Annual Report 2024

Bavarian Nordic A/S
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CVR no: 16 27 11 87

BAVARIAN NORDIC

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Letter from the Chair and the CEO

In 2024, we delivered above expectations by driving not only further growth in our Travel Health business but also making significant contributions to improving public health as we joined the global fight against another mpox outbreak.

Our Travel Health business grew by 22%, significantly above our expectations for the year. This was driven by strong performance across the entire portfolio as a result of organic growth and strong brand performance. Rabipur/RabAvert and Encepur continued to outperform, and the addition of Vivotif and Vaxchora in 2023 came into full effect in 2024. The latter two have untapped potential that we continue to explore by expanding our market into new countries and driving increased awareness as part of our efforts to relaunch the products upon our acquisition in 2023.

This strong performance has positioned us well above our trajectory to meet an average annual growth of 10-12% in Travel Health as outlined in our strategic ambitions for 2024-2027. This growth is not only ascribed to an increase in global travel but also driven by a rise of diseases like tick-borne encephalitis (TBE) and chikungunya due to factors like climate change. This trend will continue, and vaccines will remain an important tool to mitigate this risk in the future, not only for travelers, but also as part of domestic public health measures.

New product launch in 2025

We will further grow the portfolio with the anticipated launch of the chikungunya vaccine in the first half of 2025. We are excited by this opportunity, which represents our first full-scale commercial launch of a product, leveraging our commercial strengths and capabilities. VIMKUNYA was approved in the US and EU in February 2025 as the first chikungunya vaccine approved for persons as young as 12 years. The vaccine is well positioned to become the preferred choice for travelers at risk going to destinations in Asia, Africa, and the Americas, where chikungunya has emerged over the past decades.

Growth through innovation

We continue to explore opportunities to further grow the portfolio, both organically and through acquisition. While revenue from Travel Health has gone from zero to more than DKK 2 billion annually in just five years, we seek to further solidify this business, strengthening our resilience to market challenges and complementing our Public Preparedness business.

To succeed, we will continue to invest in our business to supplement the portfolio. This year, we are bringing two new programs from our own research into the pipeline. We are developing a vaccine candidate against Lyme disease, another tick-borne disease, which is found in many parts of the world, with far more reach and impact than TBE. Furthermore, we are also developing a vaccine candidate against Epstein-Barr virus, which causes infectious mononucleosis, but is also known to cause certain cancers. Both diseases represent large unmet medical needs as there are currently no vaccines available. We are excited to launch these programs, which based on pre-clinical data have the potential to become best in class, adding further value to our pipeline as we progress towards clinical trials in 2026.

Strong partnerships increase access to mpox vaccines

The world faced another public health crisis in 2024. As a more severe strain of mpox continued to spread beyond its epicenter in the Democratic Republic of Congo (DRC) to neighboring countries and beyond, the African health authorities called upon the global society to assist. Concerted efforts were needed to curb the outbreak, which caused more than 70,000 suspected cases and nearly 1,300 deaths in Africa in 2024.

At the time, we were already manufacturing at scale to supply existing customers, following the global mpox outbreak in 2022. However, we changed gears and responded timely to meet the urgent demand and facilitate an immediate response together with the Africa CDC. Only a few weeks after the declaration of mpox as a public health emergency, the first vaccines arrived early September in the DRC, representing donations from Bavarian Nordic, the EU Commission and the US government as a first response to the outbreak. Since then more countries followed along, and we entered supply agreements with Gavi and UNICEF, ensuring the combined availability of nearly 3 million doses of our mpox vaccine through donations and agreements. We also entered a license- and manufacturing agreement with Serum Institute of India, the world's largest vaccine manufacturer by volume, and we continue to explore further options to expand capacity to lower- and middle-income countries to ensure continued equitable access. This includes the opportunity to increase our output by introducing a new cell line in our manufacturing, which would allow us to scale our capacity to meet demand from even larger outbreaks, including smallpox.

We also partnered with CEPI who has provided important support that enabled us to expand the indication for mpox vaccine to adolescents, who are disproportionally affected by the outbreak. Additional activities are ongoing to expand the use further to include children under the age of 12.

While vaccines inarguably are the remedy needed to fight the outbreak, lack of funding, poor infrastructure in the health system, and civil war in highly impacted areas were just some of the major roadblocks that needed to be cleared. Another issue was that the vaccine had not yet been approved by local regulatory authorities. These challenges demonstrated the need for a continued concerted effort and funding from both local, regional and global societies.

Our vaccine remains an important tool in governing public health security, and we are pleased to support an increasing number of governments and organizations to build resilience towards current and future outbreaks. This has driven higher revenue in our Public Preparedness business over the past years, exceeding our base projections. We will continue our efforts to expand the base, also via private markets, which we launched in 2024 in Germany and the US, where our mpox vaccine is now available for at-risk populations.

Our responsibility beyond tomorrow

Improving access to vaccines is one of the core pillars of our strategy to help build a sustainable future. Vaccines remain one of the most efficient health interventions and we recognize our responsibility to ensure equitable access to our products around the globe, which we seek to accomplish through partnerships with governments and organizations. Most recently, we entered a partnership with Biological E Limited in India in order to facilitate future supply of our chikungunya vaccine for lower- and middle-in-

come countries in endemic regions. While we see this as our most important contribution to creating a positive impact, we leave other footprints that we carefully monitor and act on. That is why we have committed to reducing our emissions in alignment with the Paris Agreement, while also taking responsibility for the people and the environment around us. This report marks our first integrated report based on the Corporate Sustainability Reporting Directive (CSRD), a new framework aimed to improve transparency around companies' impact, risks and opportunities. Well aware that our impact grows as we expand our business, we are pleased to report a 13% reduction in emissions from our own operations in 2024, a result which largely can be ascribed to our transition to renewable energy sources at our Danish manufacturing site.

A pioneering force in vaccines

In 2025, we will have completed our commercial transformation from a research and development company selling to governments to a company with multiple products addressing patient needs in travel health and other areas. The last milestone payments associated with our acquisitions over the last years will be paid, and we are taking the final steps in our five-year journey to complete the tech transfer of core products to our own manufacturing. During these years, we have significantly expanded our manufacturing footprint by increasing capacity and capabilities at our main facility in Denmark, acquiring an additional facility in Switzerland, and establishing a global network of manufacturing partners. In addition, we have also established and significantly expanded our commercial presence in Europe and North America.

These achievements are a testament to our bold strategy launched only five years ago to transform the company, but equally to our heritage and the pioneering spirit that has been a main characteristic for Bavarian Nordic and our people since 1994. Our success is dependent on these people who put their skills and expertise to work every day to discover, manufacture and deliver life-saving vaccines to people around the world, and we would like to thank them for their significant contributions to another successful year for Bavarian Nordic, where we also had the pleasure of celebrating our 30 years anniversary. Likewise, we would like to thank our shareholders whose trust and support are strong catalysts for our ability to drive continued growth for the company.

Luc Debruyne
Chair of the
Board of Directors

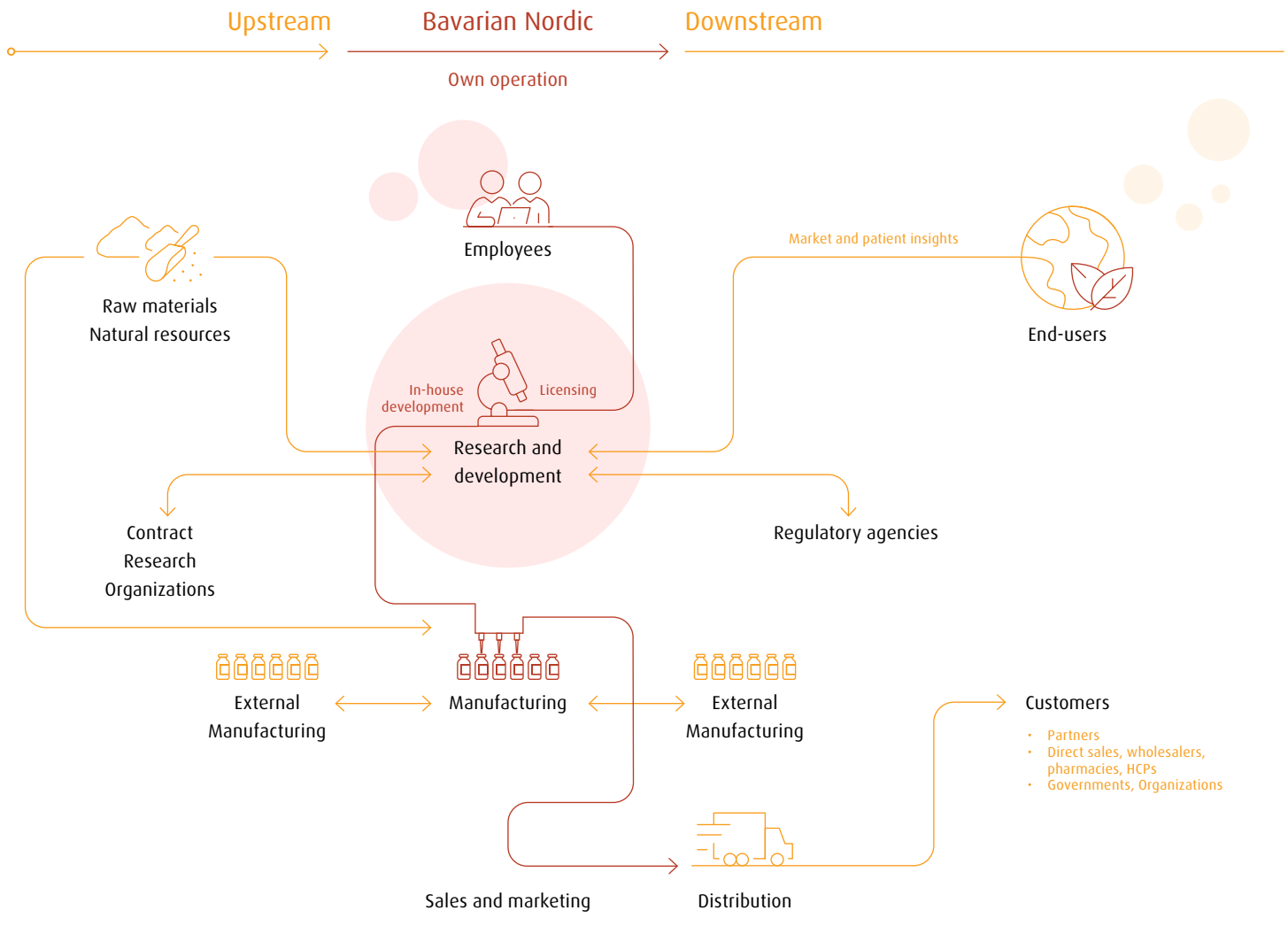
Paul Chaplin
President and CEO

Our purpose and strategy

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

Protecting lives every day is an essential part of Bavarian Nordic's DNA, and we aspire to develop and manufacture vaccines that address unmet medical needs for the greater good of the global society, while also helping to mitigate the adverse effects of climate change on human health.

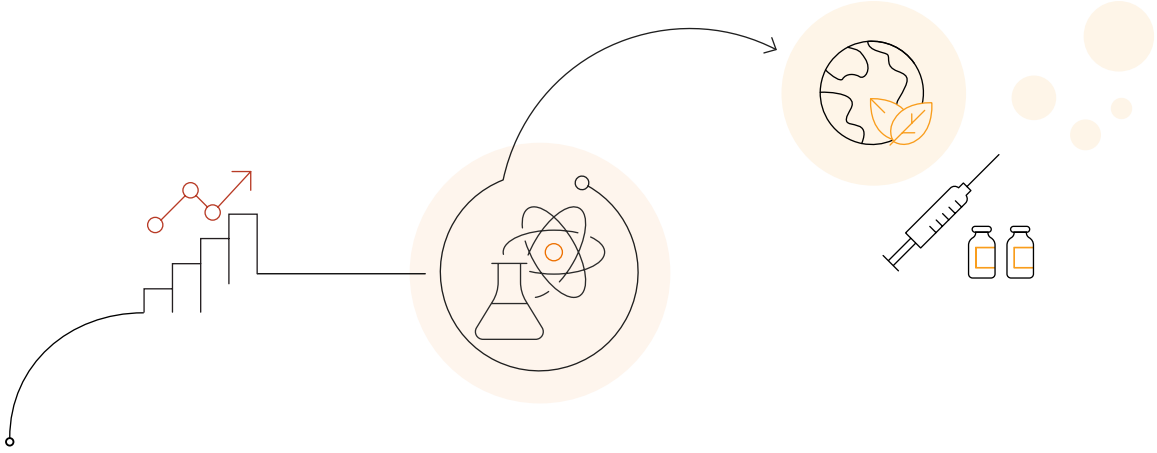
Our business model spans the full value chain from early research and development, over production to commercialization and distribution, and rests on the ability to innovate and commercialize new vaccines. Through collaboration with local partners and institutions, we aim to expand our commercial footprint while improving access to vaccines. The business model covers partnership business, complex governmental sales and direct sales.



Strategy

As a focused and profitable pure play vaccine company, we are favorably positioned to leverage our strong global commercial presence in key markets.

Our commitment to developing a sustainable business is key to lasting success in global markets. With our vaccines, we aim to improve health and protect lives and communities. By preventing the spread of infectious diseases, vaccines contribute to healthier populations, reducing the burden on healthcare systems and promoting resilience in the face of environmental challenges. Our goals are driven by actions within the ESG framework, and these priorities are integrated in our business strategy.



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

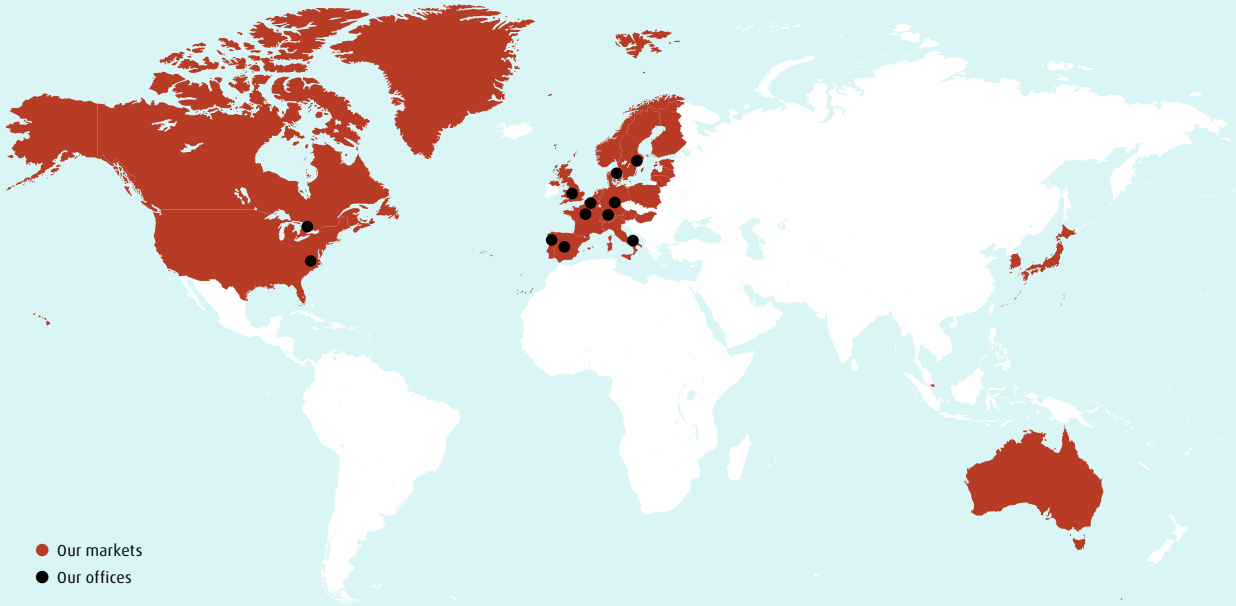
- Improve competitiveness of existing product portfolio through life-cycle management
- Secure reliable supply
- Develop new pipeline programs and platforms

Committed to sustainability

- Improve access to vaccines
- Transition plan for climate change mitigation
- Ensure responsible supply

Bavarian Nordic at a glance

Building on three decades of excellence in vaccine research, development, and manufacturing, we have successfully transformed from a research and development focused company into one of the largest pure-play vaccine companies through strategic product acquisitions and expansion of our organization to include a full, global commercial infrastructure, serving more than 30 countries.



