BAVARIAN NORDIC

Company Announcement

Bavarian Nordic Announces First Half 2024 Results

COPENHAGEN, Denmark, August 22, 2024 – Bavarian Nordic A/S (OMX: BAVA) announced today its interim financial results and business progress for the first half of 2024 and released its financial calendar for 2025.

- Revenue for the first half was DKK 2,259 million, and the operating profit (EBITDA) was DKK 441 million.
- Revenue from travel health increased by 15% to DKK 1,119 million and revenue from public preparedness was DKK 1,024 million, which is in line with the Company's expectations. Other revenue was DKK 116 million.
- Revenues from Rabipur/RabAvert and Encepur have reached levels exceeding the original expectations at the time of acquisition, thus triggering a sales milestone of DKK 186 million to GSK, payable in the third quarter of 2024.
- Bavarian Nordic confirms its new guidance for the full year at the upper end of the range, with aggregated revenue of approximately DKK 5,300 million and EBITDA of approximately DKK 1,350 million. The public preparedness revenue included in the new guidance is now largely all secured by contracts.

DKK million	Q2 2024	Q2 2023	H1 2024	H1 2023	2024 Guidance
Revenue	1,427	1,987	2,259	3,239	~5,300
EBITDA	420	690	441	1,171	~1,350

Paul Chaplin, President & Chief Executive Officer of Bavarian Nordic said: "We are pleased to report strong developments for Bavarian Nordic during the first half of 2024. Unfortunately, mpox is again making global headlines as a result of the record number of cases reported in Africa. The situation has urged the African CDC and the WHO to declare public health emergencies and Bavarian Nordic is working closely with all stakeholders to ensure the equitable access to our mpox vaccine. Importantly, we have built a strong partnership with the Africa Centers of Disease Control (CDC), both on exploring supply, but also expanding our manufacturing network to include Africa. We are also working with the WHO on a regulatory path to ensure access to all countries, while in parallel seeking approval for use in adolescents and also conducting clinical studies in Africa to further expand the use to children. A recent order for MVA-BN was secured by an undisclosed European country, and this was anticipated as part of the 2024 guidance and as such, has no impact on the remaining vaccine capacity. Indeed, in response to recent events the company plans to ramp-up vaccine manufacturing to ensure the continued equitable access to our mpox vaccine. Consequently, we have the capacity to manufacture 10 million doses by the end of 2025, in addition to our current orders, and could already supply up to 2 million doses this year. Bavarian Nordic is prepared to work with the international community to play our role in protecting and saving lives around the World and to contain the latest outbreak."

Highlights from the period

- In April, Bavarian Nordic launched its mpox vaccine in the U.S., thereby expanding access to JYNNEOS® for at-risk populations.
- In April, Bavarian Nordic initiated a rolling BLA submission for its chikungunya vaccine candidate to the U.S. Food and Drug Administration (FDA). The submission was completed in June, and in August, the FDA accepted the BLA with priority review.
- In April, Bavarian Nordic was awarded a contract valued at EUR 65 million for the supply of smallpox vaccines to the rescEU stockpile in 2025.
- In May, Bavarian Nordic announced the departure of EVP and Chief Medical Officer Laurence de Moerlooze. A search process to identify the next Chief Medical Officer has been initiated.
- In May, Bavarian Nordic received funding from CEPI to advance a clinical trial of the mpox vaccine in an African population, potentially supporting expansion of the current regulatory approvals to include children 2 years of age and older, as well as potentially supporting approval of the vaccine in Africa.
- In May, Bavarian Nordic submitted a supplemental BLA seeking FDA approval of a freeze-dried formulation of the MVA-BN smallpox and mpox vaccine.
- In June, Bavarian Nordic submitted a Marketing Authorization Application (MAA) for its chikungunya vaccine candidate to the European Medicines Agency (EMA). The MAA was accepted in July, marking the start of the centralized review procedure under accelerated assessment.
- In June, Bavarian Nordic announced a donation of mpox vaccines to support the public health response in Africa led by a consortium of global partners, including Gavi, WHO and UNICEF.

Events after the reporting date

- In July, Bavarian Nordic announced the conversion of its existing undrawn DKK 1 billion revolving credit facility into a sustainability-linked loan (SLL).
- In July, Bavarian Nordic received positive opinion from EMA's Committee for Medicinal Products for Human Use (CHMP), recommending approval of a type II variation for IMVANEX® (MVA-BN) smallpox and mpox vaccine, including real-world effectiveness data from the use of the vaccine during the global 2022 mpox outbreak in the marketing authorization.

- In August, Bavarian Nordic received a new order from the U.S. government valued at USD 156.8 million, primarily for the manufacture of additional bulk product for JYNNEOS® smallpox/mpox vaccine. The bulk product will be manufactured and invoiced in 2024.
- In August, Bavarian Nordic received a new order for 175,420 doses of the Company's mpox vaccine from the European Health Emergency Preparedness and Response Authority (HERA) for donation to the Africa CDC. Bavarian Nordic will also donate 40,000 doses to this initiative.
- In August, Bavarian Nordic submitted clinical data to the EMA to support an extension of the IMVANEX® (MVA-BN®) smallpox and mpox vaccine indication to include adolescents 12 to 17 years of age. Pending review, approval of the extension could occur during fourth quarter of 2024.
- In August, Bavarian Nordic received a new order to supply 440,000 doses of smallpox and mpox vaccines to a non-disclosed European country. The order was anticipated as part of the 2024 guidance and has no impact on the remaining 2024/25 capacity for our smallpox and mpox vaccine.

Financial calendar 2025

2024 Annual Report	March 5, 2025
Annual General Meeting	April 9, 2025
Three-month report (Q1)	May 9, 2025
Half-year report (Q2)	August 22, 2025
Nine-month report (Q3)	November 14, 2025

Conference call and webcast

The management of Bavarian Nordic will host an investor/analyst call today at 2 pm CEST (8 am EDT) to present the interim results followed by a Q&A session. A listen-only version of the call and presentation slides can be accessed via https://bit.ly/bavaQ22024. To join the Q&A session, please register in advance via https://bit.ly/bavaQ22024reg.

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About Bavarian Nordic

Bavarian Nordic is a fully integrated vaccine company with a mission to protect and save lives through innovative vaccines. We are a global leader in smallpox and mpox vaccines, supplied to governments to enhance public health preparedness and have a strong portfolio of vaccines for travelers and endemic diseases. For more information visit www.bavarian-nordic.com.

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. 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.

CONSOLIDATED KEY FIGURES (UNAUDITED)

DKK thousand	1/4-30/6 2024	1/4-30/6 2023	1/1-30/6 2024	1/1-30/6 2023	1/1-31/12 2023
Income statements					
Revenue	1,427,497	1,986,627	2,258,969	3,238,680	7,062,340
Production costs	707,547	683,729	1,273,784	1,112,126	2,459,294
Sales and distribution costs	120,395	72,374	209,088	138,004	331,579
Research and development costs	209,587	503,629	394,694	801,647	2,228,080
Administrative costs	124,057	180,685	244,405	270,938	540,848
Income before interest and taxes (EBIT)	265,893	546,210	136,998	915,965	1,502,539
Financial items, net	97	(3,552)	14,851	3,173	(19,596)
Income before company tax	265,990	542,658	151,849	919,138	1,482,943
Net profit for the period	261,128	538,079	146,677	914,446	1,475,189
Balance sheet					
Total non-current assets			8,883,912	10,578,155	8,950,162
Securities, cash and cash equivalents			2,237,184	1,384,899	1,867,481
Other current assets			3,153,349	3,030,187	3,535,570
Total assets			14,274,445	14,993,241	14,353,213
Equity			10,436,717	9,685,751	10,339,932
Non-current liabilities			188,328	2,381,071	1,225,412
Current liabilities			3,649,400	2,926,419	2,787,869
Cash flow statements					
Cash flow from operating activities			1,066,095	227,786	1,119,206
Cash flow from investment activities			(1,695,588)	(701,583)	(945,564)
Cash flow from financing activities			(37,221)	734,168	735,832
Financial Ratios[1)]					
EBITDA	419,539	689,670	441,377	1,171,166	2,614,543
Earnings (basic) per share of DKK 10			1.9	12.1	19.2
Net asset value per share			133.6	124.3	132.4
Share price at period-end			173	194	177
Share price/Net asset value per share			1.3	1.6	1.3
Number of outstanding shares at period-end (thousand)			78,117	77,929	78,098
Equity share			73%	65%	72%
Number of employees, converted to full-time, at period-end			1,381	1,354	1,379

[1)] Earnings per share (EPS) is calculated in accordance with IAS 33 "Earning per share". Other financial ratios have been calculated in accordance with the guidelines from the Danish Society of Financial Analysts.

