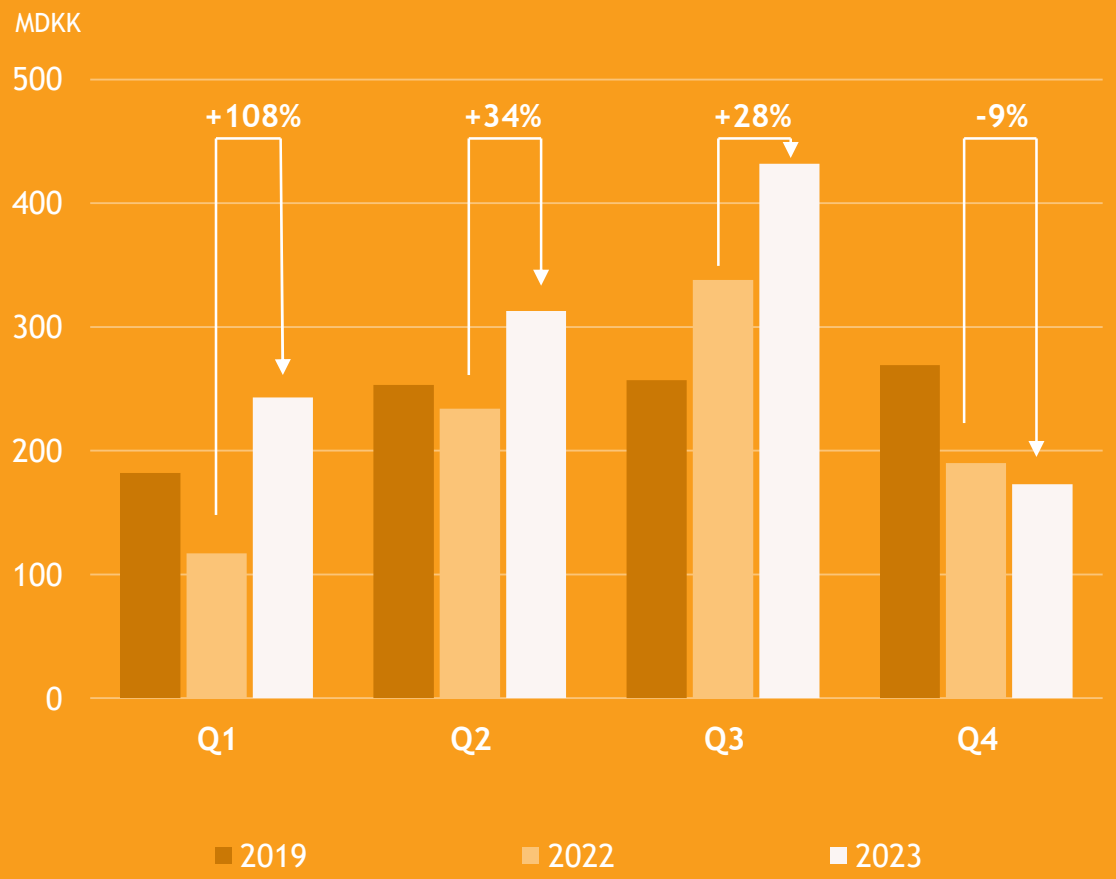
RabAvert® market share *70%*

87% market growth vs. 2022

6% vs. 2019

Rabipur® market share *93%*

Sales by quarter



2019 sales numbers provided by GSK

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TBE sales performance

- Steady revenue growth quarter by quarter
- Market share improved, but has not fully recovered after stock-out situation in Q4 2022