Today, we have a leading commercialized portfolio of travel vaccines, and we continue to strengthen our position as a preferred supplier of mpox and smallpox vaccines to governments for public health preparedness.

We are also working with global organizations like WHO, PAHO, Africa CDC, UNICEF, Gavi and CEPI to expand access to life-saving vaccines during emergencies, such as the mpox outbreaks in 2022 and 2024, which has helped to ensure availability to our vaccines in more than 70 countries worldwide.

USA
Clinical development, regulatory and commercial functions
123 employees

Germany
Research and development, sales and commercial functions
301 employees

Switzerland
Manufacturing, global marketing and sales functions
215 employees

Denmark
Headquarters and manufacturing
979 employees

Other countries
Commercial and administrative functions in: Belgium, Canada, France, Italy, Portugal, Spain, Sweden and United Kingdom
35 employees

Our 2024 numbers:

Revenue

5,716 mDKK

EBITDA

1,603 mDKK

EBITDA margin 28%

Employees

1,653

Our vaccines

We are a preferred supplier of mpox and smallpox vaccines to governments to enhance public health preparedness and have a leading portfolio of travel vaccines. In addition to our own products in Travel Health, we market and distribute vaccines for third parties in selected European markets.

Public Preparedness	**Travel Health**				
JYNNEOS®, IMVAMUNE®, IMVANEX® Mpox / Smallpox	**Rabipur®, RabAvert®** Rabies	**Encepur®** Tick-borne encephalitis (TBE)	**Vivotif®, Typhoral®** Typhoid fever	**Vaxchora®** Cholera	**Vimkunya™** Chikungunya
JYNNEOS®/IMVAMUNE®/IMVANEX® is an mpox vaccine, also indicated for smallpox. The vaccine is primarily sold to governments for stockpiling and outbreaks but has also been commercialized in key markets (US and Germany) for at-risk populations. It is the only mpox vaccine that has obtained prequalification by WHO.	Rabipur®/RabAvert® is a rabies vaccine for both pre-exposure use for travelers to endemic regions and for post-exposure use by persons in endemic countries potentially at risk after being bitten or scratched by animals known to carry the disease. The vaccine is market-leading in Western markets and more than 80% of its revenue is from US and Germany.	Encepur® is a vaccine against tick-borne encephalitis (TBE), a virus prevalent in Central, Eastern and Northern Europe. The geographic range of the virus appears to have expanded to new areas, likely due to a complex combination of changes in diagnosis and surveillance, human activities and socioeconomic factors, and ecology and climate. The vaccine is marketed in European countries only with Germany being the largest market, representing approximately 80% of the product's total revenue.	Vivotif®/Typhoral® is an oral vaccine for immunization against typhoid fever, a potentially life-threatening disease caused by a specific type of bacteria (Salmonella typhi), which is commonly found in Southeast Asia, Africa, the Caribbean, and Central and South America. We acquired the vaccine in 2023 and are still relaunching it in key markets, after discontinuation of marketing by the previous owner during the COVID-19 pandemic. Our focus is primarily on the US market, which represents around 60% of the product's total revenue.	Vaxchora® is an oral vaccine for immunization against cholera, a potentially life-threatening disease caused by the bacteria Vibrio cholerae serogroup O1, which is regularly found in South and Southeast Asia and Africa. We acquired the vaccine in 2023 and are still relaunching it in key markets, after discontinuation of marketing by the previous owner during the COVID-19 pandemic. Our focus is on US and European markets.	Vimkunya™ is a vaccine for immunization against chikungunya, a mosquito-borne disease, which has emerged across several regions in Asia, Africa, and the Americas, including many popular travel destinations. It is the first virus-like particle (VLP)-based chikungunya vaccine for persons aged 12 and older, which has been approved in the US and Europe in 2025.
Revenue 2024 3,206 mDKK Share of total revenue: 56%	1,352 mDKK Share of total revenue: 24%	497 mDKK Share of total revenue: 9%	179 mDKK Share of total revenue: 3%	64 mDKK Share of total revenue: 1%	To be launched in 2025 in US and Europe.

Partnering for global health

Public-private partnerships have been an integral part of our business model since our inception. We have turned small research collaborations into long-term relations, that helped bringing novel vaccines to the market to fight existing and emerging diseases around the globe.

Along the way, we have also established industry partnerships, some which also were pivotal for changing the public health landscape.

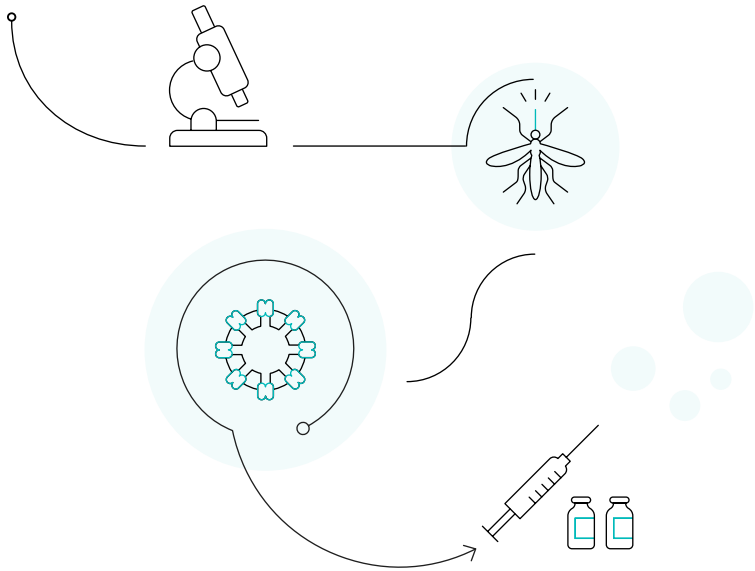
As a manufacturer we can only do so much to ensure the availability of our vaccines and thus rely on global partners to help bring the vaccines to the populations who need it most. That is why, in recent years, we have increased our focus on establishing partnerships with organizations with the necessary strength and capabilities to drive global health initiatives.

In 2024, we continued to strengthen our collaboration with existing partners, while also establishing significant new partnerships that were pivotal for increasing access to vaccines for more people, particularly those impacted by the ongoing mpox outbreak in Africa.

Partner	Disease	Progress in 2024
US government (BARDA)	Mpox	We continued our decade-long partnership with BARDA, entering multi-year contracts worth more than USD 220 million for the manufacturing of additional bulk vaccine as well as final mpox vaccines.
EU (HERA)	Mpox	The European Health Emergency Preparedness and Response Authority (HERA) ordered more than 175,000 doses, which we complemented with 40,000 doses for donation to Africa.
EU (rescEU)	Smallpox	We entered our third contract to supply smallpox vaccines to rescEU, the EU's strategic stockpile of medical countermeasures for its member states.
CEPI	Mpox	We entered into a new partnership with CEPI, the Coalition for Epidemic Preparedness Innovations, to advance the development of our mpox vaccine for children in Africa. CEPI has supported our study of the vaccine in adults and children aged 2-12 years and furthermore supported other studies to support use of the vaccine in risk populations, including children under the age of 2 and pregnant women.
GAVI	Mpox	We signed an Advance Purchase Agreement with Gavi, the Vaccine Alliance, which secured funding for the first 500,000 doses under the UNICEF tender.
UNICEF	Mpox	We won an emergency tender, issued by UNICEF in response to the mpox outbreak in Africa, leading to a contract for 1 million doses of our vaccine.
Africa CDC	Mpox	We have collaborated with the Africa Centres for Disease Control and Prevention (Africa CDC) to explore options for local manufacturing of our vaccine to improve availability and ensure equitable access.
SII	Mpox	We entered an agreement with Serum Institute of India (SII), providing them a license to our mpox vaccine for the Indian market, while also potentially expanding our manufacturing capacity with SII as contract manufacturer for additional markets.

Strong regulatory progress in 2024

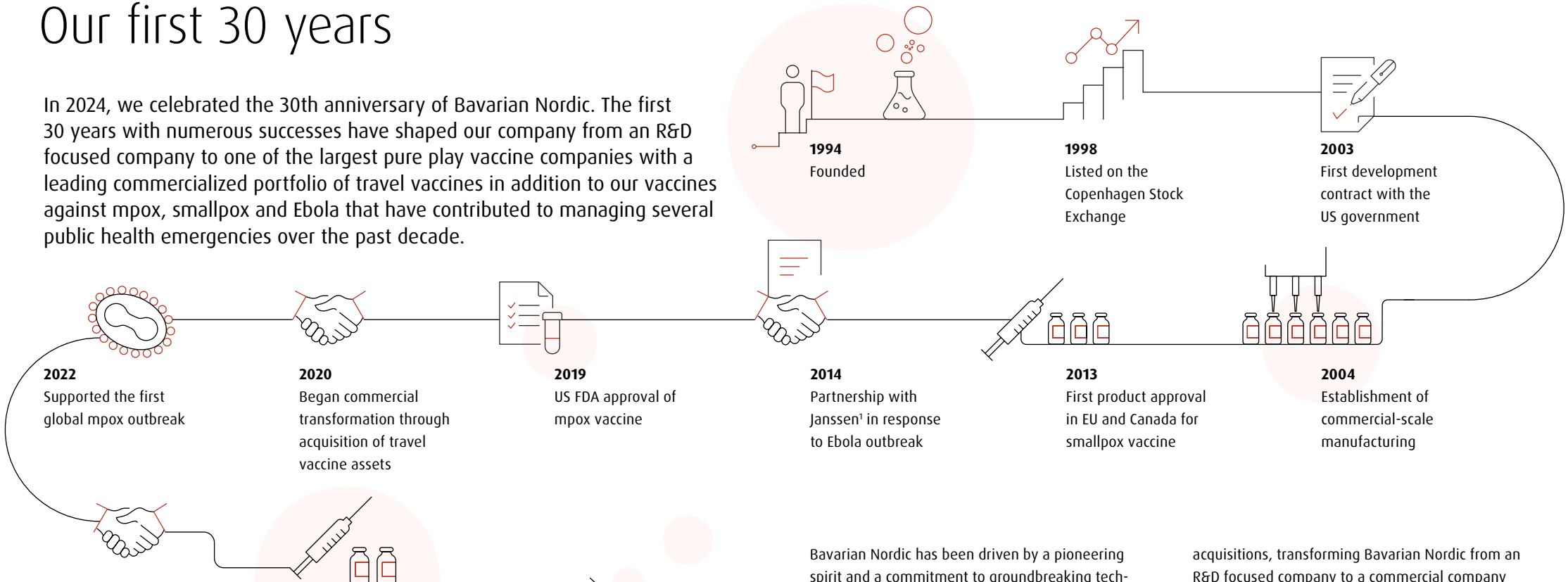
Significant regulatory progress was made during 2024 as we worked diligently to support new regulatory approvals and label extensions, particularly in support of our mpox vaccine in response to the outbreak.



Regulatory body	Disease	Progress in 2024
EMA	Mpox	The marketing authorization for our mpox vaccine was extended to include adolescents 12 to 17 years of age, supported by data from a clinical study, demonstrating non-inferiority of the immune responses, as well as a similar safety profile, between adolescents and adults after vaccination with two doses of the vaccine.
EMA	Mpox	Real-world effectiveness data from the use of the vaccine during the global 2022 mpox outbreak was adopted in the EU marketing authorization. These 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.
WHO	Mpox	The World Health Organization (WHO) prequalified our vaccine as the only mpox vaccine to receive this approval to-date. A prequalification enables organizations like Gavi and UNICEF to procure the vaccine for countries in Africa.
Other	Mpox	Our vaccine received a full approval in Singapore and Mexico and a provisional approval in New Zealand.
FDA	Mpox/Smallpox	We submitted a supplemental Biologics License Application (sBLA) to the U.S. Food and Drug Administration (FDA) for a freeze-dried formulation of our mpox and smallpox vaccine, potentially supporting approval of this version in 2025.
FDA	Chikungunya	We submitted our Biologics License Application for the chikungunya vaccine to the FDA, which was approved in February 2025, following Priority Review.
EMA	Chikungunya	We submitted a Marketing Authorization Application (MAA) to the European Medicines Agency, which was granted accelerated assessment. The vaccine was approved by the European Commission in February 2025 upon recommendation by the Committee for Medicinal Products for Human Use (CHMP).
Other	Rabies	Completing the multi-year tech transfer of the production of the rabies vaccine, which we acquired from GSK in 2020, we received regulatory approval of the bulk manufacturing process as the final step.

Our first 30 years

In 2024, we celebrated the 30th anniversary of Bavarian Nordic. The first 30 years with numerous successes have shaped our company from an R&D focused company to one of the largest pure play vaccine companies with a leading commercialized portfolio of travel vaccines in addition to our vaccines against mpox, smallpox and Ebola that have contributed to managing several public health emergencies over the past decade.



1994
Founded

1998
Listed on the Copenhagen Stock Exchange

2003
First development contract with the US government

2004
Establishment of commercial-scale manufacturing

2013
First product approval in EU and Canada for smallpox vaccine

2014
Partnership with Janssen[1] in response to Ebola outbreak

2019
US FDA approval of mpox vaccine

2020
Began commercial transformation through acquisition of travel vaccine assets

2022
Supported the first global mpox outbreak

2023
Second acquisition of travel vaccine assets and another manufacturing facility

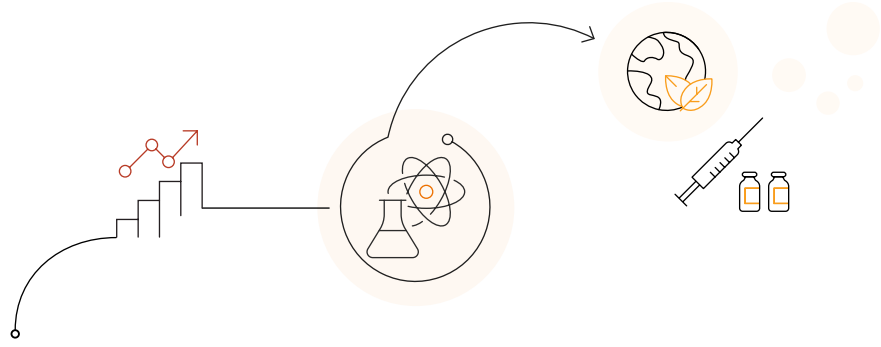
2024
Supported the second mpox outbreak and advanced chikungunya vaccine in preparations for launch in 2025

1 Now Johnson & Johnson Innovation

Bavarian Nordic has been driven by a pioneering spirit and a commitment to groundbreaking technology since 1994. Securing our very first smallpox vaccine contract with the US government in 2003 marked a turning point in our growth journey, allowing us to further expand and establish our own manufacturing capabilities, which have been a significant catalyst for growth ever since. Driven by bold decisions, we have made a number of strategic acquisitions, transforming Bavarian Nordic from an R&D focused company to a commercial company and successfully established ourselves as a focused and profitable vaccine specialty company with a leading travel health portfolio. Today, with global presence and +1,600 employees, we celebrate the number of successes along the 30 years of vaccine development for the purpose of improving and saving lives.