Reconciliation of EBITDA					
Income before interest and tax (EBIT)	265,893	546,210	136,998	915,965	1,502,539
Amortization	77,756	71,817	155,923	140,050	298,529
Depreciation + amortization of developed product processes	75,890	71,643	148,456	115,151	255,792
Impairment loss	-	-	-	-	557,683
EBITDA	**419,539**	**689,670**	**441,377**	**1,171,166**	**2,614,543**

BAVARIAN NORDIC AT A GLANCE

About the company

Bavarian Nordic is a leading global provider of travel vaccines and a preferred partner with governments and international organizations on delivering vaccines for improving public preparedness, such as mpox/smallpox vaccines.

The company employs nearly 1,400 people across its research and development facilities in Germany and the USA, manufacturing sites in Denmark and Switzerland and with a global commercial organization present in strategic markets across Europe and the USA.

Bavarian Nordic is listed on the Nasdaq Copenhagen exchange under the ticker symbol BAVA.

Our vaccines

Travel health

Rabipur® RabAvert®

Rabipur/RabAvert is indicated for both pre- and post-exposure vaccination against rabies. The vaccine is marketed globally in 20 countries.

Encepur®

Encepur is a vaccine against tick-borne-encephalitis (TBE) and is marketed in 12 countries in the EU.

Vivotif® (Typhoid Vaccine Live Oral Ty21a) Capsules

Vivotif is an oral typhoid vaccine approved in 25 countries.

Vaxchora® (Cholera Vaccine, Live, Oral) 100 mL Oral Suspension

Vaxchora is an oral cholera vaccine approved in 27 countries and is the only FDA-approved cholera vaccine.

Third-party products which are marketed and distributed in selected markets by Bavarian Nordic:

IXIARO® is a Japanese encephalitis vaccine and **DUKORAL®** is a cholera vaccine, both from Valneva, and marketed and distributed by Bavarian Nordic in Germany and Switzerland

HEPLISAV-B® is a vaccine against hepatitis B from Dynavax, marketed and distributed by Bavarian Nordic in Germany.

Public preparedness

JYNNEOS™ IMVANEX® IMVAMUNE™

JYNNEOS/IMVANEX/IMVAMUNE is a vaccine against both mpox and smallpox.

JYNNEOS is primarily sold to governments and organizations, but has also been launched in the U.S. in April 2024 to expand access to populations at-risk of mpox infections

COMMERCIAL PERFORMANCE

Q2 sales

mDKK	Q2 2024	Q2 2023	Growth
Travel health			
Rabipur/RabAvert	333	313	6%
Encepur	202	211	-4%
Vivotif	55	27[1]	100%
Vaxchora	21	7[1]	204%
Third-party products	60	38	59%
	671	**597**	12%
Public preparedness			
JYNNEOS/IMVANEX/IMVAMUNE	**680**	**1,334**	-49%
Other revenue	**76**	**56**	36%
Total	**1,427**	**1,987**	-28%

H1 sales

mDKK	H1 2024	H1 2023	Growth
Travel health			
Rabipur/RabAvert	568	555	2%
Encepur	327	299	10%
Vivotif	98	27[1]	256%
Vaxchora	33	7[1]	367%
Third-party products	93	81	14%
	1,119	**969**	15%
Public preparedness			
JYNNEOS/IMVANEX/IMVAMUNE	**1,024**	**2,182**	-53%
Other revenue	**116**	**87**	33%
Total	**2,259**	**3,239**	-30%

[1] *Includes only revenue from mid-May 2023 from the time when the acquisition of the vaccines was completed.*

Comparative figures for 2023 are shown in brackets. Where market shares are mentioned, these are measured by value.

Travel health

Rabipur/RabAvert
Revenue from sale of Rabipur/RabAvert in the second quarter increased by 6% to DKK 333 million (DKK 313 million), reflecting a strong demand from key markets in the U.S. and Germany.

For the first half year revenue from sale of Rabipur/RabAvert amounted to DKK 568 million (DKK 555 million).

In the second quarter, the U.S. market grew by 8% versus the prior year and RabAvert market share increased by 1pp to 71%. The German market dropped by 18% in the second quarter versus the prior year, driven by a temporary stockout of both Rabipur and the competitor's product, which was resolved during the second quarter. The stockout negatively impacted Rabipur market share but has since seen strong signs of recovery reaching 82% for the quarter.

The transfer of the fill and finish process for Rabipur/RabAvert has been completed and approved by the regulators and product manufactured at Bavarian Nordic is now being sold within the market. The transfer of bulk manufacturing process is currently being reviewed by the regulators, but approval expected later this year. This will complete the full manufacturing process transfer within four years, as planned and on budget, for one of the most complicated commercial live vaccines currently on the market. The completion of the manufacturing transfer will see a gross margin improvement already in 2026 and with a full 15-20pp impact in 2027 as the remaining stock from GSK is depleted.

Encepur
Revenue from sale of Encepur in the second quarter was DKK 202 million (DKK 211 million). The decrease is attributed to higher sales during the first quarter driven by a milder winter and earlier start of the TBE season.

For the first half, revenue from sale of Encepur increased by 10% to DKK 327 million (DKK 299 million).

Encepur market share was 29%, 2pp higher than in the first quarter.

Vivotif and Vaxchora
Revenue from sale of Vivotif in the second quarter was DKK 55 million (DKK 27 million) and revenue from sale of Vaxchora was DKK 21 million (DKK 7 million).

For the first half year revenue from sale of Vivotif amounted to DKK 98 million (DKK 27 million) and revenue from sale of Vaxchora amounted to DKK 33 million (DKK 7 million).

Comparative figures for both products only include revenue from mid-May 2023 from the time of completion of the acquisition from Emergent BioSolutions.

Both products are being relaunched with an ambition to drive combined annual peak revenue to a level of USD 100 million.

Third-party products
Revenue from sale of third-party products in the second quarter was DKK 60 million (DKK 38 million).

For the first half year revenue from sale of third-party products amounted to DKK 93 million (DKK 81 million).

Public preparedness

Vaccines within this sector are typically manufactured to order, to ensure the longest shelf-life and are also impacted by outbreaks and or larger orders from time to time, often referred to as spike demand/orders, which make quarterly or annual comparisons more challenging. However, the sales for 2024 are fully aligned with the Company's expectations and the inventory on hand will ensure that the remaining anticipated orders for 2024 can be supplied in the second half of the year.

Revenue from sale of JYNNEOS/IMVANEX/IMVAMUNE in the second quarter was DKK 680 million (DKK 1,334 million) and includes revenue from ongoing contracts with the U.S. government as well as contracts entered with various other governments and organizations.

For the first half year revenue from sale of JYNNEOS/IMVANEX/IMVAMUNE amounted to DKK 1,024 million (DKK 2,182 million).

In response to the updated U.S. CDC recommendations for routine use of JYNNEOS in individuals s 18 years and older with certain risk factors, Bavarian Nordic launched the vaccine in the U.S. in April 2024 to expand access to at-risk populations. Initial focus has been to increase market access through distributors, wholesalers and pharmacies, as well as increasing reimbursement coverage through insurance companies while at the same time raising the awareness in the market through marketing activities. Initial JYNNEOS sales have largely been driven by filling up the supply chain and pull-through sales have been limited by the fact that doses were still freely available through public health channels. This availability will end during the third quarter of 2024, thus further priming the sales through private channels.

