



BAVARIAN NORDIC

Company Announcement

17 November 2009

## US Government Awards Contract to Bavarian Nordic for the Development of Freeze-Dried IMVAMUNE® Smallpox Vaccine

*Kvistgaard, Denmark, November 17 2009* - Bavarian Nordic A/S (OMX: BAVA) announced today that BARDA (Biomedical Advanced Research and Development Authority) has awarded a new contract to Bavarian Nordic for the development of a freeze-dried version of its IMVAMUNE® smallpox vaccine with a total prospective value of USD 40 million.

The contract provides funds to validate the new freeze-dried manufacturing process and the associated pre-clinical and clinical studies to support the advanced development of a freeze-dried version of IMVAMUNE®. The base year funding represents 33% of the total contract value, followed by four additional years of optional funding, which are triggered by the completion of pre-determined technical milestones. These freeze-dried development activities will be performed in parallel to the licensure activities of the current liquid-frozen IMVAMUNE® formulation under the RFP-3 contract.

The contract does not affect the company's expectations for the 2009 full year results.

With this contract, the US Government has to-date awarded contracts to Bavarian Nordic for the development and procurement of IMVAMUNE® worth more than USD 680 million. Under the ongoing RFP-3 contract, Bavarian Nordic will deliver 20 million doses of IMVAMUNE® in the current liquid-frozen formulation. Once the contract option for an additional 60 million doses is expectedly exercised, these vaccines will be delivered in the liquid-frozen formulation as well. Thus, the new contract will have no influence on the ongoing contracts, but represents an additional business opportunity and will expectedly constitute the gateway towards securing additional contracts for this new freeze-dried version with the US Government and outside the US as well.

A freeze-dried formulation of IMVAMUNE® offers various new advantages in terms of a potential increased shelf-life compared to the current liquid-frozen formulation. Additionally, this would help overcome the challenges with the cold-chain logistics and storage.

Anders Hedegaard, President & CEO of Bavarian Nordic said: *"We are excited about receiving yet another contract from the US Government in support for the development of an advanced freeze-dried version of our IMVAMUNE® smallpox vaccine. It clearly demonstrates the continued commitment from the US Government to support the development of advanced medical countermeasures and it strengthens our confidence, that the option to procure up to an additional 60 million doses of IMVAMUNE® under the ongoing RFP-3 contract will be exercised."*

Asger Aamund  
Chairman of the Board

### Contact

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**Forward-looking statements**

*This announcement 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 concerning our plans, objectives, goals, future events, performance and/or other information that is not historical information. 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.*

**About Bavarian Nordic**

*Bavarian Nordic A/S is a leading industrial biotechnology company developing and producing novel vaccines for the treatment and prevention of life-threatening diseases with a large unmet medical need. The company's pipeline is focused in the three areas; biodefence, cancer and infectious diseases, and includes seven development programmes. Two programmes are ready for Phase III: IMVAMUNE®, a third-generation smallpox vaccine is being developed under a contract with the US government, and PROSTVAC™, a therapeutic vaccine for advanced prostate cancer is being developed under a collaboration agreement with the National Cancer Institute.*

*Bavarian Nordic is listed on NASDAQ OMX Copenhagen under the symbol BAVA.*

*For more information please visit [www.bavarian-nordic.com](http://www.bavarian-nordic.com)*