2024 highlights

In 2024, we made good progress on our strategic focus areas. While driving further growth in our Travel Health business, we also made significant contributions to improving public health in collaboration with other global stakeholders in the fight against mpox.



	Deliver continued growth	Bring innovative solutions	Committed to sustainability
Strategic focus areas	• Drive growth in Travel Health • Expand base business within Public Preparedness • Strong focus on organic growth supported by selective and synergistic M&A	• Improve competitiveness of existing product portfolio through life-cycle management • Secure reliable supply • Develop new pipeline programs and platforms	• Improve access to vaccines • Transition plan for climate change mitigation • Ensure responsible supply
2024 progress	• Completion of tech transfer for rabies on time and on budget. • Strong progress in integration of acquired assets. • Successful regulartory submissions for chikungunya vaccine in the US and Europe. • Private market launch of mpox vaccine in the US and Germany.	• New regulatory approvals for smallpox/mpox vaccine including an EMA approval of our mpox vaccine for adolescents, and prequalification by WHO, expanding availability for African countries. • Significant regulatory progress leading to approval of chikungunya vaccine by FDA in February 2025. • Advancement of new pipeline programs.	• New partnerships entered for expanding equitable access to mpox vaccine. • Commitment to Science Based Targets initiative (SBTi) as of 2024. • As part of transition to renewable energy sourcing, a power purchasing agreement (PPA) signed for manufacturing site in Denmark. • Share of scoped suppliers and business partners that have undergone an audit in accordance with Pharmaceutical Supply Chain Initiative (PSCI) of 12.6% (2024 target: 12.5%).

2024 performance

Strong continued performance across Public Preparedness and Travel Health in 2024.

Bavarian Nordic reported DKK 5,716 million (DKK 7,062 million) in revenue in 2024, within the range of the latest guidance of DKK 5,400-5,800 million. The revenue was in line with market expectations, driven by mpox/smallpox vaccine sales during a global outbreak, and continued strong performance in Travel Health.

EBITDA amounted to DKK 1,603 million (DKK 2,615 million) in 2024, compared to the latest guidance of DKK 1,450-1,700 million. The lower EBITDA compared to 2023 was followed by the lower revenue and gross profit for the year as 2023 was positively impacted by high mpox vaccine sales resulting from the 2022 outbreak.

Actual results compared to guidance

mDKK	**Original guidance 2024**	**Latest guidance 2024**	**Actuals[1] 2024**
	Feb 21, 2024	Sept 26, 2024	
Revenue	5,000-5,300	5,400-5,800	5,716
EBITDA	1,100-1,350	1,450-1,700	1,603

1 The actual and audited results were in line with the preliminary results reported on February 3, 2025.

Travel Health

Revenue from the Travel Health business increased by 22% over previous year to DKK 2,287 million (DKK 1,877 million), driven by organic growth, strong brand performance and expansion of the portfolio through the acquired assets from Emergent BioSolutions in 2023. All products contributed to the growth in the Travel Health portfolio, however with main contributions driven by strong Rabipur/RabAvert and Encepur sales.

Rabipur/RabAvert

Revenue from Rabipur/RabAvert increased by 16% to DKK 1,352 million (DKK 1,161 million), driven by continued strong demand from key markets in the US and Germany. Our market position remained strong, with the US and Germany market shares[2] reaching 75% and 91%, respectively, in 2024.

Encepur

Revenue from Encepur increased by 19% to DKK 497 million (DKK 417 million), largely driven by the German market, where we maintained a market share[2] of 28% in 2024.

Vivotif/Typhoral

Still in relaunch phase, revenue from sale of Vivotif amounted to DKK 179 million (DKK 119 million). The 2023 figure includes revenue only from mid-May 2023 from the time when the acquisition of the vaccine was completed.

Vaxchora

Still in relaunch phase, revenue from sale of Vaxchora amounted to DKK 64 million (DKK 24 million). The 2023 figure includes revenue only from mid-May 2023 from the time when the acquisition of the vaccine was completed.

Third-party products

Revenue from the sale of third-party products (DUKORAL and IXIARO and HEPLISAV-B) increased by 24% to DKK 194 million (DKK 157 million), mainly driven by very strong market demand for IXIARO.

Public Preparedness

Revenue from Public Preparedness amounted to DKK 3,206 million (DKK 5,027 million), fully in line with expectations. The lower revenue compared to 2023 was explained by the 2023 revenue impact from the 2022 mpox outbreak.

JYNNEOS/IMVAMUNE/IMVANEX

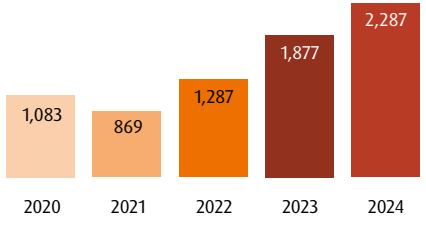
Revenue from the sale of JYNNEOS/IMVAMUNE/IMVANEX amounted to DKK 3,206 million (DKK 5,027 million), driven by contracts with the US government as well as contracts entered with various other governments and organizations. Additionally, the 2024 public health emergency drove strong sales in the private market in the US after the launch in early 2024. The lower revenue compared to the previous year was explained by the 2023 revenue impact from the 2022 mpox outbreak.

Other revenue

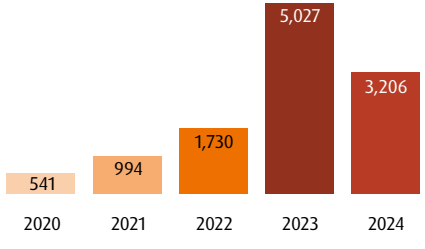
Other revenue amounted to DKK 223 million (DKK 158 million), mainly related to ongoing contracts with the US government, including the contract to develop an MVA-BN-based vaccine against equine encephalitis virus.

Performance by business area

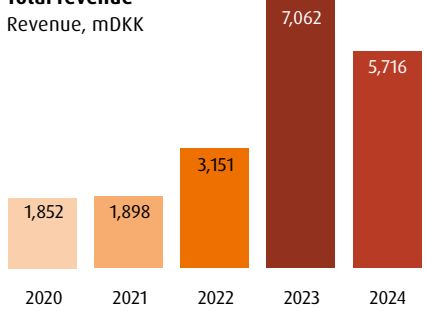
Travel Health
Revenue, mDKK



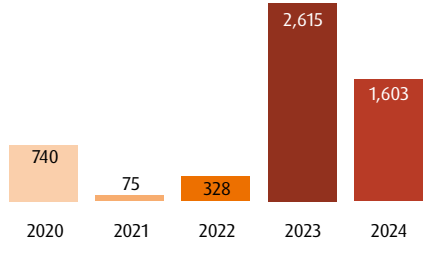
Public Preparedness
Revenue, mDKK



Total revenue
Revenue, mDKK



EBITDA
Revenue, mDKK



2 Market shares are measured by value.

Financial review

The financial review is based on the Group's consolidated financial information for the year ended December 31, 2024, with comparative 2023 figures for the Group in brackets. There are no significant differences between the development of the Group and the Parent Company, except where specifically noted below.

Income statement

Revenue
Revenue for the year was DKK 5,716 million (DKK 7,062 million).

In the Parent Company revenue was DKK 32 million (DKK 130 million) lower than in the Group as the sale of RabAvert in the US and Rabipur and Encepur in Switzerland is handled by the subsidiaries which is also the case for part of the sale of Vivotif and Vaxchora. The internal sale from the Parent Company to the subsidiaries follow a commissionaire transfer pricing setup. The variance in revenue between Group and Parent Company is influenced by phasing of both external and internal sales.

Production costs
Production costs amounted to DKK 2,897 million (DKK 2,459 million). Costs related directly to revenue amounted to DKK 1,733 million (DKK 1,735 million) of which cost of goods sold totaled DKK 1,580 million (DKK 1,608 million).

Other production costs amounted to DKK 847 million (DKK 426 million) and consist of unallocated costs, including the cost of idle manufacturing capacity and cost of unsuccessful production runs, plus write-downs.

The increase in other production costs over 2023 is primarily explained by higher write-downs due to MVA-BN batches failing final tests and the cost of idle capacity at the Bern and Kvistgaard manufacturing sites. Net write-downs of inventory amounted to DKK 141 million compared to DKK 75 million in 2023. Further details on write-downs can be found in note 18

The Bern site saw increased idle capacity costs, driven by the full-year effect of idle capacity in the Vivotif and Vaxchora manufacturing as well as later than expected ramp-up for chikungunya manufacturing. The Kvistgaard site was impacted by a water damage early in the year and by idle capacity due to switching of campaigns necessary for the ongoing tech transfer program.

The regulatory approval of the chikungunya vaccine was obtained by FDA in February 2025, and management therefore assesses the drug substance produced in 2024 to be commercially viable, hence the provisional write down was reversed in 2024.

The product rights to Rabipur/RabAvert and Encepur are amortized with DKK 279 million (DKK 273 million). The product rights for Vivotif and Vaxchora are amortized DKK 39 million (DKK 25 million). Amortization of product rights are recognized as production costs. Further described in note 15.

Sales and distribution costs
The sales and distribution costs amounted to DKK 500 million (DKK 332 million) split between costs for distribution of products of DKK 64 million (DKK 59 million) and costs for running the commercial organization and activities of DKK 436 million (DKK 273 million). The increase in running costs for the commercial organization is mainly related to the acquired business from Emergent BioSolutions, establishment of new legal sales entities and preparations for the planned launch of the chikungunya vaccine in 2025.

Research and development costs
The total research and development spending was DKK 863 million (DKK 2,228 million). The amount excludes R&D costs of DKK 152 million (DKK 127 million) recognized as production costs. The restructuring of the R&D function, announced in December 2024, resulted in a provision amounting to DKK 80 million, including severance pay, asset write downs, and accruals for future lease expenses.

During 2023, the main costs were related to recognition of impairment loss of ABNCoV2 development program, DKK 558 million, and the Phase 3 study for RSV, approximately DKK 875 million.

Administrative costs
Administrative costs totaled DKK 516 million (DKK 541 million). Transaction costs related to the acquisition from Emergent BioSolutions were expensed by DKK 64 million in 2023. 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 were also incurred in both periods.

EBIT/EBITDA
Income before interest and tax (EBIT) was an income of DKK 940 million (income of DKK 1,503 million).

EBITDA was an income of DKK 1,603 million (income of DKK 2,615 million). Amortization of product rights and developed production processes amounted to DKK 349 million (DKK 298 million) whereas depreciation on other fixed assets amounted to DKK 286 million (DKK 256 million). Impairment losses related to the San Diego site amounted to DKK 38 million in 2024, and losses related to ABNCoV2 development program amounted to DKK 558 million in 2023.

Financial income and financial expenses
Financial income was DKK 150 million (DKK 113 million) and consisted primarily of income from bank and deposit contracts, DKK 48 million (DKK 40 million), income from securities, DKK 35 million (DKK 45 million) and net foreign exchange gains, DKK 67 million (loss of DKK 15 million).

Financial expenses were DKK 118 million (DKK 132 million) and consisted of interest expenses on debt, DKK 5 million (DKK 4 million), net value adjustment of deferred consideration, DKK 105 million (DKK 102 million), other financial expenses DKK 9 million (DKK 11 million) and net foreign exchange losses DKK 0 million (DKK 15 million). Other financial expenses related mainly to commitment fee for the revolving credit facility. In 2023, other financial expenses covered cost for obtaining a bridge loan for the Emergent BioSolutions transaction and cost for establishing the revolving credit facility.

The net value adjustment of deferred consideration was an expense of DKK 105 million (DKK 86 million), consisting of three components: Unwinding of the discount related to deferred consideration, adjustment of deferred consideration due to change in estimated timing, and currency adjustments.

For further details on financial income and expenses see note 11 and 12.

In the Parent financial statements, the financial income was DKK 150 million (DKK 160 million) and included interests on receivables from subsidiaries of DKK 4 million (DKK 49 million). The financial expenses were DKK 139 million (DKK 141 million) and included interest expense on payables to subsidiaries of DKK 22 million (DKK 10 million).

Income before company tax was an income of DKK 971 million (income of DKK 1,483 million).

Tax on income for the year
Tax on the income for the year was an income of DKK 17 million (expense of DKK 8 million) and related primarily to taxes paid in Bavarian Nordic GmbH offset by adjustment to deferred tax in Bavarian Nordic Berna GmbH.

The Parent company had a net profit for the year of DKK 965 million (net profit of DKK 1,441 million), but a taxable income of DKK 0 million after depreciation of tax assets and use of tax losses carried forward.

Despite the positive result for 2024, management still assess that the remaining deferred tax asset should remain at DKK 0 million on the balance sheet.

Following the tax position in the Parent company the effective tax rate for the Group was negative by 1.7% (positive by 0.5%). The Company retains the right to use the tax losses carried forward that was written down in prior years.

Net profit
The Group reported a net profit for the year of DKK 988 million (net profit of DKK 1,475 million).

Liquidity and capital resources
As of December 31, 2024, the Company had cash and cash equivalents of DKK 1,623 million (DKK 1,477 million) and held investments in securities of DKK 552 million (DKK 390 million). The net securities and cash position amounted to DKK 2,175 million (DKK 1,867 million).

The Company has obtained a revolving credit facility (RCF) agreement of DKK 1,000 million, the size of the agreement is as per the Company's request. The facility was undrawn as per December 31, 2024.

Cash flows
Cash flow from operating activities totaled a net contribution of DKK 1,950 million (net contribution of DKK 1,119 million) following the positive EBITDA of DKK 1,603 million (DKK 2,615 million). Net change in working capital was positive by DKK 177 million (negative by DKK 1,551 million).

Investment activities totaled DKK 1,871 million (DKK 946 million). Milestone payments to GSK and AdaptVac amounted to DKK 1,587 million (DKK 298 million). Investments in property, plant and equipment totaled DKK 83 million (DKK 143 million). The net investment in securities contributed positively with DKK 153 million (net divestment of DKK 1,902 million). In 2023 cash used for acquisition of business and product rights from Emergent BioSolutions amounted to DKK 1,832 and investment in ABNCoV2 development asset amounted to DKK 390 million.

Cash flow from financing activities was a contribution of DKK 56 million (DKK 736 million), exercise of warrants contributed with DKK 127 million (DKK 46 million). In 2023 a capital increase contributed with a net proceed of DKK 1,599 million, funding received from the Danish Ministry of Health amounted to DKK 240 million, both partly offset by repayment of repo position of DKK 1,104 million.

The net cash flow for 2024 was positive by DKK 135 million (positive by DKK 909 million).

Balance sheet

The balance sheet total was DKK 14,406 million as of December 31, 2024 (DKK 14,353 million).

Assets
Intangible assets stood at DKK 6,331 million (DKK 6,482 million) with the main asset being the product rights to Rabipur/RabAvert, Encepur, Vivotif and Vaxchora of DKK 4,660 million (DKK 4,791 million). Product rights are amortized on a straight-line basis over their expected useful lives of 10-20 years. 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.

Acquired rights and development in progress only consist of the acquired chikungunya Phase 3 study and stood at DKK 1,287 million (DKK 1,287 million). The chikungunya development asset consists of the initial calculated fair value of DKK 1,287 million, including the net present value of probable future development milestones, DKK 499 million.

Developed production processes relates to the technology transfer from GSK to Bavarian Nordic of the manufacturing process for Rabipur/RabAvert and Encepur and stood at DKK 344 million (DKK 0 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.

Property, plant and equipment stood at DKK 2,161 million (DKK 2,328 million).

Inventories stood at DKK 2,327 million (DKK 1,644 million), of which the inventory of Rabipur/RabAvert and Encepur products amounted to DKK 1,625 million (DKK 948 million), smallpox/mpox vaccines amounted to DKK 303 million (DKK 287 million), Vivotif and Vaxchora products amounted to DKK 94 million (DKK 67 million) and chikungunya products amounted to DKK 68 million (DKK 0 million), as per December 31, 2024.