For the full year, total JYNNEOS/IMVANEX/IMVAMUNE revenue of approximately DKK 3,000 million is now expected and is now all largely secured by contracts.

Other revenue

Other revenue in the second quarter was DKK 76 million (DKK 56 million), mainly stemming from ongoing contracts with the U.S. government, including the contract to develop an MVA-BN-based vaccine against equine encephalitis viruses.

For the first half year other revenue amounted to DKK 116 million (DKK 87 million).

BUSINESS UPDATES

Mpox / smallpox

Following the global mpox outbreak in 2022-2023, Bavarian Nordic continues to support governments and supranational organizations, fulfilling orders from both existing and new customers, including larger contracts from the USA, Canada and the EU. These partnerships will remain a significant part of the Company's public preparedness business.

U.S.

Bavarian Nordic has an ongoing contract with the U.S. Biomedical Advanced Research and Development Authority (BARDA) valued at USD 299 million to supply freeze-dried doses of JYNNEOS®. This contract allows the production of freeze-dried doses prior to the licensure of the formulation and the Company has started to manufacture vaccines under this contract in the first quarter of 2024, aiming to fulfil the first USD 119 million contract option this year. Additional options valued at USD 180 million are pending exercise by BARDA.

The bulk product for manufacturing the freeze-dried vaccines was initially manufactured under previous contracts, however a significant part of this inventory was repurposed for manufacturing of liquid-frozen doses during the 2022/2023 mpox outbreak and would thus need to be replaced via new orders to enable fulfilment of the remaining freeze-dried option.

A new order was received from BARDA in August 2024. The total value of this contract is USD 156.8 million, of which USD 135.7 million will cover the manufacture of new bulk product to partly replenish the inventory required for fulfilment of the freeze-dried contract. This represents the second bulk replenishment order following a USD 120 million order last year and combined these do not fully replace all the bulk vaccine required to fulfill the remaining freeze-dried option.

In May, Bavarian Nordic submitted a supplemental Biologics License Application (sBLA) to the U.S. Food and Drug Administration (FDA) seeking approval of a freeze-dried formulation of JYNNEOS® for prevention of smallpox and mpox.

Following the U.S. Center for Disease Control and Prevention's (CDC) recommendation to vaccinate the at-risk populations, Bavarian Nordic launched JYNNEOS in the U.S. in April 2024 to expand access to populations at risk of mpox infections.

Europe

In April 2024, the EU extended their commitment through the award of a contract valued at EUR 65 million to supply smallpox vaccines to rescEU in 2025. This third, and larger order follows two previous orders, received in 2023 and delivered in 2024, for smallpox vaccines to rescEU stockpiles across Europe and will help to expand the EU's capability to respond to future biological threats and emergencies by enabling rapid deployment of medical countermeasures to its member states.

Bavarian Nordic has also entered bilateral supply contracts with certain European countries. In August, a new order to supply 440,000 doses of smallpox and mpox vaccines was received from a non-disclosed European country. The order was anticipated as part of the 2024 guidance and has no impact on the remaining 2024/25 capacity for our smallpox and mpox vaccine.

In July 2024, the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA), recommended approval of a type II variation for IMVANEX® (MVA-BN) smallpox and mpox vaccine, which includes real-world effectiveness data from the use of the vaccine during the global 2022 mpox outbreak in the marketing authorization. These real-world data demonstrated vaccine effectiveness against mpox of up to 90% after two MVA-BN doses and a significant reduction of the risk of mpox-related hospitalizations.

In August 2024, Bavarian Nordic submitted clinical data to the European Medicines Agency (EMA) to support the extension of the IMVANEX indication to include adolescents 12 to 17 years of age. The submission is based on interim results from a clinical study sponsored by the U.S. National Institutes of Health (NIH) in 315 adolescents 12-17 years of age and 211 adults aged 18 years and older, demonstrating non-inferiority of the immune responses, as well as a similar safety profile, between both age groups after vaccination with two standard doses of the MVA-BN vaccine. Following review of the data by EMA, the Marketing Authorisation for IMVANEX could be extended to include use of the vaccine for adolescents during the fourth quarter of 2024.

Africa

Africa is currently tackling one of the largest and deadliest known mpox outbreak to date, caused by the *clade I* virus – a more severe variant than the *clade II*, which was the cause of the recent global outbreak. Since the beginning of 2024, over 18,000 mpox cases and more than 500 deaths have been reported from 12 countries as of mid-August 2024, with the vast majority (>95%) of cases and deaths occurring in the Democratic Republic of Congo (DRC). The escalating situation led the Africa CDC to declare a Public Health Emergency of Continental Security on August 13, 2024, followed by a declaration by the WHO on the next day, that the current mpox outbreak constitutes a Public Health Emergency of International Concern.

These declarations will help to strengthen the public health response, and among others will help facilitate broader access to vaccines across the African continent. Currently, only two African countries, including the DRC, have authorized Bavarian Nordic's vaccine for emergency use in individuals at risk of mpox, currently limiting access of the vaccine. However, upon the recent request from the WHO, as part of their Emergency Use Listing (EUL) program, the vaccine could obtain emergency use authorization in countries, where national regulatory approvals are not yet in place.

Bavarian Nordic is working with global partners to increase access to the vaccine in Africa. Through a recent agreement with the European Health Emergency Preparedness and Response Authority (HERA), a total of 215,420 doses will be donated to Africa CDC, comprising of 175,420 doses procured by HERA from Bavarian Nordic and 40,000 doses donated by the Company.

Bavarian Nordic has also pledged 15,000 doses which along with donations from other sources will be coordinated and deployed by a consortium of organizations, including Gavi, WHO and UNICEF in affected areas in Africa.

Bavarian Nordic is furthermore working with the Coalition for Epidemic Preparedness Innovations (CEPI), who have provided funding for a clinical trial to investigate the MVA-BN vaccine in African children aged 2-12 years. Results from this study could support an extension of the current regulatory approvals for use of the vaccine in adults to also include children 2-12 years of age. Importantly, the study will also generate evidence on the vaccine in endemic African populations.

R&D PIPELINE

Chikungunya

During the first half of 2024, Bavarian Nordic completed submissions to U.S. and EU regulatory authorities, seeking approval of the CHIKV VLP vaccine for immunization against chikungunya virus infection in individuals 12 years of age and older – the first chikungunya vaccine candidate seeking approval for adolescents.

In June, the Company completed the rolling submission process, which was initiated in April 2024 with the U.S. Food and Drug Administration (FDA) for a Biologics License Application (BLA) for the CHIKV VLP vaccine. In August, the FDA accepted the BLA and granted it Priority Review, thus initiating their formal review with an aim to complete this within six months. The Prescription Drug User Free Act (PDUFA) target action date is February 14, 2025.

In June, the Company also submitted a Marketing Authorization Application (MAA) for the CHIKV VLP vaccine to the European Medicines Agency (EMA). The application has been granted accelerated assessment by the Committee for Medicinal Products for Human Use (CHMP), which may reduce the review time, thus potentially supporting an approval of the vaccine by the European Commission in the first half of 2025. The centralized review procedure began in July upon EMA's acceptance and validation of the MAA.

The BLA and MAA submissions are based on, among others, two completed Phase 3 studies of CHIKV VLP vaccine (NCT05072080 and NCT05349617). Both studies met their primary endpoints, demonstrating that CHIKV VLP vaccine induced high levels of neutralizing antibodies against chikungunya in individuals 12 years and above, with antibody titers equal to or above the threshold agreed with authorities as a marker of seroprotection.

The CHIKV VLP vaccine was well-tolerated across both studies and adverse events were mainly mild or moderate in nature.