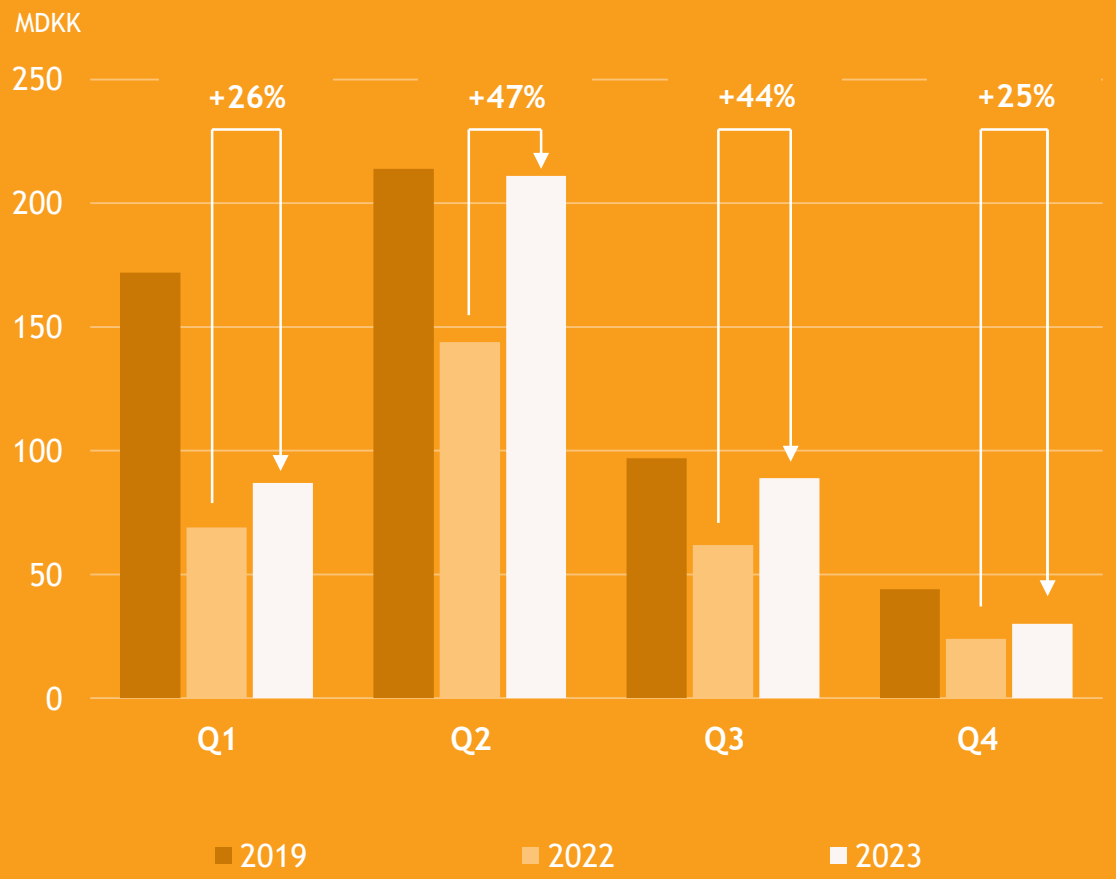


33% market growth vs. 2022

12% vs. 2019

Encepur® market share *27%*

Sales by quarter



2019 sales numbers provided by GSK

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Profit and loss

mDKK	Q4 2023	FY 2023	FY 2022
Revenue	2,447	7,062	3,151
Production costs	833	2,459	1,450
Gross profit	**1,614**	**4,603**	**1,701**
Research and development costs	446	2,228	1,183
SG&A costs	255	872	589
Total operating costs	**702**	**3,101**	**1,772**
EBIT	**913**	**1,503**	**(71)**
Net financial items	(15)	(20)	(261)
EBT	**898**	**1,483**	**(332)**
Tax	(3)	8	16
Net profit for the period	**901**	**1,475**	**(347)**
EBITDA	**1,063**	**2,615**	**328**
EBITDA margin	43%	37%	10%

A record financial performance in 2023

- Strong revenue growth across all products
- Operating costs impacted by write-down of COVID-19 asset, RSV development, increased commercial activity and recent acquisition
- Strong EBITDA with a margin of 37%
- EBITDA not impacted by COVID-19 write-down
- Positive and significant net profit

Cash flow and balance sheet

Selected cash flow figures

mDKK	FY 2023	FY 2022
Cash flow from operating activities	1,119	220
Cash flow from investment activities	(946)	(877)
Free cash flow	**173**	**(657)**
Cash flow from financing activities	736	636
Net cash flow for the period	**909**	**(22)**

- Cash flow from operating activities positive despite higher net working capital.
- Cash flow from investment activities impacted by acquisition and milestone payments and partly off-set by divestment of securities.
- Cash flow from financing activities impacted by capital increase, ABNCoV2 funding and repayment of repo position.
- Positive net cash flow for the period.
- Solid cash position and no debt.

Selected balance sheet figures

mDKK	Dec-31 2023	Dec-31 2022
Intangible assets	6,482	5,943
Total assets	14,353	12,391
Equity	10,340	7,150
Non-current liabilities	1,225	2,954
Current liabilities	2,788	2,287
Securities, cash and cash equivalents	1,867	2,845
Debt, bank & institutional	(17)	(1,123)
Net cash*	1,850	1,722

* Deferred consideration (book value) of DKK 2,377 million not included

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Outlook and financial ambitions

Outlook 2024

mDKK	2024
Revenue	5,000 – 5,300
EBITDA	1,100 – 1,350

- Travel Health: Approximately 2,100 mDKK
- Public Preparedness: 2,700 – 3,000 mDKK
- Other Revenue: Approximately 200 mDKK
- R&D: Approximately 850 mDKK, of which CHIKV represents nearly half
- CHIKV manufacturing costs of ~240mDKK with EBITDA margin impact of approx. 5 p.p.

Financial ambitions and capital allocation

Mid-term financial ambition

Financial ambitions to 2027 - current business (mDKK)

Revenue:

Travel Health, CAGR (23-27)	10-12%
Public Preparedness base business (excl spikes)	1.5 – 2.0 BN
EBITDA margin	25% - 30%

Capital allocation

- Short term commitments to pay back significant milestones from acquisitions
- Invest to grow the current business and pipeline
- Increasing cash flow generation leading to expanded financial flexibility
- Mid- to long-term excess cash prioritized for synergistic M&A and return to shareholders

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Q&A