Receivables stood at DKK 1,285 million (DKK 1,892 million), of which trade receivables amounted to DKK 1,176 million (DKK 1,778 million). The decrease in trade receivables compared to year-end 2023 relates to high sale of smallpox/mpox vaccines end of 2023.

As of December 31, 2024, cash and securities stood at DKK 2,175 million (DKK 1,867 million).

Cash and cash equivalents are primarily invested in deposit accounts with highly rated banks and in short-term Danish government and mortgage bonds.

Equity
After the transfer of the result for the year, equity stood at DKK 11,409 million (DKK 10,340 million).

Deferred consideration
Deferred consideration to GSK for purchase of product rights amounted to DKK 732 million (DKK 1,873 million). As of December 31, 2024, only one operational milestone and the completion milestone are outstanding, both which are expected to be paid in first half of 2025. During 2024, the Company paid EUR 185 million in milestones payments to GSK including the sales-based milestone.

Deferred consideration to Emergent BioSolutions for purchase of their travel health business amounted to DKK 350 million (DKK 504 million) and consists of milestone payments related to approval of the chikungunya vaccine by the U.S. Food and Drug Administration (FDA) and the European Medicines Agency (EMA). The outstanding milestones are expected to be achieved in first half of 2025. During 2024, the Company paid USD 30 million to Emergent BioSolutions for the two milestones related to submissions to FDA and EMA.

The Purchase and Sale Agreement also includes an earnout payment valued up to USD 30 million. The earnout payment relates to sale of Vivotif and Vaxchora. As per December 31, 2024, Management does not judge the sales milestone to be probable and therefore the earnout payment has not been recognized as deferred consideration.

Retirement benefit obligations
In the Swiss subsidiary Bavarian Nordic Berna GmbH, the Group has recognized a retirement benefit obligation of DKK 114 million (DKK 81 million). The pension plan is part of a collective foundation in which other plans of non-related employers also participate, and the different plans all participate in the various risks relating to the foundation.

The increase in the obligation mostly relates to transfer of the Bavarian Nordic Switzerland AG employees to the Berna legal entity as of August 2024. The prior pension scheme in Bavarian Nordic Switzerland AG was recognized as a contribution benefit plan and therefore no pension obligation was recognized.

Key figures

DKK million	2024	2023	2022	2021	2020
Income statement					
Revenue	5,716	7,062	3,151	1,898	1,852
Production costs	2,897	2,459	1,450	1,328	1,195
Sales and distribution costs	500	332	213	192	286
Research and development costs	863	2,228	1,183	399	341
Administrative costs	516	541	376	293	278
Income before interest and tax (EBIT)	940	1,503	(71)	(314)	380
Financial items, net	32	(20)	(261)	(141)	(98)
Income before company tax	971	1,483	(332)	(454)	282
Net result for the year	988	1,475	(347)	(465)	278
Balance sheet					
Total non-current assets	8,619	8,950	7,907	7,336	6,378
Total current assets	5,787	5,403	4,485	4,754	2,381
Total assets	14,406	14,353	12,391	12,089	8,759
Equity	11,409	10,340	7,150	7,375	4,894
Non-current liabilities	200	1,225	2,954	2,806	2,912
Current liabilities	2,797	2,788	2,287	1,909	952
Cash flow statement					
Securities, cash and cash equivalents	2,175	1,867	2,845	3,717	1,670
Cash flow from operating activities	1,950	1,119	220	(359)	572
Cash flow from investment activities	(1,871)	(946)	(877)	(2,877)	(1,912)
- Investment in intangible assets	(1,605)	(835)	(1,020)	(575)	(484)
- Investment in property, plant and equipment	(83)	(143)	(361)	(483)	(223)
- Acquisition of businesses	-	(1,832)	-	-	-
- Net investment in securities	(153)	1,902	674	(1,779)	(1,202)
Cash flow from financing activities	56	736	636	3,536	1,335

DKK million	2024	2023	2022	2021	2020
Key ratios[1]					
EBITDA	1,603	2,615	328	75	740
Earnings (basic) per share of DKK 10	12.6	19.2	(4.9)	(7.4)	5.1
Net asset value per share	144.7	132.4	101.1	104.7	83.7
Share price at year-end	190	177	213	269	187
Share price/Net asset value per share	1.3	1.3	2.1	2.6	2.2
Number of outstanding shares at year-end (thousand units)	78,855	78,098	70,735	70,468	58,450
Equity share	79%	72%	58%	61%	56%
Number of employees, converted to full-time, at year-end	1,611	1,379	975	759	690
Reconciliation of EBITDA					
Income before interest and tax (EBIT)	940	1,503	(71)	(314)	380
Depreciation and amortization (note 9)	625	554	399	388	344
Impairment losses (note 9)	38	558	-	1	16
EBITDA	1,603	2,615	328	75	740

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.

Outlook 2025

For 2025, Bavarian Nordic expects revenue of DKK 5,700 – 6,700 million and an EBITDA margin of 26-30%.

The expected revenue is comprised of DKK 3,000 – 4,000 million from Public Preparedness vaccines, of which DKK 2,500 million have already been secured by contracts. Furthermore, approximately DKK 2,500 million from Travel Health vaccines, and approximately DKK 200 million from contract work are expected.

Travel Health revenue includes DKK 50 - 100 million from the sale of chikungunya vaccines, which is expected to be launched in the US and key European markets later in 2025.

The normal seasonality of the Travel Health business and the timing of revenue recognition of orders from Public Preparedness will cause variability in revenue and EBITDA throughout the year, with the first quarter of 2025 being light.

Key assumptions
Research and development costs of approximately DKK 900 million are expected, which include post-approval committed studies for chikungunya, and other costs for life-cycle management of the growing commercial portfolio, as well as the advancement of early-stage pipeline assets in Lyme disease and Epstein-Barr Virus. CAPEX is expected at approximately DKK 250 million whereas inventory levels are anticipated to be relatively unchanged.

The outlook is based on currency exchange rates of DKK 7.00 per 1 USD and DKK 7.45 per 1 EUR.

Revenue

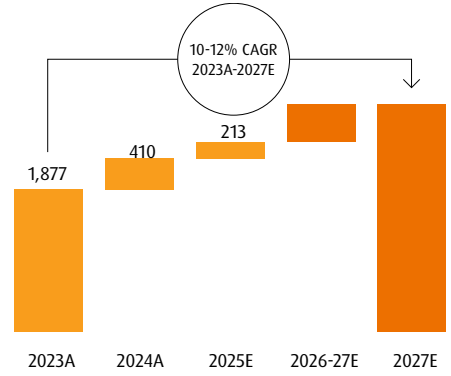
5,700 – 6,700 mDKK

EBITDA margin

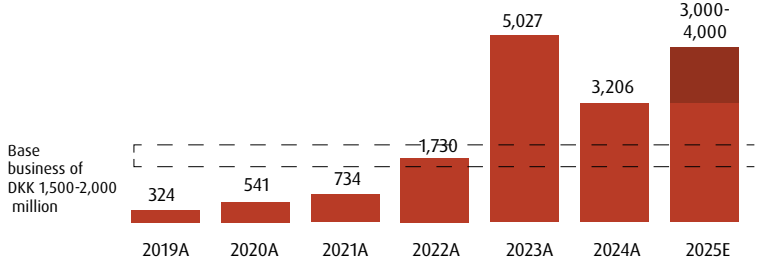
26% – 30%

2025 outlook in line with the 2024-2027 ambitions
With 22% growth in Travel Health in 2024 and the additional growth expected in 2025 for Travel Health combined with the current order book for Public Preparedness of DKK 2,500 million, we are currently ahead of these ambitions.

Travel Health
In Travel Health, an average annual growth of 10-12% is expected between 2023-2027.



Public Preparedness
In Public Preparedness, an annual base business of DKK 1,500 – 2,000 million is expected. Outbreaks in 2022 and 2024 have caused a surge in demand, driving temporary higher revenues.



Travel Health

Our focus on selective and synergistic acquisitions in recent years has driven significant growth, and we are favorably positioned to further leverage our strong commercial presence across markets.

Our travel vaccine portfolio has seen significant growth over the past years (2023: 49% and 2024: 22%) driven by organic growth, strong brand performance and expansion of the portfolio through acquisitions. The market was significantly down during the COVID-19 pandemic, but has gradually improved, and in 2024, global tourism fully recovered with certain regions even exceeding pre-pandemic levels[1]. Market growth seems to stabilize at normal rates in the years to come.

Our portfolio has a certain resilience towards travel trends as several of our vaccines address endemic diseases like rabies and tick-borne encephalitis (TBE), which are prevalent in our major markets.

The continued organic market growth combined with our efforts to build and expand the markets, including our launch of a new vaccine against chikungunya in 2025 will help drive further growth in Travel Health, consolidating our leading position in the field.

Chikungunya
With the approval of VIMKUNYA by the U.S. Food and Drug Administration (FDA) and the European Commission in February 2025, we are on track to launch the chikungunya vaccine in key markets during the first half of 2025 after which we will gradually phase in other markets.

VIMKUNYA is the first chikungunya vaccine approved for persons as young as 12 years. The vaccine is well positioned to become the preferred choice for travelers at risk going to destinations in Asia, Africa, and the Americas, where chikungunya has emerged over the past decades and where outbreaks frequently occur.

Disease awareness among travelers remains low, and the first chikungunya vaccine was only launched in 2024, so uptake has been limited thus far. As part of our launch preparations, we have a solid focus on driving continued awareness building and branding and we will leverage our strong position in the market to increase uptake.

First year sales are projected to be in the range of DKK 50-100 million, which reflects uncertainties around timing of launch and uptake, which will highly depend on awareness and demand arising from outbreaks. Once fully matured, the total annual market size is estimated at USD 500 million.

Rabies and tick-borne encephalitis (TBE)
We are market leaders in rabies vaccines, which represents our largest product in the Travel Health portfolio. While post-exposure vaccination in endemic markets, particularly in the US, has consistently grown over the past years, the uptake of rabies vaccines for pre-exposure use by travelers to endemic regions, e.g. Asia, remains low and represents a good opportunity to further expand the market.

TBE is our second-largest product in the Travel Health portfolio, primarily sold in Germany. TBE is prevalent in central, eastern and northern Europe and the geographic range of the virus appears to have expanded to new areas, providing additional market opportunities.

Our focus is to drive further awareness and leverage our increased presence in existing key markets as well as new markets for both rabies and TBE.

In 2024, we finalized the technology transfer for the rabies vaccine to our own manufacturing facility, and in 2025, we will finalize the technology transfer for the TBE vaccine, thus completing the five-year process since acquiring the vaccines from GSK. This will not only help us ensure reliable supply to markets, but also improve margins for the product, starting in 2026 with full effect from 2027.

Typhoid and cholera
2024 represented our first full year of sales of the oral typhoid and cholera vaccines, which we acquired in 2023. We remain focused on relaunching both vaccines via our existing commercial platform.

1 UN Tourism: International tourism recovers pre-pandemic levels in 2024, January 20, 2025. https://www.unwto.org/news/international-tourism-recovers-pre-pandemic-levels-in-2024

Public Preparedness

Smallpox/mpox
For more than a decade, we have been a trusted partner to governments on their smallpox preparedness with USA and Canada as key customers. Building on the recent mpox outbreaks, we continue to expand our partnerships to enable that nations remain prepared in the future against both smallpox and mpox.

The surge in demand for our mpox vaccine over the past three years has largely been driven by outbreaks, requiring immediate public health responses, not only in Africa, but also in other countries. The unpredictable nature of outbreaks will likely continue; however, we have increased our share of recurring customers, who have procured vaccines for stockpiling, resulting in a higher base level of revenue from this business. This base is currently at DKK 1,500-2,000 million annually, which we will exceed again in 2025, as we have secured orders for a total of DKK 2,500 million for delivery in 2025.

In addition to governments and organizations, we have pursued the opportunity to expand the sales of our mpox vaccine into the private market. In April 2024, we launched the vaccine in the US following a recommendation by the U.S. CDC Advisory Committee on Immunization Practices (ACIP) for the routine use of JYNNEOS® in adults at risk of mpox infection. Similarly, the vaccine is available for private customers in Germany.

Innovation

Our portfolio has grown significantly, and we are operating in commercial markets where competitive edge is becoming increasingly important for success. By continuous improvement and differentiation of our products, we retain the ability to defend and increase our market shares. Hence, significant research and development resources are dedicated to life-cycle management of the products.

In 2025, we are forecasting total research and development costs of DKK 900 million, of which approximately 73% are allocated to life-cycle management. This includes label extensions, new presentation formats, geographical expansion of approvals, process improvements in manufacturing to increase yield and lower cost of goods sold (COGS) and maintenance of registration in various territories.

For our chikungunya vaccine, we have certain post-approval study commitments agreed with the U.S. Food and Drug Administration and we are also conducting a Phase 3 study, which was initiated in 2023 to evaluate the long-term safety and immunogenicity of the vaccine as well as responses to a booster vaccination up to five years after the initial vaccination.

Pipeline

We have a strong heritage in the discovery and development of novel vaccines, leading to the successful commercialization of vaccines for mpox, smallpox and Ebola[1] – all representing major health threats. As we advance our science, we apply a disciplined approach to the discovery and early development of new platforms and vaccine candidates. We also work in partnerships to advance the pipeline through fully funded development programs.

Equine encephalitis

Funded by the U.S. government, we are developing MVA-BN® WEV, a vaccine candidate against western, eastern and Venezuelan encephalitis viruses, which can cause a rare, but potentially deadly mosquito-borne illness in humans. The vaccine candidate is based on our proprietary MVA-BN platform technology, which is also used in our mpox and smallpox vaccine.

Preclinical studies performed under the contract have demonstrated protective efficacy in animals and we have completed a Phase 1 first-in-human trial, that showed the vaccine to be well tolerated and immunogenic across all dose groups with neutralizing antibody responses against all three viruses increasing at higher vaccine doses. The responses peaked 2 weeks after the second vaccination and were durable throughout the 6-month follow up period.

A Phase 2 clinical trial is planned for initiation in 2025.

Product pipeline

	Preclinical	Phase 1	Phase 2	Phase 3	Registration/Phase 4
Chikungunya					2025
Equine encephalitis			2025		
Lyme disease		2026			
Epstein-Barr (EBV)		2026			

1 Licensed and commercialized by Johnson & Johnson.

Lyme disease

Like tick-borne encephalitis (TBE), Lyme disease is also transmitted via infected ticks. However, in contrast to TBE, Lyme disease also exists outside of Europe and is in fact the most common vector-borne disease in Europe and the US. Lyme is caused by a bacterial infection of *Borrelia* that is transmitted to people through the bite of blacklegged ticks, commonly found in forested areas.
The Lyme vaccine will, when fully developed and approved, be a good strategic fit and a perfect match to the existing Travel Health vaccine portfolio as there is a large customer overlap to the existing products.

Lyme disease presents a significant global morbidity burden, which spans acute, chronic, and systemic impacts, significantly reducing quality of life especially in endemic regions. Lyme disease or Lyme borreliosis can cause different symptoms. The first stage of the disease appears within weeks after infection with a characteristic red, well-defined skin rash around the bite site that spreads.

In the second stage, the infection can spread from the bite site to other organs. Typical symptoms include fever, headache, fatigue, and a characteristic skin rash. If left untreated, the infection can spread to joints, the heart, and the nervous system. There are other more rare and long-lasting disease courses of the second stage of the Lyme disease, such as joint inflammation and characteristic skin rashes.