The long-term immunogenicity of CHIKV VLP vaccine is currently being evaluated in a follow-up Phase 3 study (NCT06007183) in healthy adults and adolescents from the previous Phase 3 study (NCT05072080). The new study will evaluate both the safety and long-term immunogenicity of a single dose of CHIKV VLP vaccine in up to 5 years after vaccination and antibody responses after a booster vaccination with CHIK VLP vaccine administered 3, 4, or 5 years post-initial vaccination.

Equine encephalitis

Bavarian Nordic has an ongoing partnership with the U.S. Department of Defense (DOD) to develop MVA-BN® WEV, a prophylactic vaccine candidate against Western, Eastern and Venezuelan equine encephalitis virus.

After having concluded a Phase 1 clinical trial, Bavarian Nordic was awarded a contract by the DOD in 2022 to advance the development of MVA-BN WEV. The base agreement of USD 64 million has been secured for the period 2023-2026 and covers the costs for a clinical Phase 2 dose finding study, further non-clinical studies, process development and manufacturing of clinical trial material. Options under this contract are valued at USD 28 million and could support Phase 3 preparations.

Preparations are ongoing to initiate the Phase 2 study in the fourth quarter of 2024.

OTHER MATTERS

Changes in the Executive Management

In May, Bavarian Nordic announced the departure of Laurence de Moerlooze as Executive Vice President and Chief Medical Officer, who had chosen to pursue new opportunities. A search process to identify the next Chief Medical Officer has been initiated.

Developments in the share capital

By January 1, 2024, Bavarian Nordic's share capital was DKK 780,978,340, comprising 78,097,834 shares of a nominal value of DKK 10 each.

In May, 18,702 new shares were issued as a consequence of employees' exercise of warrants, raising gross proceeds of DKK 2.7 million.

By June 30, 2024, Bavarian Nordic's share capital was DKK 781,165,360, comprising 78,116,536 shares of a nominal value of DKK 10 each.

Financial calendar 2024 and 2025

Nine-month report (Q3)	November 15, 2024
2024 Annual Report	March 5, 2025
Annual General Meeting*	April 9, 2025
Three-month report (Q1)	May 9, 2025
Half-year report (Q2)	August 22, 2025
Nine-month report (Q3)	November 14, 2025

* Pursuant to Article 12 of the Articles of Association, shareholders who wish to submit a request for proposals for consideration at the annual general meeting must lodge this with the Company no later than Tuesday, February 25, 2025.

FINANCIAL REVIEW

Financial statements for the period January 1 – June 30, 2024 are un-audited. Comparison figures for the same period 2023 are stated in brackets.

Revenue

Revenue for the period was DKK 2,259 million (DKK 3,239 million) and was composed of DKK 1,119 million (DKK 969 million) from the travel health business, DKK 1,024 million (DKK 2,182 million) from the public preparedness business and finally DKK 116 million (DKK 87 million) from contract work. All products contributed to the growth in the travel health portfolio, however with main contributions driven by strong Encepur sales DKK 327 million (DKK 299 million) and considerable growth in sale of Vivotif and Vaxchora DKK 131 million (DKK 35 million) acquired from Emergent BioSolutions as of May 15, 2023. The lower public preparedness revenue compared with 2023 is explained by the 2023 revenue impact of the mpox outbreak that started in 2022. Revenue reported for the three months ended June 30, 2024, was DKK 1,427 million (DKK 1,987 million) with the decline all explained by the 2023 public preparedness revenue.

Production costs

Production costs totaled DKK 1,274 million (DKK 1,112 million). Costs related directly to revenue amounted to DKK 780 million (DKK 835 million), of which cost of goods sold totaled DKK 694 million (DKK 770 million). Contract costs totaled DKK 86 million (DKK 65 million). Amortization of product rights was recognized as part of the production costs with a total of DKK 156 million (DKK 140 million). Amortization of product rights mainly relates to Rabipur/RabAvert and Encepur, DKK 136 million (DKK 136 million), whereas amortization of Vivotif and Vaxchora amounted to DKK 20 million (DKK 4 million). Other production costs totaled DKK 338 million (DKK 138 million). The increase in other production costs relates to temporary close-down of bulk production due to water damage in Kvistgaard in January and inclusion of other production costs from the Bern site, mainly due to cost of idle capacity in Q1. In the second quarter of 2024, production costs were DKK 708 million (DKK 684 million).

Sales and distribution costs

Sales and distribution costs totaled DKK 209 million (DKK 138 million) divided between costs for distribution of products of DKK 30 million (DKK 27 million) and costs for running the commercial organization and activities of DKK 179 million (DKK 111 million). The increase in running costs for the commercial organization and activities is mainly related to the acquired activities from Emergent BioSolutions.

Research and development costs

Research and development costs totaled DKK 395 million (DKK 802 million). During the first six months of 2023 the main costs were related to the Phase 3 study for RSV (approx. DKK 530 million). As such, total costs have been reduced for 2024, even when considering the chikungunya Phase 3 study and the running cost for the R&D facility in San Diego taken over from Emergent BioSolutions. The amount excludes R&D costs of DKK 86 million (DKK 64 million) recognized as production costs, see note 5.

Administrative costs

Administrative costs totaled DKK 244 million (DKK 271 million). Costs related to the acquisition of subsidiaries and activities from Emergent BioSolutions was expensed by DKK 64 million in second quarter of 2023, and excluding these expenses, the underlying increase in administrative costs compared to 2023 mainly relates to an increase in headcounts and costs within administrative functions following the acquired activities from Emergent BioSolutions. Furthermore, integration costs have also incurred in both periods.

EBIT/EBITDA

Income before interest and tax (EBIT) was a profit of DKK 137 million, compared to a profit of DKK 916 million in the first six months of 2023, following the lower revenue and gross profit for the period. 2023 was positively impacted by high mpox vaccine revenue resulting from the outbreak.

EBITDA was a profit of DKK 441 million (profit of DKK 1,171 million). Amortization of product rights and developed production processes amounted to DKK 156 million (DKK 140 million) whereas depreciation on other fixed assets amounted to DKK 148 million (DKK 115 million). The increase in depreciations relates to the Bern production site (acquired as per May 15, 2023) and depreciations on the rebuilt plant in Kvistgaard.

Financial items

Financial items totaled a net income of DKK 15 million (net income of DKK 3 million) and consisted of interest income of DKK 26 million (DKK 15 million), net gains on derivative financial instruments DKK 1 million (net gain of DKK 15 million), financial net income from securities of DKK 22 million (net income of DKK 30 million), and net foreign exchange rate gain of DKK 37 million (loss of DKK 7 million) due to increase in USD exchange rate. This is partly offset by interest expense on debt of DKK 3 million (DKK 7 million) and net value adjustment of deferred consideration of DKK 66 million (DKK 42 million) from the acquisition of Encepur and Rabipur/RabAvert and Vivotif and Vaxchora.

The net value adjustment of deferred consideration was an expense of DKK 66 million (DKK 42 million) and consists of three components; Adjustment of deferred consideration due to change in estimated timing of payments of DKK 8 million expense (income of DKK 7 million), currency adjustments of DKK 18 million expense (expense of DKK 4 million) and unwinding of the discounting effect related to deferred consideration of DKK 40 million (DKK 45 million), see note 6 and note 7.

Income before company tax was a gain of DKK 152 million (gain of DKK 919 million).

Tax

Tax on income was DKK 5 million (DKK 5 million). The effective tax rate is 3.4% for the Group. No tax has been recognized for the Parent Company due to a substantial non-recognized tax asset which can be utilized to reduce future income tax payables.

Net profit

For the first six months of 2024, Bavarian Nordic reported a net profit of DKK 147 million (net gain of DKK 914 million).

Product rights

Product rights recognized in the balance sheet totaled DKK 4,822 million (DKK 4,791 million as of December 31, 2023) and relates to Rabipur/RabAvert, Encepur, Vaxchora and Vivotif. In June 2024, based on higher than expected sales of Rabipur and Encepur during the second quarter of 2024, Management assessed it likely that Bavarian Nordic would reach the trigger for the sales milestone included in the Asset Purchase Agreement concluded in 2019 and this was finally confirmed by end of July 2024. The sales milestone of DKK 186 million has been recognized as an addition to the product rights and the deferred consideration.