Market potential
Although Lyme disease has been known for half a century, no vaccines exist against the disease, thus representing a large unmet medical need. While the true incidence of the Lyme disease is unknown, it is estimated to annually affect approximately 476,000 people in the US and more than 200,000 people in Europe[2] with several hundred million people living in endemic regions. The incidence of the disease is increasing.

Our approach
We have developed a recombinant protein-based Lyme vaccine candidate, based on novel technology which incorporates self-assembling protein particles. It has clear differentiation to other Lyme vaccine candidates in development. We are planning to initiate a phase 1 clinical trial in 2026.

2 https://wwwnc.cdc.gov/eid/article/27/8/20-4763_article

Epstein-Barr Virus (EBV)

Epstein-Barr virus (EBV) is a member of the human herpes virus family. It spreads through bodily fluids, mostly saliva, and can induce infectious mononucleosis (IM) mostly in adolescents and young adults aged 12-20 years of age. Typical symptoms include severe sore throat, swollen lymph nodes, extreme exhaustion, fever and enlarged spleen. The fatigue can persist for weeks or months. IM also increases the risk of EBV-associated multiple sclerosis (MS) and certain types of immune cell tumors. EBV is responsible for approximately 1-2% of all human cancers[1], estimated to cause more than 350,000 new cases and more than 200,000 deaths worldwide in 2020[2].

Market potential

Prevalent worldwide, it is estimated that approximately 90% of adults become antibody-positive before the age of 30[3]. In the US, primary EBV infection causes around 125,000 cases of IM annually[4]. The risk of developing IM upon EBV infection increases with age from childhood to adult life.

There is currently no treatment or vaccine available against IM. Recent insights into the association of IM with an increased risk for autoimmune diseases, such as MS[5], and certain tumors are increasing the medical need of EBV vaccine development programs. EBV vaccination could significantly reduce cancer burden and save billions in treatment costs.

Our approach

Using our MVA technology as the backbone, we have developed a promising vaccine candidate against IM. It induces a broad and multi-layered immune response against EBV. With our novel self-assembling antigen particle technology incorporated into the MVA platform, EBV targeting antibodies can be significantly boosted. We are planning for the first clinical trial to start in 2026, dependent on regulatory approvals.

1 https://bmccancer.biomedcentral.com/articles/10.1186/s12885-020-07013-x.
2 Wong Y et al. Estimating the global burden of Epstein–Barr virus related cancers. J Cancer Res Clin Oncol 2022 Jan;148(1):31-46. doi: 10.1007/s00432-021-03824-y.
3 Dunmire, S.K., Hogquist, K.A., Balfour, H.H. (2015). Infectious Mononucleosis. In: Münz, C. (eds) Epstein Barr Virus Volume 1. Current Topics in Microbiology and Immunology, vol 390. Springer, Cham. https://doi.org/10.1007/978-3-319-22822-8_9.
4 Kempkes B, Robertson ES. Epstein-Barr virus latency: current and future perspectives. Curr Opin Virol. 2015 Oct;14:138-44. doi: 10.1016/j.coviro.2015.09.007. PMID: 26453799; PMCID: PMC5868753.
5 Bjornevik K, Münz C, Cohen JI, Ascherio A. Epstein-Barr virus as a leading cause of multiple sclerosis: mechanisms and implications. Nat Rev Neurol. 2023 Mar;19(3):160-171. doi: 10.1038/s41582-023-00775-5. Epub 2023 Feb 9. PMID: 36759741.

Shareholder information

Bavarian Nordic has been listed on the Nasdaq Copenhagen exchange since 1998 under the symbol BAVA. We are listed on the OMXC25 index and the OMXC Large Cap index.

For US investors, we have established a sponsored Level 1 American depositary receipt (ADR) program with Deutsche Bank Trust Company Americas acting as the depositary bank. One ordinary Bavarian Nordic share represents three Bavarian Nordic ADRs, and the ADR ticker symbol is BVNRY. Additional information about the ADR program is available on our investor relations website.

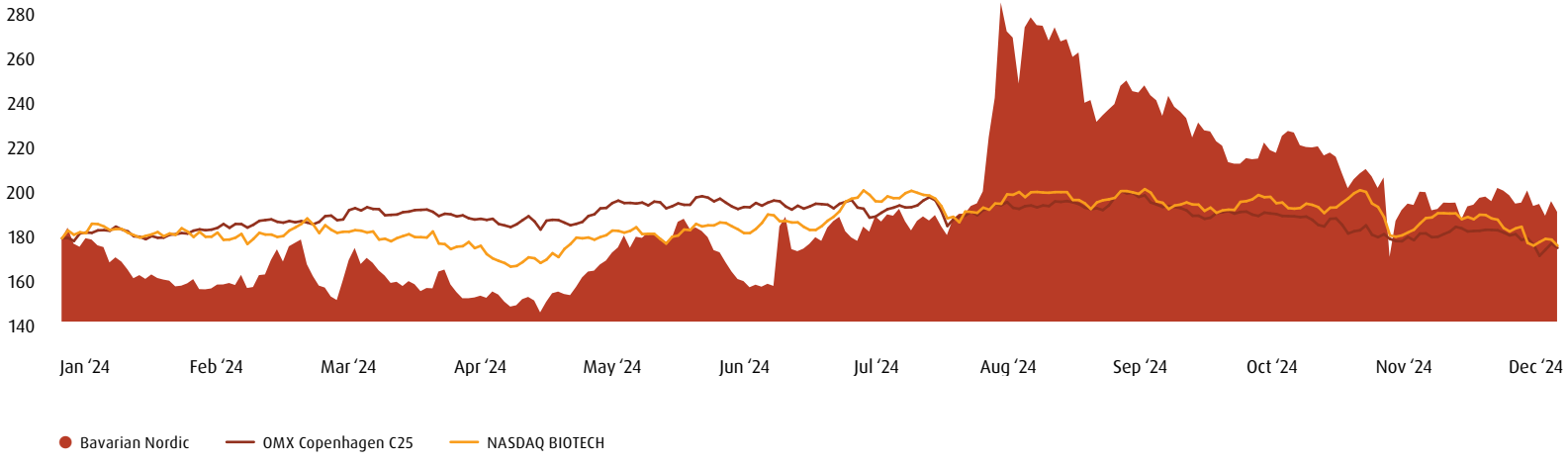
Share price performance
Bavarian Nordic share closed the year at DKK 189.35, delivering a 7% return for the year, while OMXC25 and the Nasdaq Biotechnology (NBI) index closed the year at -2% and -1%, respectively. The year-low for the Bavarian Nordic share was DKK 144.15 on April 25, 2024, and the year-high was DKK 283.50 on August 16, 2024, based on the daily closing prices of the Bavarian Nordic share. At year end, Bavarian Nordic had a market capitalization of DKK 14.9 billion.

Share capital
The share capital was DKK 788,548,570 by year-end 2024, comprising 78,854,857 shares with a nominal value of DKK 10 each. Each share carries one vote.

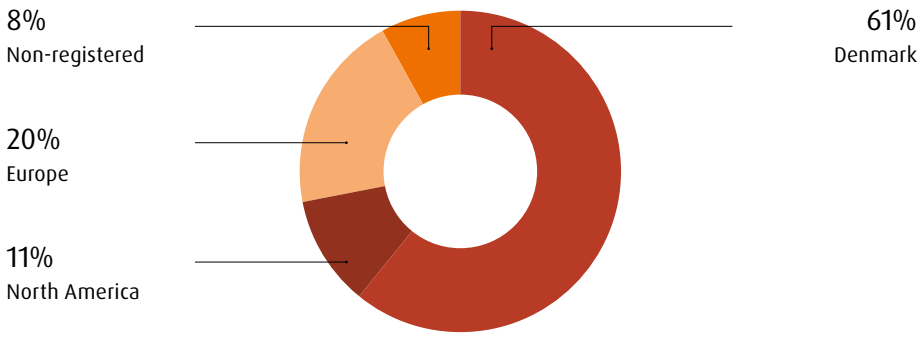
In May 2024, 18,702 new shares were issued as a result of employee warrant exercise, raising proceeds of DKK 2.7 million. In September 2024, 447,869 new shares at DKK 146.60, 7,039 shares at DKK 155.80 and 261,538 shares at DKK 206.82 were issued as a result of employee warrant exercise, raising proceeds of DKK 120.8 million. In addition, in November 2024, 21,875 new shares were issued as a result of employee warrant exercise, raising proceeds of DKK 3.2 million.

By December 31, 2024, there were 4,635,905 outstanding warrants, which entitle warrant holders to subscribe for 4,635,905 shares of DKK 10 each. Thus, the fully diluted share capital amounted to DKK 834,907,620 at year end, comprising 83,490,762 shares. For further information about outstanding warrants, see note 14 in the consolidated financial statements.

Share price development 2024



Geographic distribution of share capital



Ownership and major shareholders

At the end of 2024, we had approximately 115,000 registered shareholders owning 93% of the share capital. The remaining 7% were held by non-registered shareholders. Bavarian Nordic held 284,235 shares, corresponding to 0.36% of the share capital, as treasury shares, which have been repurchased to meet obligations arising from the share-based incentive programs for the Board of Directors and Executive Management. See note 29 in the consolidated financial statements.

At the end of 2024, the following shareholder owned five percent or more of the shares according to their publicly disclosed shareholder notification:

ATP Group, Hillerød, Denmark, 10.17% as of December 31, 2024

Share information

Stock exchange	Nasdaq Copenhagen
Ticker symbol	BAVA
Share capital	DKK 788,548,570
Number of shares	78,854,857
Number of treasury shares	284,235
Registered share of total share capital	93%
Share classes	One class
Nominal denomination	DKK 10
Voting rights	One share carries one vote
Share price, year-end	DKK 189.35

Capital allocation and return policy

In the short-term, our main priority to use the cash generated is to pay back the significant milestones from acquisitions to GSK and Emergent BioSolutions by mid-2025. In the mid- to long-term, we expect to improve our financial flexibility through increasing cash flow generation which we intend to use to invest in growing the current business and pipeline while prioritizing synergistic M&A as well as returning excess cash to our shareholders. In December 2024, we announced our intent to launch a share buy-back program of up to DKK 150 million, which was executed in January 2025.

Investor relations

We maintain an active dialogue with shareholders, sell-side analysts, prospective investors and other stakeholders by providing relevant, reliable and transparent information about relevant strategic, economic, financial, operational and scientific affairs in an open and timely manner. This work is carried out by Management and Investor Relations through frequent interactions with existing and potential shareholders via participation in investor conferences, roadshows, meetings and conference calls.

Through our online shareholder portal, registered shareholders can request admission cards and/or vote by proxy for the Annual General Meetings. The shareholder portal can be accessed via our investor relations website, along with financial reports, company announcements, investor presentations, and more. To register shares by name, shareholders must contact their custodian bank.

Visit our investor relations website →

Financial calendar 2025

April 9, 2025
Annual General Meeting

May 9, 2025
Three-month interim report (Q1)

August 22, 2025
Half-year interim report (Q2)

November 14, 2025
Nine-month interim report (Q3)

In connection with the publication of financial reports, Management will host a conference call for investors and analysts to present the results followed by a Q&A session. These events are being webcast live and they can be accessed via the investor relations website, where they will also be available for on-demand viewing for up to one year.

Additional information about the Annual General Meeting will become available on our website no later than three weeks before the event. Shareholders who have subscribed to news will receive a notification via e-mail.

Annual General Meeting →

Risk management

Bavarian Nordic's business model spans the full value chain from research and development, over production to commercialization and rests on the ability to innovate and commercialize new vaccines. The business model covers partnership business, complex governmental sales and direct sales. By the nature of our business, we are exposed to a variety of risks along our value chain.

Our approach to risk management

Bavarian Nordic is driving the risk management and risk mitigation processes through a structured Enterprise Risk Management (ERM) process, whereby risks are managed through identification, monitoring and mitigation. The process is an integrated part of our operational procedures and the management processes. The Finance, Risk and Audit Committee (FRAC) oversees the process and is closely monitoring the risks on a quarterly basis. The Board of Directors receives regular risk updates from FRAC which are taken into consideration in the Board's overall strategic considerations and decisions.

The formal process ensures both bottom-up and top-down identification and handling of risks. In this process, key risks are first identified through a bottom-up process including description of the risks and mitigating actions taken to reduce either the likelihood of occurrence or the potential impact. Residual risk, after agreed mitigating actions, is further mitigated by insurance where this is relevant and possible. All risks have assigned risk owners, normally at the executive level, and assigned risk-responsible employees who monitors and mitigates the risks closely.

The first integrated Annual Report 2024 is delivered in compliance with the ESRS requirements; as such additional risks associated with ESG (Environmental, Social and Governance) topics are further described under each ESG topical area, specifically mentioning individual risk under Impact, Risk and Opportunities per reporting area. These risks span both reporting risks, compliance risks and material risks which could impact Bavarian Nordic including the surrounding environment and stakeholders. The same risks are not mentioned in the risk descriptions below.

Key risks

The key risks identified are summarized in the table below, including a description of the risk and impact, and mitigating actions.

Risk area	Description and impact	Mitigating actions
Manufacturing and quality of supply	Disruptions to Bavarian Nordic's supply chain caused by manufacturing issues, internal systems, or supply chain issues, could have a significant impact on the ability to supply products at the right time and could impact both customer relations and financial performance. Bavarian Nordic utilizes subcontractors and CMOs as part of the supply chain; any disruptions to the planning and execution at CMOs or subcontractors could impact Bavarian Nordic's ability to supply products timely.	• Update and maintain risk assessment for equipment and implement preventive maintenance where necessary. • Internal quality audits, including mock inspections. • Dual sourcing strategies. • Adequate safety inventory for core products. • Close supply chain control and direct monitoring of key vendors. • Constantly updated disaster recovery plans. • Updated and adequate factory IT. • Systematic and integrated Sales and Operations Planning model.
Systems and processes	As we expand our presence and global supply coverage, potentially inefficient processes or systems, including Enterprise Resource Planning (ERP), could restrict our ability to scale up and deliver on the growth potential across products and markets.	• Investments and efforts to secure that Bavarian Nordic uses a structured ERP system and has a broadly covering BI system. • Constant standardization of processes and quality systems. • Employee training.

Risk area	Description and impact	Mitigating actions
Cyber security	Disruptions, including hacking, malware, or other external attempts to disrupt our ability to operate, could have a significant impact on our IT infrastructure and systems, from inability to perform operationally to inability to perform commercial sales or perform R&D. The impact could influence revenue and/or costs.	• Internal procedures for security monitoring and vulnerability assessment. • Constantly having continuity plans updated, including having updated internal processes for data recovery. • Plans for micro-segmentation to reduce the impact of attacks. • Training and awareness campaigns both inside the IT department and within the business. • Externally performed maturity assessments test, including gap analysis and gap closure plan identification. • Involvement of third-party cybersecurity specialist to ensure a constant overview of threats and preventative measures available. • Perform annual security penetration tests and audits by a third party. • Investments in strengthening the infrastructure and security.

Risk area	Description and impact	Mitigating actions
Research and development	We are progressing studies and projects through the R&D pipeline, including life-cycle management activities for the current portfolio of products. Any research and development activities can be delayed or even abandoned. The product approval phase can be delayed or even fail. All clinical material and production facilities require regulatory approval; such approvals can be delayed or even fail. Delays, failures or paused projects could have an impact on our future pipeline and hence future profitability.	• Close dialogue with authorities (e.g., FDA and EMA) to secure optimal path to approval and compliance with GMP, etc. • Strong quality system in place to ensure compliance with standards agreed with and required by authorities. • Communication with experts and regulators, to discuss regulatory strategy and development of recommendation. • Shelf-life extension initiatives for products in the current portfolio. • Develop early-stage pipeline of vaccines, or new platforms, to stay competitive.
Laws, regulations and compliance	Not complying with laws, incl. anti-corruption laws, regulations or any other compliance requirements could damage our reputation, result in significant fines and impede our ability to operate.	• Follow and monitor the established internal compliance structure and governance. • Internal and external legal resources available. • Continuous training of the organization in relevant laws, regulations and policies. • Monitor development in relevant laws and regulations. • Allocation of internal resources to secure adaptation of new rules and regulations. • Monitoring by the Business Ethics Compliance Committee.

Risk area	Description and impact	Mitigating actions
Commercialization and competition	We compete in markets where prices may be determined by the local supply/demand, including products from competitors that are significantly larger than us. Pressure from local healthcare politics to reduce costs may impact Bavarian Nordic's pricing or volume. Geopolitical or macroeconomic changes or health crises, e.g., pandemics, could impact demand, pricing and access to vaccinations. Competitors might develop product candidates with higher potential which could reduce the value of our pipeline and products.	• Ensure product availability through meticulous sales and operations planning. • Secure an engaged and competent sales, marketing and medical affairs organization, e.g. through continuous training. • Look for and leverage differentiation. • Further develop products in the market (life-cycle management). • Build strong relations through dedication and focus to achieve preferred supplier status.
Partnerships	Partnering with other companies and government bodies in the industry is a central element of our strategy. Loss of partnerships, e.g., due to collaboration issues, failed projects or similar, could have a significant impact on our reputation and future performance.	• Frequent interactions with partners to build and maintain common understanding. • Processes in place to resolve potential issues.
Talent attraction and retention	We depend on the ability to attract and retain talents for many functions. In times of high competition for the right talents or adverse impact on our image, it could impact our ability to perform at high standards and compete against other companies.	• Perform employer branding. • Provide training and development. • Offer competitive remuneration package. • Identify and develop key talents, including talent programs.

Risk area	Description and impact	Mitigating actions
Safety and incidents	We are fully committed to the safety and well-being of employees. Incidents or accidents can occur on our sites, and we maintain high standards and strong controls to prevent this from happening.	• Structured approach by the EHS organization to all workplace assessments. • Training employees in appropriate safety procedures to perform the job. • Adequately maintaining and communicating safety instructions. • Ensuring processes and equipment is fit for the purpose. • Permit to work systems for relevant jobs. • High focus on, and procedures in place, where biosafety and biosecurity events could occur.
Intellectual property rights	The validity of patents is crucial for the Company to secure future revenues and return on the investments made in development. Patents might be challenged by competitors. It is also crucial for the Company to avoid costly and lengthy litigation actions on IP launched by third parties.	• Dedicated and experienced resources involved in the filing of patent applications to minimize vulnerability to future invalidity actions, and with ability to defend patents if such actions are filed. Appropriate resources are therefore spent on navigating the patent landscape to avoid third party patents.
Currency and tax exposure to risks	Significant fluctuations in the DKK/USD and other currencies which Bavarian Nordic could be exposed to, could impact financial positions. Potential disputes with tax authorities could result in additional tax payments.	• Material net USD exposure is hedged using FX contracts or options. • Frequent monitoring of planned cash flows in other currencies allows for hedging when the risk is identified. • Taxes are paid where we operate. Inter-company transactions are governed by agreements in compliance with OECD's transfer pricing guidelines. • External and internal tax expertise is engaged whenever Bavarian Nordic is exposed to new tax risks to avoid lack of compliance or negative surprises. Currency risks and additional financial risks are further explained in note 23 in the consolidated financial statements.

Governance

The Board of Directors

Bavarian Nordic is managed in a two-tier structure composed of the Board of Directors ("the Board") and the Executive Management. The Board is responsible for the overall strategic management and the financial and managerial supervision of Bavarian Nordic, as well as for regular evaluation of the work of the Executive Management. In addition, the Board supervises the Company in a general sense and ensures that it is managed in an adequate manner and in accordance with applicable law and the Company's articles of association.

The Board discharges its duties in accordance with the rules of procedure of the Board, which are reviewed and updated by all members of the Board.

Board committees
To support the Board in its duties, the Board has established and appointed three subcommittees: a Finance, Risk and Audit Committee, a Nomination and Compensation Committee and a Science, Technology and Investment Committee. The committees, which comprise only shareholder-elected members of the Board, are charged with reviewing issues pertaining to their respective fields that are due to be considered at board meetings. More information about the committees, including the terms of reference which specify the tasks and responsibilities for each of the committees are available on the Company's website:

Board committees →

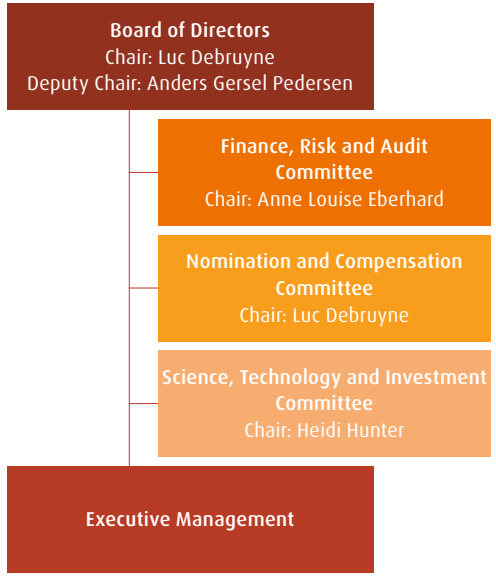
Composition of the board
The Board consists of eleven non-executive members: seven external members and four employee representatives. The external members are elected by the shareholders at the annual general meeting for terms of one year; retiring members are eligible for re-election. The Board elects a chair from among its members. The employee representatives are elected by the employees for a four-year term; the current four-year term expires in 2025.

The composition of the Board should reflect a diversity of backgrounds, experiences and expertise relevant to the Company considering the industry and markets it is operating within and that collectively enable the Board to oversee the strategy and development of the Company at any time.

For an overview of the specific competencies identified for each of the Board members, see page 38.

An overview of the composition of the board is found on page 33.

Changes to the board during 2024
At the annual general meeting in April 2024, Ms. Montse Montaner Picart was elected as new member of the board, replacing Mr. Peter Kürstein, who had served as member of the Board since 2012.



Meeting attendance

The overall attendance for the Board at meetings in 2024, including meetings in the subcommittees was 97 %.

Number of meetings attended by each board member out of the total number of meetings within the member's term.

	Board of Directors	Finance, Risk, and Audit Committee	Nomination and Compensation Committee	Science, Technology, and Investment Committee
Luc Debruyne	●●●●●●●●		●●●●●	●●●○○
Anders Gersel Pedersen	●●●●●●●●	●●●●●○		●●●●●
Frank Verwiel	●●●●●●●●		●●●●●	●●●●○
Anne Louise Eberhard	●●●●●●●●	●●●●●●	●●●●●	
Heidi Hunter	●●●●●●●●			●●●●●
Johan van Hoof	●●●●●●●●	●●●●●●		●●●●●
Montse Montaner[1]	●●●●●●●	●●●●●	●●●●	
Peter Kürstein[2]	●●	●	●	
Linette M. Andersen	●●●●●●●●			
Thomas A. Bennekov	●●●●●●●●			
Anja Gjøl	●●●●●●●●			
Karen M. Jensen	●●●●●●●●			

1 Montse Montaner was elected as new member of the Board in April 2024.
2 Peter Kürstein retired from the Board in April 2024.

● Meeting attended ○ Meeting not attended

Evaluation of the Board

Each year, the Board and its subcommittees conduct an evaluation of the Board's and subcommittee's work, accomplishments and composition. The chair heads the annual evaluation, which is conducted at least every third year with external assistance. The process, whether it is facilitated internally or by external consultants, evaluates topics such as Board dynamics, Board agenda, quality of the material that is submitted to the Board, discussions at the Board meetings, the chair's leadership of the Board, strategy, Board composition and Board competencies. Typically, the process is facilitated by each Board member filling out a detailed questionnaire, and the Board members are asked to score to which extent they agree to the individual questions. The results of the questionnaire are then discussed at a subsequent Board meeting, and the individual comments submitted are used in the planning and handling of future Board meetings.

In 2024, the Board performed its annual evaluation with the assistance of an external advisor. The 2024 evaluation was based on the input from 11 board members and six executives. It was based on in-depth personal interviews, a customized online questionnaire, a mapping of the board composition, and board composition benchmarking. As part of the evaluation, each shareholder-elected board member was given feedback on their contribution and how they add value to the Board, and the Chair subsequently conducted individual meetings with all shareholder-elected board members to discuss their feedback and contribution.

The result of the general board evaluation was discussed at a board meeting in December, with clear conclusions and topics for further development.

Executive Management

The registered Executive Management is appointed by the Board, which lays down their terms and conditions of employment and the framework for their duties. The Executive Management is responsible for the day-to-day management of Bavarian Nordic in compliance with the guidelines and directions issued by the Board. The day-to-day operations do not include transactions of an unusual nature or of material importance to the affairs of Bavarian Nordic.

As of December 31, 2024, the registered Executive Management consisted of Paul Chaplin, President

and CEO and Henrik Juuel, Executive Vice President and CFO, both registered with the Danish Business Authority, assisted by three Executive Vice Presidents who together with the registered Executive Management are responsible for the day-to-day operations of the Company (collectively the "Executive Management").

Executive Vice President and Chief People & Sustainability Officer, Anu Kerns resigned in January 2025.

Board and management gender diversity

As of December 31, 2024, the Board had a representation of three female and four male members elected by the shareholders. The Executive Management consisted of four male and one female member. The other management[1] in Bavarian Nordic had a representation of 11 female and 12 male managers. Hence, we had an equal gender distribution in both the Board and in other management levels as in accordance with the guidelines from the Danish Business Authority and is therefore not required to set a gender target figure[2].

We always strive to attract and engage a highly qualified and diverse group of employees and aim to eliminate biases and create an inclusive atmosphere. In order to achieve these ambitions, Bavarian Nordic outlined the below specified ambitions and objectives for the work with diversity and inclusion.

Table

Members of the Board, Executive Management and Other Management, total and by under-represented gender. The percentages in the table indicate the ratio of the under-represented gender in each category.

	2024		2023	
	Number	*Percent*	*Number*	*Percent*
Board of Directors, total	11	45%	11	45%
Board of Directors, shareholder-elected	7	43%	7	29%
Executive Management	5	20%	6	33%
Other Management	23	48%	21	48%

We wish to:

- Have a balanced gender distribution in all managerial positions and at all levels in the organization.
- Seek an age-diverse workforce that brings new perspectives, knowledge and experiences.
- Develop a workplace that embraces the diverse backgrounds and perspectives stemming from an increasingly global and specialized organization.
- Ensure that the compositions of the Board and Executive Management is diverse in terms of experience, competencies and gender.

Remuneration policy and report

The remuneration of the Board and the registered Executive Management is governed by the remuneration policy which is approved by the annual general meeting.

In accordance with section 139b in the Danish Companies Act, Bavarian Nordic has prepared a report on the remuneration of the individual members of the Board and the registered Executive Management in 2024.

Remuneration Policy →
Remuneration Report →

1 Members of Executive Management employed by Bavarian Nordic A/S along with their direct reports with leadership responsibility, also employed by Bavarian Nordic A/S and direct reports with leadership responsibility that are employed by Bavarian Nordic A/S and are reporting to a member of Executive Management not employed by Bavarian Nordic A/S.
2 Cf. the Danish Companies Act, Section 139(c)

Business ethics
We have established the Global Business Ethics Compliance Committee, which is represented by Executive Management and relevant business functions, to meet quarterly and oversee the Global Business Ethics Compliance Program. The Chief Compliance Officer has been appointed responsible for the Global Business Ethics Compliance Program and regularly reports on its status to the Finance, Risk, and Audit Committee. The Company has established a North America Compliance Committee and appointed a US Compliance Officer.

All employees, Executive Management, and the Board of Directors are trained on our Code of Conduct, Anti-Corruption Policy, and Speak-Up Policy. The Code of Conduct and Speak-Up Policy are accessible from our website.

Code of Conduct →
Ethics Hotline →

Data ethics policy
Our Data Privacy Policy includes the Data Ethics Policy based on eight principles to ensure strong data ethics:

1. Our Executive Management is dedicated to ensuring and maintaining a high standard of data ethics

2. We ensure accountability for data processing

3. We require an appropriate level of data ethics for processing activities carried out by third parties

4. We ensure that the processing activities carried out provide value to the data subjects, and are transparent and secure

5. We train our employees and monitor processing activities

6. We maintain an Ethics Hotline, where violations of data protection laws can be reported by internal and external stakeholders

7. We identify and monitor the use of new technologies for processing of data

8. We carry out internal controls

In 2024, we carried out initiatives to support the data ethics principles. We have carried out trainings and an awareness campaign and continued to implement enhancements to our policies and procedures to support the handling and processing of personal data, including the use of AI.

See all our policies on www.bavarian-nordic.com →

Corporate governance
We remain focused on good corporate governance, having implemented the recommendations from the Committee of Corporate Governance *(Komitéen for god Selskabsledelse)* for companies listed on the Nasdaq Copenhagen exchange.

Management believes that Bavarian Nordic is operated in compliance with guidelines and recommendations that support our business model and can create value for our stakeholders. Regularly and at least once a year, Management monitors adherence to the recommendations on corporate governance in order to ensure the best possible utilization of and compliance with the recommendations and legislation.

In accordance with Section 107 b of the Danish Financial Statements Act, we have published a statutory report on Corporate Governance for the financial year 2024. The report provides a detailed account of the two-tier management structure of Bavarian Nordic, including an overview of the Board and its committees and a review of their activities over the year. The statement also describes key elements of our internal control and risk management systems related to financial reporting processes. The report is available on our website.

www.bavarian-nordic.com/corporategovernance.→

Board of Directors

Luc Debruyne
Chair of the
Board of Directors.

Chair of the Nomination and Compensation Committee. Member of the Science, Technology and Investment Committee.

Other positions
Chairman of the board of Fund Plus. Member of the board of University Hospitals UZ Leuven and Zorg KU Leuven. Member of the Institutional Advisory Board at VIB, the Life Sciences Board at Greenlight Biosciences Inc., and the Global Listening Project. Senior Advisor to the CEO at CEPI, the Coalition for Epidemic Preparedness Innovations.

Anders Gersel Pedersen
MD, PhD
Deputy chair of the
Board of Directors.

Member of the Science Technology and Investment Committee.
Member of the Finance, Risk and Audit Committee.

Other positions
Member of the board of Genmab A/S, Hansa Biopharma AB. Chair of the board of Aelis Farma. Dr. Pedersen is also the CEO in his private holding company Gerselconsult ApS.

Frank Verwiel,
MD, MBA
Member of the Nomination and Compensation Committee.

Member of the Science, Technology and Investment Committee.

Other positions
Chair of the board of Intellia Therapeutics, Inc.

Anne Louise Eberhard
LL.M, Graduate Diploma BA
Chair of the Finance, Risk and Audit Committee.

Member of the Nomination and Compensation Committee.

Other positions
Chair of the board of Finansiel Stabilitet SOV. Member of the board of FLSmidth & Co. A/S, Den Danske Unicef Fond, and VL 52 ApS. Member of the executive board of EA Advice ApS. Advisory Board Member of a Danish ESG initiative by EY and Erhvervslivets Tænketank, and Faculty Member at Copenhagen Business School, Board Educations.

Heidi Hunter
MBA
Chair of the Science, Technology and Investment Committee.

Other positions
Member of the board of Vicore Pharma Holding AB, IO Biotech, Inc., and Sutro BioPharma, Inc.

Johan van Hoof
MD
Member of the Finance, Risk and Audit Committee.

Member of Science, Technology and Investment Committee.

Other positions
Independent advisor for the biotech/vaccine industry and for not-for-profit organizations/academia.