Acquired rights and development in progress

Acquired rights and development in progress consist of the acquired chikungunya Phase 3 study and stood at DKK 1,287 million

(DKK 1,287 million as of December 31, 2023). The chikungunya development asset consists of the initial calculated fair value of DKK 876 million, including the net present value of probable future development milestones, DKK 499 million.

Developed production processes

Developed production processes relates to the technology transfer from GSK to Bavarian Nordic of the manufacturing process for Rabipur/RabAvert and Encepur and is recognized in the balance sheet with DKK 362 million. The transfer project has been running for the past 4 years in a staged process, starting with packaging then filling and ending with the transfer of bulk manufacturing. The Company has capitalized incurred costs related mainly to internal labor and consultancy work on the technology transfer process. The asset was finalized beginning of 2024 with an initial value of DKK 375 million and will be amortized over 10 years. The amortization costs will be included as part of the cost for future manufactured vaccines.

Securities, cash and cash equivalents

Securities, cash and cash equivalents were DKK 2,237 million as of June 30, 2024 (DKK 1,867 million as of December 31, 2023).

Cash flow

Cash flow generated by operating activities was positive by DKK 1,066 million (DKK 228 million). Cash flow from working capital increased by DKK 519 million (decreased by DKK 952 million), primarily following a very high receivable position at year-end 2023. Compared to December 31, 2023, the receivable position was brought down by DKK 706 million during first half of 2024. The payable position also contributed with a positive cash impact of DKK 165 million. As of December 31, 2023, the accounts payable position included received milestone invoices from GSK and AdaptVac in total of DKK 298 million. Both invoices were paid in January. As of June 30, 2024, the accounts payable position included a received milestone invoice from GSK of DKK 596 million. The invoice was paid in July. The positive cash impact from incoming customer payments and a higher payable position was partly offset by cash spend on building up of higher inventory position, DKK 349 million.

Cash flow from investment activities amounted to DKK 1,696 million (DKK 702 million) and related to investment in short term securities of DKK 1 billion and milestone payment to GSK following the completion of the transfer of the drug substance production process for Encepur, DKK 596 million.

The acquisition of subsidiaries and activities from Emergent BioSolutions in May 2023 amounted to DKK 1.8 billion.

Cash flow from financing activities was negative by DKK 37 million (positive by DKK 734 million), primarily related to purchase of treasury shares, DKK 28 million.

The net cash flow for the first six months of 2024 was negative by DKK 667 million compared to a positive cash contribution of DKK 260 million in first six months of 2023. Adjusted for the investment in securities of DKK 1 billion, the net cash flow for the first six months of 2024 was positive by DKK 364 million.

Equity

The Group's equity as of June 30, 2024, stood at DKK 10,437 million (DKK 10,340 million as of December 31, 2023).

Deferred consideration

Deferred consideration to GSK for purchase of product rights amounted to DKK 1,496 million and consists of likely milestone payments to GSK dependent on operational steps in the ongoing technology transfer of the Encepur and Rabipur related production activities and the sales milestone. Following the completion of the transfer of the drug substance production process for Encepur in June a milestone payment invoice of DKK 596 million was received and offset against the deferred consideration.

Deferred consideration to Emergent BioSolutions for purchase of their travel health business amounted to DKK 537 million and consists of milestone payments related to submission and approval of Biologics License Application (BLA) to FDA and Marketing Authorization Application to EMA.

All the above milestone payments are expected to be payable within the following 12 months.

The Company retains a yet undrawn sustainability-linked loan (SLL) of DKK 1 billion with Danske Bank and Nordea, which provides additional financial flexibility, e.g., to absorb fluctuations in working capital or to fulfil periodic significant milestone payments related to previous acquisitions.

Significant risks and uncertainties

Bavarian Nordic faces a number of risks and uncertainties, common for the biotech/pharma industry. These relate to operations, research and development, manufacturing, commercial and financial activities. For further information about risks and uncertainties which Bavarian Nordic faces, refer to page 37-39 "Risk Management" in the 2023 Annual Report.

OUTLOOK FOR 2024

Bavarian Nordic confirms its new guidance for the full year at the upper end of the range, with aggregated revenue of approximately DKK 5,300 million and EBITDA of approximately DKK 1,350 million.

The expected revenue of approximately DKK 5,300 million consists of approximately DKK 3,000 million from Public Preparedness, now largely all secured by contracts, approximately DKK 2,100 million from Travel Health and approximately DKK 200 million from contract work.

Travel Health anticipates a 12% growth, driven by a mix of continued market growth and market share gains.

Key assumptions

Research and development costs of approximately DKK 850 million are expected, of which the chikungunya program represents nearly half. Similarly, the chikungunya program will impact manufacturing costs negatively by approximately DKK 240 million due to manufacturing of drug substance batches as part of the preparations for commercial launch in 2025. Pending approval of the vaccine, it is expected that these costs will be reversed and capitalized in 2025. Adjusting the implicit 2024 EBITDA margin for this effect would give an EBITDA margin range of 27-30%.

Net working capital is expected to increase by approximately DKK 900 million due to final inventory build-up before completion of tech-transfer of rabies and TBE manufacturing.

Other tangible investments of approximately DKK 300 million are expected.

Cash outflow in 2024 further includes milestone payments of approximately DKK 2,000 million to GSK and Emergent BioSolutions.

The outlook is based on the following assumptions on currency exchange rates of DKK 6.90 per 1 USD and DKK 7.45 per 1 EUR.

FINANCIAL STATEMENTS

Unaudited Condensed Consolidated Income Statements for the Periods Ended June 30, 2024 and 2023 and December 31, 2023

DKK thousand	Note	1/4-30/6 2024	1/4-30/6 2023	1/1-30/6 2024	1/1-30/6 2023	1/1-31/12 2023
Revenue	3	1,427,497	1,986,627	2,258,969	3,238,680	7,062,340
Production costs	4	707,547	683,729	1,273,784	1,112,126	2,459,294
Gross profit		**719,950**	**1,302,898**	**985,185**	**2,126,554**	**4,603,046**
Sales and distribution costs		120,395	72,374	209,088	138,004	331,579
Research and development costs	5	209,587	503,629	394,694	801,647	2,228,080
Administrative costs		124,075	180,685	244,405	270,938	540,848
Total operating costs		**454,057**	**756,688**	**848,187**	**1,210,589**	**3,100,507**
Income before interest and tax (EBIT)		**265,893**	**546,210**	**136,998**	**915,965**	**1,502,539**
Financial income	6	26,894	26,363	78,842	66,709	112,784
Financial expenses	7	26,797	29,915	63,991	63,536	132,380
Income before company tax		**265,990**	**542,658**	**151,849**	**919,138**	**1,482,943**
Tax on income for the period		4,862	4,579	5,172	4,692	7,754
Net profit for the period		**261,128**	**538,079**	**146,677**	**914,446**	**1,475,189**
Earnings per share (EPS) - DKK						
Basic earnings per share of DKK 10		3.3	7.1	1.9	12.1	19.2
Diluted earnings per share of DKK 10		3.3	7.1	1.9	12.1	19.2

Unaudited Condensed Consolidated Statements of Comprehensive Income for the Periods Ended June 30, 2024 and 2023 and December 31, 2023

DKK thousand	1/4-30/6 2024	1/4-30/6 2023	1/1-30/6 2024	1/1-30/6 2023	1/1-31/12 2023
Net profit for the period	**261,128**	**538,079**	**146,677**	**914,446**	**1,475,189**
Other comprehensive income					
Remeasurements of defined benefit plans	-	-	-	-	(32,555)
Income tax	-	-	-	-	4,505
Items that will not be reclassified to the income statement	**-**	**-**	**-**	**-**	**(28,050)**
Recycled to financial items	-	-	-	-	(31,894)
Change in fair value of financial instruments entered into to hedge future cash flows	8,924	15,774	(27,429)	(19,452)	45,887
Exchange rate adjustments on translating foreign operations	(6,146)	(1,421)	(44,645)	(3,355)	34,489
Items that will be reclassified to the income statement	**2,778**	**14,353**	**(72,074)**	**(22,807)**	**48,482**
Other comprehensive income after tax	**2,778**	**14,353**	**(72,074)**	**(22,807)**	**20,432**
Total comprehensive income	**263,906**	**552,432**	**74,603**	**891,639**	**1,495,621**

Unaudited Condensed Consolidated Statements of Cash Flow for the Periods Ended June 30, 2024 and 2023 and December 31, 2023

DKK thousand	1/1 - 30/6 2024	1/1 - 30/6 2023	1/1-31/12 2023
Net profit for the period	**146,677**	**914,446**	**1,475,189**
Adjustment for non-cash items:			
Financial income	(78,842)	(66,709)	(112,784)
Financial expenses	63,991	63,536	132,380
Tax on income for the period	5,172	4,692	7,754
Depreciation, amortization and impairment losses	304,380	255,201	1,111,504
Share-based payment	46,936	31,596	55,477
Changes in inventories	(348,979)	(459,811)	(599,015)
Changes in receivables	706,301	(780,209)	(1,345,427)
Changes in provisions	(3,087)	(371)	24,744
Changes in current liabilities	164,831	288,400	368,739
Cash flow from operations (operating activities)	**1,007,380**	**250,771**	**1,118,561**
Received financial income	74,448	30,901	63,260
Paid financial expenses	(10,016)	(50,550)	(52,412)
Paid company taxes	(5,717)	(3,336)	(10,203)
Cash flow from operating activities	**1,066,095**	**227,786**	**1,119,206**
Investments in products rights	(596,454)	-	(298,117)
Investments in other intangible assets	(11,601)	(376,738)	(536,763)
Investments in property, plant and equipment	(49,887)	(183,391)	(142,525)
Cash used for acquisition of businesses	-	(1,835,449)	(1,831,573)
Investments in/disposal of financial assets	(7,019)	(35,781)	(38,706)
Investments in securities	(1,047,586)	(10,832)	(10,834)
Disposal of securities	16,959	1,740,608	1,912,954
Cash flow from investment activities	**(1,695,588)**	**(701,583)**	**(945,564)**
Payment on loans	(947)	(1,104,614)	(1,105,545)
Proceeds from loans	-	240,000	240,000
Repayment of lease liabilities	(11,556)	(12,981)	(34,270)
Proceeds from warrant programs exercised	2,741	21,459	45,517
Proceeds from capital increase through private placement	-	1,641,913	1,641,913
Cost related to issue of new shares	-	(42,621)	(42,795)
Purchase of treasury shares	(27,459)	(8,988)	(8,988)
Cash flow from financing activities	**(37,221)**	**734,168**	**735,832**
Cash flow of the period	**(666,714)**	**260,371**	**909,474**
Cash as of 1 January	1,477,234	575,407	575,407
Currency adjustments 1 January	5,882	(3,976)	(7,647)
Cash end of period	**816,402**	**831,802**	**1,477,234**

Unaudited Condensed Consolidated Statements of Financial Position - Assets as of June 30, 2024 and 2023 and December 31, 2023

DKK thousand	Note	30/6 2024	30/6 2023	31/12 2023
Assets				
Product rights		4,821,957	5,360,221	4,791,442
Acquired rights and development in progress		1,286,749	2,169,752	1,286,749
Developed production processes		362,362	-	-
Software		8,205	18,141	12,443
Intangible assets in progress		27,706	356,162	391,102
Intangible assets		**6,506,979**	**7,904,276**	**6,481,736**
Land and buildings		955,111	933,098	987,013
Leasehold improvements		21,431	22,950	25,047
Plant and machinery		388,968	407,603	412,674
Fixtures and fittings, other plant and equipment		659,822	716,105	696,060
Assets under construction		224,223	242,948	206,721
Property, plant and equipment		**2,249,555**	**2,322,704**	**2,327,515**
Right-of-use assets		**104,618**	**100,925**	**125,170**
Other receivables		9,445	12,156	11,185
Prepayments		13,315	236,371	4,556
Financial assets		**22,760**	**248,527**	**15,741**
Deferred tax assets		**-**	**1,723**	**-**
Total non-current assets		**8,883,912**	**10,578,155**	**8,950,162**
Inventories	8	**1,992,715**	**1,508,403**	**1,643,736**
Trade receivables	9	1,059,820	1,310,244	1,778,104
Tax receivables		84	84	84
Other receivables	10	46,074	33,824	95,136
Prepayments		54,656	177,632	18,510
Receivables		**1,160,634**	**1,521,784**	**1,891,834**
Securities		1,420,782	553,097	390,247
Cash and cash equivalents		816,402	831,802	1,477,234
Securities, cash and cash equivalents		**2,237,184**	**1,384,899**	**1,867,481**
Total current assets		**5,390,533**	**4,415,086**	**5,403,051**
Total assets		**14,274,445**	**14,993,241**	**14,353,213**

Unaudited Condensed Consolidated Statements of Financial Position - Equity and Liabilities as of June 30, 2024 and 2023 and December 31, 2023

DKK thousand	Note	30/6 2024	30/6 2023	31/12 2023
Equity and liabilities				
Share capital		781,165	779,286	780,978
Treasury shares		(2,843)	(1,537)	(1,537)
Retained earnings		9,461,138	8,766,964	9,330,002
Other reserves		197,257	141,038	230,489
Equity		**10,436,717**	**9,685,751**	**10,339,932**
Deferred consideration for product rights		-	1,415,870	1,016,856
Prepayment and loan from Government		-	806,420	-
Debt to credit institutions		14,188	16,053	15,135
Retirement benefit obligations		77,645	55,617	80,732
Deferred tax liabilities		27,957	27,421	29,068
Lease liabilities		68,538	59,690	83,621
Non-current liabilities		**188,328**	**2,381,071**	**1,225,412**
Deferred consideration for product rights		2,033,052	1,737,888	1,360,133
Debt to credit institutions		1,913	1,924	1,913
Lease liabilities		39,973	44,044	44,633
Prepayment from customers		35	111	-
Trade payables		1,124,787	764,233	954,142
Company tax		6,929	7,469	7,205
Other liabilities	11	442,711	370,750	419,843
Current liabilities		**3,649,400**	**2,926,419**	**2,787,869**
Total liabilities		**3,837,728**	**5,307,490**	**4,013,281**
Total equity and liabilities		**14,274,445**	**14,993,241**	**14,353,213**

Unaudited Condensed Consolidated Statements of Changes in Equity for the Periods June 30, 2024 and 2023

DKK thousand	Share capital	Treasury shares	Retained earnings	Reserves for currency adjustment	Reserves for fair value of financial instruments	Share-based payment	Equity
Equity as of January 1, 2024	**780,978**	**(1,537)**	**9,330,002**	**10,932**	**45,887**	**173,670**	**10,339,932**
Comprehensive income for the period							
Net profit	-	-	146,677	-	-	-	146,677
Other comprehensive income							
Exchange rate adjustments on translating foreign operations	-	-	-	(27,429)	-	-	(27,429)
Change in fair value of financial instruments entered into to hedge future cash flows	-	-	-	-	(44,645)	-	(44,645)
Total comprehensive income for the period	**-**	**-**	**146,677**	**(27,429)**	**(44,645)**	**-**	**74,603**
Transactions with owners							
Share-based payment	-	-	-	-	-	46,937	46,937
Warrant program exercised	187	-	3,227	-	-	(673)	2,741
Cost related to issue of new shares	-	-	(37)	-	-	-	(37)
Purchase of treasury shares	-	(1,623)	(25,836)	-	-	-	(27,459)
Transfer regarding restricted stock units	-	317	7,105	-	-	(7,422)	-
Total transactions with owners	**187**	**(1,306)**	**(15,541)**	**-**	**-**	**38,842**	**22,182**
Equity as of June 30, 2024	**781,165**	**(2,843)**	**9,461,138**	**(16,497)**	**1,242**	**212,512**	**10,436,717**