Montse Montaner
Member of the Finance, Risk and Audit Committee

Member of the Nomination and Compensation Committee.

Other positions
Member of the Board of the Children's Tumor Foundation, Ellab A/S. Scientific advisor of Nordic Capital. Member of the Executive Board of Montaner & Associates GmbH

Linette Munksgaard Andersen
Employee representative.

Position
Head of Global Distribution & Logistics

Thomas Alex Bennekov
Employee representative.

Position
Sr. App. and Integration Analyst

Anja Gjøl
Employee representative.

Position
Scientist.

Karen Merete Jensen
Employee representative.

Position
Senior QA Specialist & Coordinator.

Board overview

	First elected	Term expires	Independent	Gender	Nationality	Year of birth
Luc Debruyne	2023	2025	Yes	Male	Belgian	1963
Anders Gersel Pedersen	2010	2025	No [1]	Male	Danish	1951
Frank Verwiel	2016	2025	Yes	Male	Dutch	1962
Anne Louise Eberhard	2019	2025	Yes	Female	Danish	1963
Heidi Hunter	2023	2025	Yes	Female	American	1958
Johan van Hoof	2023	2025	Yes	Male	Belgian	1957
Montse Montaner	2024	2025	Yes	Female	Spanish	1968
Linette M. Andersen	2021	2025	No [2]	Female	Danish	1974
Thomas A. Bennekov	2021	2025	No [2]	Male	Danish	1968
Anja Gjøl	2021	2025	No [2]	Female	Danish	1980
Karen M. Jensen	2021	2025	No [2]	Female	Danish	1959
			55% of the board members are considered independent.			

1 Anders Gersel Pedersen is not considered independent under the Danish corporate governance recommendations due to being a member of the board for more than 12 years.
2 Employee representatives are not considered independent under the Danish corporate governance recommendations.

For full leadership biographies, visit our website:
Board of Directors →

Board competencies

The shareholder-elected members of the Board generally possess extensive leadership experience as well as board experience from public or private companies and organizations. In addition, each member brings different experience and skills relevant to their representation on the Board and its subcommittees, which collectively enable the Board to fulfill its responsibilities.

The Board has identified the core competencies which collectively should be possessed by the shareholder-elected members to perform their duties in supporting Bavarian Nordic's strategy and development. Based on their self-assessment, each of the shareholder-elected members' primary competencies are shown in the table below. The members may also have knowledge or experience in areas other than their primary competencies. Employee representatives are not part of the competency self-assessment.

Competency overview

	Corporate Leadership	Life Sciences	Public health	Product Development and Supply	Commercial Strategy, M&A and Business Development	Finance, Capital and Risk Management	People and Culture	ESG	Technology and Digitalization
Luc Debruyne	●	●	●	●	●	●	●	●	
Anders Gersel Pedersen	●	●	●	●	●	●	●	●	
Frank Verwiel	●	●			●	●	●		
Anne Louise Eberhard	●				●	●	●	●	●
Heidi Hunter	●	●		●	●	●	●	●	●
Johan van Hoof	●	●	●	●	●				
Montse Montaner	●	●		●	●	●	●	●	
Linette M. Andersen					Employee representative				
Thomas A. Bennekov					Employee representative				
Anja Gjøl					Employee representative				
Karen M. Jensen					Employee representative				

1 Anders Gersel Pedersen is not considered independent under the Danish corporate governance recommendations due to being a member of the board for more than 12 years.
2 Employee representatives are not considered independent under the Danish corporate governance recommendations.

Executive Management

Paul Chaplin
PhD
President and
Chief Executive Officer

Henrik Juuel
MSc
Executive Vice President,
Chief Financial Officer

Jean-Christophe May
PharmD, MBA
Executive Vice President,
Chief Commercial Officer

Russell Thirsk
MSc
Executive Vice President,
Chief Operating Officer

Executive management overview

	Joined	Nationality	Gender	Year of birth
Paul Chaplin	1999[1]	British	Male	1967
Henrik Juuel	2018	Danish	Male	1965
Jean-Christophe May	2020	French	Male	1967
Russell Thirsk	2022	British	Male	1968

1 Joined in 1999, appointed President and Chief Executive Officer in 2014.

For full leadership biographies, visit our website:

Our leadership team →

Sustainability statements

Contents

Introduction

This section forms a new part of our Annual Report and marks our first year of implementing sustainability statements in alignment with the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

This report concludes a significant effort over the past years to implement the directive, involving several departments, teams, and individuals throughout our organization.

The foundation of our statements are based on a double materiality assessment (DMA), where we have investigated, researched, and evaluated impacts, risks, and opportunities within our operations and value chain.

The material impacts, risks and opportunities (IROs) identified in the DMA results make up the foundation for our reporting, which in 2024 include disclosures on the following ESRS standards:

- ESRS 2 - General disclosures
- E1 - Climate change
- E2 - Pollution
- E4 - Biodiversity and ecosystems
- E5 - Resource use and circular economy
- S1 - Own workforce
- S2 - Workers in the value chain
- S4 - Consumers and end-users
- G1 - Business conduct

The general disclosures include information on our business model, strategy and governance, especially related to sustainability and material IROs. Here, you can also read about our DMA process and get an overview of the sustainability matters deemed material.

In the topical standards you will be presented with an elaboration of our material impacts, risks and opportunities (IROs) and information on how we manage these through policies, processes and actions. Furthermore, when deemed relevant, we disclose our ambitions and progress through targets and metrics.

In these sustainability statements, we use acronyms and terms that have either been introduced by the CSRD and the ESRS, or are in other ways not commonly used outside our sector. We have therefore included an index with key terms and acronyms which can be found in the appendix to these sustainability statements.

Basis for preparation

Our sustainability statements have been prepared on the same consolidated basis as the 2024 annual financial statement, applying the time horizons advised by the CSRD, unless otherwise stated. Specifically, these refer to short-term as up to one year, medium-term as one to five years, and long-term as more than five years.

Value chain coverage

The sustainability statements cover our own operations and captures certain elements of our value chain. The instances in which disclosures within the sustainability statements are not limited to our own operations can be found in the following sections: "Climate Change", "Workers in the value chain", "Biodiversity and ecosystems", and in "Consumers and end-users."

The double materiality assessment process provides a description of the scope we use to identify and assess material impacts, risks and opportunities (IROs) in our upstream and downstream value chain, as prescribed by the European Sustainability Reporting Standards (ESRS). Where relevant, policies, actions and targets to manage material IROs, extend to applicable parts of the value chain. Value chain data is also included in relevant environmental, social and governance metrics.

Omission of information

Information related to intellectual property, know-how, or the results of innovation has been omitted from the sustainability statements in compliance with ESRS 2 BP-1 5d and the principles outlined in ESRS1 section 7.7. The omitted information pertains to the material opportunity, E5-Resource use and circular economy, involving changes to certain manufacturing practices aimed at reducing resource use while increasing productivity. These changes are currently under exploration as part of our efforts to optimize production processes and are as such considered company sensitive information.

Aligned with our double materiality assessment, we only report on the data points identified as material, along with those mandated under the ESRS. In doing so, we have applied the phase-in provisions outlined in Appendix C of ESRS1 and are adhering to the recommended one- or three-year phase-in periods, as applicable.

Changes in presentation of sustainability information

For 2024, we have transitioned our sustainability reporting to align with the Corporate Sustainability Reporting Directive (CSRD) requirements as well as the associated European Sustainability Reporting Standards (ESRS).

Previously, we published a stand-alone sustainability report in compliance with the Non-Financial Reporting Directive (NFRD). With these sustainability statements, we have established 2024 as the baseline year, except for metrics related to our scope 1, 2 and 3, which baseline year is 2023 in line with our Science Based Target initiative (SBTi) commitment.

Incorporation by reference

In the sustainability statements, ESRS disclosure requirements incorporated by reference to other sections of the Annual Report are as follows:

- GOV-1: information related to the composition and diversity of administrative, management, and supervisory bodies (21a, b, c, d, e). See the Management review.
- GOV-4: statement on due diligence. See the Appendix of these sustainability statements.
- SBM-1: elements of our strategy that relate to or impact sustainability matters, our business model, and our value chain. See the Management review.
- IRO-2 (56): list of disclosure requirements complied with in preparing the sustainability statement and list of datapoints that derive from other EU legislation. See the Appendix of these sustainability statements.

The role of the Board and Executive Management

Management and oversight of sustainability matters

Our Executive Management oversees the governance processes, controls and procedures used to monitor, manage and oversee IROs through delegated responsibilities of members of the Executive Management. Our Corporate Sustainability department is responsible for the sustainability strategy development, including the identification and management of material risks, impacts and opportunities through a double materiality assessment process. The day-to-day management related to this area is anchored with the Executive Vice President and Chief People & Sustainability Officer. The day-to-day management of the ESG reporting is anchored with the Vice President Group Finance and Chief Financial Officer. The responsibility of implementing strategic initiatives lies with the lines of business under the respective Executive Vice President.

The members of the Executive Management are responsible for determining whether the appropriate skills related to our material IROs are available within their respective organizations and to decide on the need for training and external support. The Chief People & Sustainability Officer holds the overall strategic responsibility of the management of sustainability matters.

Oversight of sustainability reporting is placed with our Finance Risk and Audit Committee (FRAC), while oversight of sustainability strategy is placed with the Board of Directors, which is reflected in their respective terms of reference.

These governance processes, controls and procedures related to sustainability strategy and sustainability reporting were established in 2023 and will be continuously developed to monitor, manage and oversee IROs on an annual basis at minimum. This includes the possibility of integrating new processes with existing internal functions.

Target setting and tracking effectiveness

Executive Management is responsible for monitoring progress of the sustainability-related targets related to incentive schemes as described in Sustainability-related performance in incentive schemes. Targets disclosed in the topical European Sustainability Reporting Standards (ESRS) are set and monitored by the Executive Management. The goal setting linked to incentives are facilitated by the Executive Vice President and Chief People & Sustainability Officer, based on dialogue and input from various departments. The Board of Directors approve the strategic company goals and targets as proposed by our Executive Management.

These sustainability statements mark our first year of compliance with the Corporate Sustainability Reporting Directive (CSRD), the target-setting process relating to our 2024 material IROs has not been aligned with our overall company-wide target setting processes, which we may consider to align in future sustainability statements.

We have therefore not adopted targets on all identified impacts, risks and opportunities. However, the effectiveness of the policies and actions in place is tracked by the departments responsible for implementing these. The overall responsibility for tracking and ensuring the effectiveness and progress at corporate level is anchored with the Executive Management.

Sustainability matters addressed

The Board of Directors is responsible for setting strategic direction and overseeing strategic environmental, social and governance matters. Executive Management is responsible for the day-to-day management of this area. The Board and Executive Management consider material impacts, risks, and opportunities when overseeing strategy, major transactions, and risk management processes. However, as this is our first report using the CSRD framework, these considerations are not formalized in a structured framework, and the potential associated trade-offs are not systematically evaluated in alignment with the ESRS.

We have incorporated sustainability as a recurring item on the agenda for all Finance Risk and Audit Committee (FRAC) meetings. Depending on the need and the sustainability reporting cycle, various topics are presented by the ESG Finance and Corporate Sustainability departments to inform and/or request a decision from the committee on the following topics:

- Sustainability reporting, including progress, controls and risks
- Methodology and outcome of the double materiality assessment and material IROs

The Chief Financial Officer and Chief People & Sustainability Officer are present at the FRAC meetings together with supporting staff when deemed relevant. The Board of Directors and FRAC meet when deemed necessary, at least four times a year each, respectively. In 2024, FRAC held an extraordinary meeting where the sole focus was on implementation of CSRD reporting and the outcome of the 2024 double materiality assessment.

As we expect to further strengthen governance in the sustainability strategy and reporting area, the

frequency of Board and FRAC meetings in which these areas will be discussed can be adjusted accordingly to ensure an appropriate information flow. This can include extending the contents of these meetings to include information on the implementation of due diligence and the results and effectiveness of policies, actions, metrics and targets related to our material IROs.

The following key sustainability matters were addressed by Executive Management during 2024:

- GHG emissions contributing to climate change: Addressed with an official commitment to the Science Based Target initiative (SBTi).
- Reliance on energy sources stemming from use of fossil fuels: Addressed with our establishment of a Power Purchase Agreement (PPA).
- Access to medicine strategy in Low-Income Countries (LICs) and Lower-Middle-Income Countries (LMICs): Addressed with the introduction of our Access strategy.

Sustainability-related performance in incentive schemes

All members of the Executive Management are entitled to an annual remuneration in accordance with the Remuneration Policy which may consist of fixed and variable remuneration components. The Executive Management have short-term and long-term incentives that also include sustainability targets. The remuneration principles for the Board and Executive Management are governed by the Remuneration Policy, which has been approved by the shareholders of Bavarian Nordic.

The proportion of remuneration deriving from short-term and long-term incentives dependent on sustainability-related targets in 2024 amount to 10% of the total incentive remuneration of Executive Management.

The targets, referred to as goals below, were defined before the final adoption of the CSRD and the ESRS and is as such not aligned with the definition of targets to address material IROs, but they address key sustainability elements. Each of the three goals have equal weight.

Sustainability goals for 2024 cover the following:

Reduction of our environmental footprint
- Implement energy-saving solutions designed to reduce future CO_2e emissions

Maintain a healthy and engaging workplace
- Deliver employee turnover ≤ than global industry standards
- Increase the number of near-miss-reports with the aim to reduce absence due to work-related accidents

Animal welfare
- Submit a rationale for an in vitro potency assay for the rabies vaccine to regulatory authorities

Climate-related considerations in remuneration
We did not in 2024 assess performance against absolute GHG emission reductions targets (goals). However climate related considerations are factored into the remuneration of the Executive Management in terms of our target to implementing energy-saving solutions to reduce future CO_2e emissions. With this goal, 3.33% of the total remuneration derive from climate-related considerations.

Risk management and internal controls over sustainability reporting

In 2024, we established an ESG Finance department to lead the task of sustainability reporting. Working with the Corporate Sustainability department, ESG Finance collects and controls sustainability data from relevant business areas, including, but not limited to Environment, Health and Safety (EHS), and People, Organization, and Sustainability (PO&S). These departments are responsible for the accuracy and completeness of the data which feeds into how we report on sustainability matters.

Key risks associated with sustainability reporting include potential inaccuracies, inconsistencies, or misstatements due to human error, incomplete data, or fraud. These risks are amplified by our growth in recent years. To address these risks, we have established various controls and procedures:

- We have implemented a single, consolidated system where all sustainability data is gathered via a dedicated ESG software platform which informs our risk assessment approach. The platform is equipped with access controls and input validation mechanisms to ensure transparency, quality assurance, and data traceability. In addition, sustainability data is aligned with the ESRS accounting policy requirements which further reduces the risk of material misstatement.
- The sustainability reporting process is supported by our governance framework. This framework includes management reviews of the sustainability reporting process and contents, including information on reporting risks during meetings with the Finance, Risk and Audit Committee. A final approval of the full annual report from the Board of Directors occurs on an annual basis.
- Additionally, the external auditor provides limited assurance on our compliance with the CSRD and the ESRS disclosures, including evaluations of the information presented in the sustainability statements. Further details can be found in the independent auditor's assurance report.

To enhance our understanding of reporting risks, the ESG Finance department conducted a comprehensive, metric-level risk assessment. This assessment pinpointed selected areas in quantitative data needing stronger controls, directly informing the development of our ESG Accounting Handbook. The handbook provides clear definitions, scope, methodologies, and data quality standards, all aligned with ESRS requirements. The handbook acts as a guide for reporting sustainability information into the software, enabling us to standardize the sustainability reporting process and reduce human error and material misstatement.