DKK thousand	Share capital	Treasury shares	Retained earnings	Reserves for currency adjustment	Reserves for fair value of financial instruments	Share-based payment	Equity
Equity as of January 1, 2023	**707,354**	**(1,463)**	**6,300,575**	**(23,557)**	**31,894**	**135,184**	**7,149,987**
Comprehensive income for the period							
Net profit	-	-	914,446	-	-	-	914,446
Other comprehensive income							
Exchange rate adjustments on translating foreign operations	-	-	-	(3,355)	-	-	(3,355)
Change in fair value of financial instruments entered into to hedge future cash flows	-	-	-	-	(19,452)	-	(19,452)
Total comprehensive income for the period	**-**	**-**	**914,446**	**(3,355)**	**(19,452)**	**-**	**891,639**
Transactions with owners							
Share-based payment	-	-	-	-	-	32,362	32,362
Warrant program exercised	1,464	-	25,613	-	-	(5,618)	21,459
Capital increase through rights issue	70,468	-	1,571,445	-	-	-	1,641,913
Cost related to issue of new shares	-	-	(42,621)	-	-	-	(42,621)
Purchase of treasury shares	-	(440)	(8,548)	-	-	-	(8,988)
Transfer regarding restricted stock units	-	366	6,054	-	-	(6,420)	-
Total transactions with owners	**71,932**	**(74)**	**1,551,943**	**-**	**-**	**20,324**	**1,644,125**
Equity as of June 30, 2023	**779,286**	**(1,537)**	**8,766,964**	**(26,912)**	**12,442**	**155,508**	**9,685,751**

NOTES

1. Material accounting policies

The interim financial statements are prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by EU and the additional Danish requirements for submission of interim reports for companies listed on Nasdaq Copenhagen. The interim report has not been audited or reviewed by the Company's auditors.

The interim financial statements are presented in Danish Kroner (DKK), which is considered the primary currency of the Group's activities and the functional currency of the parent company.

The accounting policies used in the interim financial statements are consistent with those used in the consolidated financial statements for 2023 and in accordance with the recognition and measurement policies in the International Financial Reporting Standards (IFRS) as adopted by EU.

As of June 30, 2024, the Company has implemented all new or amended accounting standards and interpretations as adopted by the EU and applicable for the 2024 financial year. None of the new or amended standards or interpretations are assessed to have significant impact on the consolidated financial statements.

2. Key accounting estimates, assumptions and uncertainties

In the preparation of the interim financial statements according to IAS 34, Interim Financial Reporting, as adopted by the EU, Management is required to make certain estimates as many financial statement items cannot be reliably measured but must be estimated. Such estimates comprise judgments made on the basis of the most recent information available at the reporting date. It may be necessary to change previous estimates as a result of changes to the assumptions on which the estimates were based or due to supplementary information, additional experience or subsequent events.

Similarly, the value of assets and liabilities often depends on future events that are somewhat uncertain. In that connection, it is necessary to set out e.g. a course of events that reflects Management's assessment of the most probable course of events.

Further to the key accounting estimates, assumptions and uncertainties, which are stated in the Annual Report 2023, the Management has not changed key estimates and judgments regarding recognition and measurement.

DKK thousand	1/4 - 30/6 2024	1/4 - 30/6 2023	1/1 - 30/6 2024	1/1 - 30/6 2023	1/1-31/12 2023
3. Revenue					
Travel health					
Rabipur/RabAvert	333,476	312,671	568,439	555,142	1,161,162
Encepur	201,745	211,487	327,253	298,557	416,756
Vivotif	54,935	27,496	97,925	27,496	118,885
Vaxchora	21,321	7,024	32,809	7,024	23,736
Other product sale	60,473	37,928	92,795	81,117	156,533
	671,950	596,606	1,119,221	969,336	1,877,072
Public preparedness					
Mpox/smallpox vaccine sale	679,652	1,334,340	1,023,500	2,182,185	5,027,001
Sale of goods	**1,351,602**	**1,930,946**	**2,142,721**	**3,151,521**	**6,904,073**
Contract work	75,895	55,681	116,248	87,159	158,267
Sale of services	75,895	55,681	116,248	87,159	158,267
Revenue	**1,427,497**	**1,986,627**	**2,258,969**	**3,238,680**	**7,062,340**
Total revenue includes: Fair value adjustment concerning financial instruments entered into to hedge revenue	**1,493**	**-**	**15,561**	**-**	**-**
4. Production costs					
Cost of goods sold	444,377	502,003	693,511	770,077	1,608,263
Contract costs	56,272	39,647	86,336	64,487	126,877
Other production costs	129,142	71,818	338,014	137,510	426,125
Amortization product rights	77,756	70,261	155,923	140,052	298,029
Production costs	**707,547**	**683,729**	**1,273,784**	**1,112,126**	**2,459,294**
5. Research and development costs					
Research and development costs occurred in the period	265,859	543,276	481,030	866,134	1,797,274
Of which:					
Contract costs recognized as production costs	(56,272)	(39,647)	(86,336)	(64,487)	(126,877)
Impairment loss of ABNCoV2 development program	-	-	-	-	557,683
Research and development costs	**209,587**	**503,629**	**394,694**	**801,647**	**2,228,080**
Impairment loss of ABNCoV2 development program					
Acquired rights and development in progress	-	-	-	-	1,403,264
Intangible assets in progress	-	-	-	-	26,224
Prepayments	-	-	-	-	456,551
Prepayment and loan from Government	-	-	-	-	(806,420)
Deferred consideration	-	-	-	-	(521,936)
Impairment loss of ABNCoV2 development program	**-**	**-**	**-**	**-**	**557,683**
6. Financial income					
Financial income from bank and deposit contracts[1]	9,549	11,908	26,361	15,217	40,214
Financial income from securities	12,652	2,301	19,226	8,308	14,340
Fair value adjustments on securities	2,994	(6,302)	2,994	21,282	30,777
Adjustment of deferred consideration due to change in estimated timing of payments	(2,004)	7,552	(8,160)	6,815	13,759
Currency adjustment deferred consideration	-	-	-	-	2,563
Net gains on derivative financial instruments at fair value through the income statement (held for trading)	-	10,904	907	15,087	11,131
Net foreign exchange gains	3,703	-	37,514	-	-
Financial income	**26,894**	**26,363**	**78,842**	**66,709**	**112,784**

[1] Interest income on financial assets measured at amortized cost

DKK thousand	1/4 - 30/6 2024	1/4 - 30/6 2023	1/1 - 30/6 2024	1/1 - 30/6 2023	1/1-31/12 2023
7. Financial expenses					
Interest expenses on debt[1]	1,250	793	2,866	7,032	3,558
Fair value adjustments on securities	(1,121)	-	-	-	-
Unwinding of the discounting effect related to deferred consideration	20,142	21,359	40,285	45,344	101,961
Currency adjustment deferred consideration	5,339	(390)	17,884	3,825	-
Financial expenses, other	1,187	-	2,956	-	11,469
Net foreign exchange losses	-	8,153	-	7,335	15,392
Financial expenses	**26,797**	**29,915**	**63,991**	**63,536**	**132,380**

[1] Interest expenses on financial liabilities measured at amortized cost

DKK thousand	30/6 2024	30/6 2023	31/12 2023
8. Inventories			
Raw materials and supply materials	309,891	433,510	317,392
Work in progress	1,168,140	908,130	1,231,857
Manufactured goods and commodities	718,253	309,083	319,102
Write-down on inventory	(203,569)	(142,319)	(224,615)
Inventories	**1,992,715**	**1,508,403**	**1,643,736**
Write-down on inventory 1 January	(224,615)	(162,419)	(162,419)
Additions from acquisition of businesses	-	-	(14,498)
Write-down during the period	(49,938)	-	(75,300)
Use of write-down	50,984	20,100	27,602
Reversal of write-down	20,000	-	-
Write-down end of period	**(203,569)**	**(142,319)**	**(224,615)**
9. Trade receivables			
Trade receivables from public preparedness business	377,915	838,062	1,660,604
Trade receivables from travel health business	681,082	469,485	110,832
Trade receivables from contract work	823	2,697	6,668
Trade receivables	**1,059,820**	**1,310,244**	**1,778,104**
10. Other receivables			
Receivable VAT and duties	29,522	17,444	46,585
Derivative financial instruments at fair value	4,328	12,442	45,887
Interest receivables	12,224	3,933	2,664
Other receivables	-	5	-
Other receivables	**46,074**	**33,824**	**95,136**
11. Other liabilities			
Liability relating to phantom shares	-	1,814	-
Payable salaries, holiday accrual etc.	175,470	151,919	212,122
Gross to net deduction accrual	221,838	169,560	159,802
Other accrued costs	45,403	47,457	47,919
Other liabilities	**442,711**	**370,750**	**419,843**

12. Financial instruments

Fair value hierarchy for financial instruments measured at fair value

As of June 30, 2024

DKK thousand	Level 1	Level 2	Total
Securities	1,420,782	-	1,420,782
Derivative financial instruments at fair value through the income statement (currency)	-	3,086	3,086
Financial assets measured at fair value through the income statement	**1,420,782**	**3,086**	**1,423,868**
Derivative financial instruments to hedge future cash flow (currency)	-	75	75
Derivative financial instruments to hedge future cash flow (interest)	-	1,167	1,167
Financial assets/liabilities used as hedging instruments	**-**	**1,242**	**1,242**

As of December 31, 2023

DKK thousand	Level 1	Level 2	Total
Securities	390,247	-	390,247
Financial assets measured at fair value through the income statement	**390,247**	**-**	**390,247**
Derivative financial instruments to hedge future cash flow (currency)	-	44,784	44,784
Derivative financial instruments to hedge future cash flow (interest)	-	1,103	1,103
Financial assets/liabilities used as hedging instruments	**-**	**45,887**	**45,887**

13. Warrants

Outstanding warrants as of June 30, 2024

	Outstanding as of January 1	Additions	Warrants exercised	Annulled	Terminated	Trans-ferred	Outstanding as of June 30
Corporate Management	669,064	-	-	-	-	-	669,064
Other Executive Management	484,041	-	-	-	-	(129,050)	354,991
Other employees	2,916,601	-	(18,702)	(128,229)	-	(98,416)	2,671,254
Resigned employees	451,209	-	-	-	-	227,466	678,675
Total	**4,520,915**	**-**	**(18,702)**	**(128,229)**	**-**	**-**	**4,373,984**
Weighted average exercise price	**226**	**-**	**147**	**254**	**-**	**-**	**226**
Weighted average share price at exercise			**175**				
Numbers of warrants which can be exercised as of June 30, 2024							1,567,390
at a weighted average exercise price of DKK							188

The total recognized cost of the warrant programs was DKK 30.1 million in the first six months of 2024 (DKK 23.8 million).

Specification of parameters for Black-Scholes model

DKK	Nov 2019	Jan 2020	Nov 2020	Nov 2021	Apr 2022	Dec 2022[3)]	Dec 2023[3]
Average share price	154.05	171.20	179.84	307.20	171.35	224.70	172.40
Average exercise price at grant	185.40	197.00	206.82	353.06	190.11	270.91	191.58
Average exercise price at grant - Executive Management	-	-	-	-	-	224.70	172.40
Average exercise price determined at date of rights issue March 30, 2020 (DKK)	146.60	155.80	-	-	-	-	-
Applied volatility rate[2]	52.2%	53.0%	39.8%	41.8%	42.3%	46.6%	53.3%
Expected life (years)	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Expected dividend per share	-	-	-	-	-	-	-
Risk-free interest rate p.a.	-0.69%	-0.65%	-0.66%	-0.53%	0.39%	2.04%	2.55%
Fair value at grant[1]	45	53	41	76	47	64	62
Fair value at grant - Executive Management[1]						78	68

[1] Fair value of each warrant applying the Black-Scholes model

[2] The applied volatility is based on the historical volatility of the Bavarian Nordic share, except for November 2020, November 2021 and April 2022 programs where the volatility is based on the volatility for a peer group.

[3] The December 2022 and December 2023 programs have two set of exercise conditions. Executive Management can subscribe future shares at a exercise price of DKK 224.70/DKK 172.40 per share equivalent to the market price of Bavarian Nordic's shares at the time of grant. Vesting of the warrants is subject to prior fulfilment of KPI's as determined by the Board of Directors. Other employees can subscribe future shares at a exercise price of DKK 270.91/DKK 191.58 per share, determined as the average market price (closing price) of the Company's shares on Nasdaq Copenhagen over a period of 15 business days prior to grant plus 15%.

14. Significant changes in contingent liabilities and other contractual obligations

No significant changes in contingent liabilities and other contractual obligations have occurred since December 31, 2023.

15. Significant events after the balance sheet date

On July 18, 2024, Bavarian Nordic announced that the European Medicines Agency (EMA) has validated the marketing authorization application (MAA), which was submitted in June 2024 for CHIKV VLP, the Company's vaccine candidate for immunization to prevent disease caused by chikungunya virus infection in individuals 12 years of age and older.

On August 8, 2024, Bavarian Nordic announced a new order valued at USD 156.8 million from the Biomedical Advanced Research and Development Authority (BARDA), part of the Administration for Strategic Preparedness and Response within the U.S. Department of Health and Human Services, to manufacture additional bulk product for JYNNEOS®, the company's smallpox/mpox vaccine.

On August 13, 2024, Bavarian Nordic announced that the U.S. Food and Drug Administration (FDA) has accepted and granted Priority Review for the Biologics License Application (BLA) for CHIKV VLP, the Company's vaccine candidate for immunization to prevent disease caused by chikungunya virus infection in individuals 12 years of age and older.

On August 13, 2024, Bavarian Nordic announced a new order for 175,420 doses of the Company's mpox vaccine from the European Health Emergency Preparedness and Response Authority (HERA) for donation to the Africa CDC, in addition to 40,000 doses donated by Bavarian Nordic.

On August 21, 2024, Bavarian Nordic received a new order to supply 440,000 doses of smallpox and mpox vaccines to a non-disclosed European country.

16. Approval of the unaudited condensed consolidated interim financial statements

The unaudited condensed consolidated interim financial statements were approved by the Board of Directors and Corporate Management and authorized for issue on August 22, 2024.

STATEMENT FROM THE BOARD OF DIRECTORS AND CORPORATE MANAGEMENT

The Board of Directors and Corporate Management have, today reviewed and approved the Bavarian Nordic A/S interim report for the period January 1 to June 30, 2024.

The interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies, including those of Nasdaq Copenhagen.

In our opinion, the interim report gives a true and fair view of the group's assets and liabilities and financial position as of June 30, 2024, and the results of the group's activities and cash flows for the period January 1 to June 30, 2024.

In our opinion, the management's review provides a true and fair description of the development in the group's activities and financial affairs, the results for the period and the group's financial position as a whole as well as a description of the most important risks and uncertainty factors faced by the group.

Hellerup, August 22, 2024

Corporate Management:

Paul John Chaplin
President & CEO

Henrik Juuel
Executive Vice President & CFO

Board of Directors:

Luc Debruyne
Chairman of the Board

Anders Gersel Pedersen
Deputy Chairman

Frank A.G.M. Verwiel

Anne Louise Eberhard

Johan van Hoof

Heidi Hunter

Montse Montaner

Thomas Alex Bennekov
Employee-elected

Anja Gjøl
Employee-elected

Karen Merete Jensen
Employee-elected

Linette Munksgaard Andersen
Employee-elected