Interests and views of stakeholders

We have regular engagements with key stakeholders either through the double materiality assessment process and/or through interactions with lines of business as illustrated in the stakeholder overview table.

Our engagements are integrated into our business model via dialogue directly with stakeholders several times yearly and through their representatives to enable an understanding of stakeholder concerns, expectations and viewpoints. These interactions have informed our due diligence and double materiality assessment processes.

In addition to our ongoing stakeholder engagement, we have organized formalized sessions as part of our double materiality assessment process to engage both directly with stakeholders and through proxy representatives.

These sessions have aimed to identify and assess relevant topics as well as capturing the interests and views of our stakeholders in our due diligence and double materiality assessment process, as further detailed in the double materiality process.

The outcome of our engagement related to the interests, views and rights of people in our own workforce, our value chain workers and our consumers and end-users inform the strategy and business model in a variety of ways.

Interests and views of our own workforce

We strive to integrate the rights, interests, and perspectives of our workforce into our strategy and business model, including respecting and upholding human rights. Our approach is designed to identify, address, and manage material impacts related to our operations, including those affecting workforce health, safety, and well-being. By embedding these considerations into our decision-making processes, we aim to foster a positive and sustainable impact on our employees while proactively mitigating any adverse effects, ensuring that the workforce remains a key contributor to sustainable value chain creation.

We recognize that our strategy and business model, including the intensive nature of certain operational activities, might create health and safety concerns and negatively impact the health and safety of our own workforce. To mitigate the negative impact that may come to exist, we have established an Employee health & safety organization that supports regular monitoring, reporting, and implementation of preventative measures.

Through engagement surveys, forums, and open communication channels, opportunities to enhance work-life balance for our employees have been revealed. Following this, we have established policies that support flexible working arrangements, and programs that enhance employee well-being to address these concerns. Through dialogue with this stakeholder group, they continuously provide input to our strategy and business model, ensuring that the workforce remains a key contributor to sustainable value chain creation.

Interests and views of workers in the value chain

We strive to actively collaborate with suppliers and partners to respect human rights and labor practices throughout the value chain. Through ongoing supplier and business partner engagement, directly via the responsible lines of business or indirectly via credible proxies, we monitor and identify impacts and risks in relation to respecting the rights of affected workers in our value chain. The insights gained through engagements inform our decision-making in relation to selection of suppliers and setting forth strategic initiatives, including the further development of our Responsible Value Chain Program (see Workers in the value chain).

Interests and views of consumers and end-users

As a provider of critical healthcare solutions, our strategy and business model is designed to deliver a positive impact on our consumers and end-users. As a pioneering force in vaccines, our core purpose is to expand access to life-changing solutions. This aligns directly with our commitment to prevent the spread of infectious diseases and provide vaccines to endemic countries, contributing to improved public health outcomes globally and mitigating the risks associated with infectious disease outbreaks.

To ensure these impacts are meaningful and sustainable, we actively engage with stakeholders directly or through credible proxies in various initiatives, including advisory boards, Medical Science Liason visits to HCPs, participation in congresses, and medical events. These ongoing engagement initiatives allow us to understand the needs, expectations, and concerns of our stakeholders. This insight is critical in enabling us to adapt our strategy and business model to better address these needs, ensuring our solutions remain relevant and impactful. By maintaining a close dialogue with our stakeholders, we are continuously informed and equipped to refine our approach, supporting positive outcomes for consumers and end-users while advancing our mission to address global health challenges effectively.

Our quality and safety processes and procedures support the continuous collection, evaluation, and management of safety data and quality control. These systems are supported by procedures for reporting adverse events, reactions, and product quality complaints, enabling us to respond promptly and transparently.

Amendments to strategy and/or business model

As we engage regularly with our stakeholders and incorporate their views and interests, we continuously assess and amend our strategy and business model to ensure alignment with their expectations. Our commitment remains focused on fostering sustainable growth and delivering innovative, life-saving vaccine solutions that expand our reach and impact. This strategic foundation is informed by the collective interests and perspectives of our diverse stakeholder base. While stakeholder engagement is an integral part of our approach, we currently do not have initiatives specifically designed to address the requirements of the CSRD to integrate stakeholder views directly into our overall business model and strategy.

Informing administrative and supervisory bodies

On an annual basis, stakeholder views and interests are communicated to the Board and Executive Management during our goal-setting processes, where individual and departmental goals are aligned with overall corporate objectives. Furthermore, the Board, relevant committees and Executive Management are informed about our sustainability related impacts on an ad hoc basis throughout the year. This specifically relates to potential negative risks and impacts, that requires assessment within a timely matter.

To strengthen the integration of stakeholder perspectives into decision-making going forward, we expect the double materiality assessment (DMA) process to serve as a systematic, annual initiative to ensure the Board and Executive Management are consistently informed about stakeholder priorities and concerns.

Stakeholder overview
ESRS 2 - table 1

Stakeholders	How engagement is organized	Purpose of engagement	Outcomes of engagement
Employees	• Inclusion of employee perspectives through representation by employee-elected board members • Employee relations and occupational health and safety • Frequent and ongoing dialogue with worker councils in relevant countries several times yearly • Employee engagement surveys at least annually • Development dialogues between employee & manager at least twice yearly • Dialogue forums with employees, e.g. 1 to 1, team meetings, and town halls	• Encourage employees to actively participate in shaping and influencing an inclusive workplace and working environment • Fostering a culture where employees feel valued, heard, and motivated to contribute • Gathering EHS (Environment, Health, Safety) feedback to ensure continuous improvement of workplace	• Increased engagement and employee influence • Local agreements on changes and improvements • Including engagement as a regular topic on team meetings • Actions that support individual development • Reduced employee turnover • Safe and inclusive workplace for both off-site and on-site workers
Workers in the value chain	• Industry collaborations membership in the Pharmaceutical Supply Chain Initiative (PSCI) • Engaging with own workforce as proxy advisors for the workers in the value chain	• To gather an understanding of the working conditions provided • Collect knowledge to build on our responsible value chain program, and capture the needs of the stakeholder group	• Desired long-term outcome: safe workplace for both off-site and on-site workers in our value chain • Building our responsible value chain program
Consumers & end-users	• Advisory boards • MSL (Medical Science Liaison) visits to HCPs (Health Care Professional), and reporting of insights • Participation congresses, and reporting of insights	• Collecting insights and feedback to inform our research agenda and communication needs	• Research developed in function of needs of the public health community and HCPs • Communication adapted towards the needs of HCPs
Suppliers & Business Partners	• Business partner due diligence • Implementing ESG into contract at CMO (Contract Manufacturing Organization) • Member of the Pharmaceutical Supply Chain Initiative (PSCI) • Supplier due diligence/code of conduct • Industry collaborators • Regular supplier relationship management	• To meet the demands of the market • To alleviate internal production capacity • Assess and manage business ethics risks of third-party intermediaries	• Continuously implement sustainability clauses into contracts at relevant suppliers & business partners • Aligning on mutual sustainability actions and ambitions • Business continuation plans • Aligning business ethics requirements with third-party intermediaries

Stakeholders	How engagement is organized	Purpose of engagement	Outcomes of engagement
Investors, analysts & media	• Investor/sell-side meetings • Investor roadshows & conferences • Stock exchange announcements • Conference calls • Capital Market Days • Annual General Meetings • ESG questionnaires and ratings	• Provide relevant, timely, and accurate information about strategic, economic, financial, operational, and scientific affairs of the company	• Supporting fair valuation of Bavarian Nordic shares • Improved transparency and disclosure of information • Maintained existing shareholder relations • Continued attraction of potential shareholders • Identified improvements in ESG targets
Industry bodies & regulators	• Direct dialogue with policymakers • Regulatory advice on manufacturing development plans, non-clinical and clinical studies • External ethical committees for clinical and animal studies • Submission of marketing approval of a product with regulators • Submission of new product information or changes to product information for request for dialogue with regulatory agencies on product information	• Sharing data analysis, reviews, studying data • Gain the regulators alignment on processes related to nonclinical studies, clinical trials, and manufacturing processes • Compliance with international ethical standards for human research and animal welfare • To obtain a marketing license for a product • To discuss and align on product information contained within the label to maintain compliance and accuracy	• Provide information for policy makers to make a decision on product use • Implementation of latest regulations, ensuring compliance to good practice guidelines (GxP) in product development • Safe and ethical practices for patients and animals • Compliance with regulatory Good Practice (GxP) standards so consumer safety and product quality standards are met • Aligned product information agreed on with the regulatory agencies which is used to inform HCP's about the product
Animals for testing (silent stakeholder)	• Direct communication between Bavarian Nordic appointed animal welfare officer and internal animal welfare committee	• Optical treatment to and prevent any pain to animals • Provide a forum for discussions on concrete measures to optimize animal welfare • Timely identification of potential problems	• Continuous improvement of animal housing conditions • Continuous improvement of animal (mouse) handling • Upholding the 3R principles: reduction, refinement, and replacement • Constant refinement of animal monitoring criteria • Improving processes and inclusion of employee perceptions in animal testing procedures

The double materiality assessment process

The 2024 DMA was conducted in accordance with the ESRS requirements and constitutes the first of its kind. The DMA process was led by the Corporate Sustainability department and supported by an external sustainability consultancy. The assessment identified and evaluated our actual and potential positive and negative impacts, risks and opportunities (IROs) as well as the connections between these. This evaluation determined the materiality of sustainability matters, considering the sub-topics and sub-sub-topics in the ESRS.

The process and methodology of the 2024 DMA included the establishment of thresholds, and a scoring system based on the principles laid out in ESRS 1. Internal subject matter experts were selected to participate in a series of workshops based on their in-depth knowledge of affected stakeholders and users of the sustainability statements. The internal subject matter experts represented external stakeholders such as suppliers, investors and employees.

The steps performed in the 2024 DMA process included:

Mobilization and hypothesis: identifying sustainability matters	Stakeholder engagement	Validation session	Finalization and documentation
The assessment reviewed the sustainability matters outlined in the ESRS in the context of our own activities, business relationships, key activities and actors within the value chain, as detailed in ESRS 1 AR16. The process included an evaluation of material IROs among industry peers to provide a sector-specific perspective and to identify potential topics relevant to us, especially those that may give rise to heightened risks of adverse impacts.	Subject matter expert insights were gathered to identify IROs through open interviews and by reviewing relevant documents. These interviews were prepared following a review of internal documents identified beforehand. Each interview was structured around sustainability matters and subtopics specific to the internal or external stakeholder in question. Sustainability matters were discussed on an individual basis, with a focus on pinpointing the most significant IROs. Once potentially high-scoring IROs were identified, the interview proceeded to the next sustainability matter. After the interviews, the identified IROs were compiled and sent back to the respective subject matter experts for validation of scoring, with particular emphasis on assessing IROs at a gross level. Any newly identified documents or stakeholders uncovered during the interviews were considered for additional engagement.	We held one internal validation session with Executive Management to help determine the final decisions regarding the materiality of each sustainability matter. The session evaluated whether the materiality thresholds were appropriately set and whether the outcomes of both material and non-material sustainability matters provided a fair and accurate representation of our material IROs related to people and the environment.	Following the validation sessions, IROs were finalized with a presentation summarizing the method, process and results of the DMA. The completed list of IROs was presented to the Danish Bavarian Nordic Workers Council, reviewed and signed off by our Executive Management and approved by the Board of Directors based on recommendation for approval by the Finance, Risk and Audit Committee (FRAC).

Scoring thresholds and methodology

The thresholds and time horizons used for scoring IROs were inspired by our Enterprise Risk Management (ERM) methods to the greatest extent possible, however, this was adjusted where not possible. Internal subject matter experts were tasked with scoring the IROs, which were then sent and reviewed by senior management. Actual impacts were assessed on a gross basis, i.e., there was no distinction between inherent and residual impacts, while potential impacts and risks were assessed for severity/size of financial effect on a gross basis and assessed for likelihood on an inherent basis.

The scoring parameters used throughout the process were based on the ESRS:

- Impact materiality: Scale, scope, irremediability, likelihood (based on if an impact is positive/negative and actual/potential). For potential negative human rights impacts, severity (assessed based on scale, scope and irremediability) took precedence over the likelihood of the impact when scoring. For positive impacts, materiality was determined according to scale, scope and (for potential positive impacts), likelihood. These adjustments are made in alignment with ESRS 1, 45.

- Financial materiality: Financial magnitude of risk/opportunity, likelihood, and the nature of the financial effect.

Decision-making and internal control procedures

Key decisions during the process pertained to identifying internal subject matter experts and IROs, scoring sustainability matters, assessing their materiality, and conducting a final review and sign-off of the DMA processes.

The Corporate Sustainability department identified internal subject matter experts with consultation from an external consultancy team. Regular "sense checks" were conducted throughout the process to verify that no IROs were overlooked or insufficiently considered.

IRO scoring was systematically tracked using an IRO workbook to maintain consistent application of the methodology. Each IRO score was accompanied by a rationale, including the possible interconnections between impacts and financial risks and opportunities. Double materiality assessments of the IROs were made based on predetermined criteria, with input from all participants, and were approved during workshop and validation sessions.

The validation sessions focused on sustainability matters where scoring was close to the threshold of materiality so that borderline cases could be resolved. The sessions were rooted in the initial scoring made by internal subject matter experts, which was subsequently complemented by the collective knowledge of Executive Management.

Key assumptions

- Point-in-time assessment. Sustainability issues evolve over time, influencing their impact, risk, and significance for us or affected stakeholders. The DMA conducted in mid-2024 provides a snapshot of material IROs at that specific point in time.

- Anticipated financial effects. The financial effects of sustainability matters were assessed qualitatively. Given the early stage of understanding these impacts, risks, and opportunities, quantifying them was deemed premature at this stage.

- Best available knowledge. Evaluations of potential impacts, outcomes, and effects were performed by individuals with industry expertise, using the best information available. However, research and comprehension of sustainability matters vary depending on the topic.

- Use of internal stakeholders as proxies. Internal stakeholders (also referred to as subject matter experts) acted as representatives for external parties such as suppliers, investors, and employees. The subject matter experts were selected for their insights and acted as proxies in the absence of direct external engagement.

- Identification of relevant stakeholders and impacts. Our subject matter experts identified relevant stakeholders and potential impacts using their expertise and the best available knowledge. While there is a risk of missing certain impacts or stakeholders, this was mitigated by reviewing material IROs against industry peers.

Additional internal documents and data as well as external sources such as scientific articles, reports and regulatory information were used as proxies to identify and assess material IROs.

Future steps: integration, monitoring and review

Currently, there is no formalized process to integrate the DMA results of impacts, risks and opportunities into our Enterprise Risk Management (ERM) process, although both processes influence and inspire one another.

The 2024 DMA forms the baseline for future DMAs conducted under the CSRD. We will conduct an annual review of the DMA and its findings to account for evolving trends, shifting assumptions, changing contexts, and new regulatory developments. When deemed necessary, an evaluation of the DMA process will be carried out to ensure it continues to accurately reflect our material IROs.

The IRO-2 disclosures include the index of ESRS disclosure requirements and the list of data points that derive from other EU legislation.

Climate change DMA process

Our DMA is the foundation upon which we assess and determine material IROs. Climate-related IROs are a fundamental part of that assessment. Additionally, our assessments based on the TCFD recommendations also inform this process to identify and assess material climate-related IROs.

To integrate the identification and management of climate hazards and/or the risks posed by the transition to a low-carbon economy into our existing systems and processes, we have integrated climate assessments into our Enterprise Risk Management (ERM) process. The ERM process is coordinated by the Finance department with responsibility for overseeing our ERM program and reports to the Finance Risk and Audit Committee. Each risk has a defined risk mitigation plan directed by relevant members of the senior leadership team.

In 2024, we reviewed our 2022 TCFD assessment. The review considered updated information, including the acquisition of two new sites, a refreshed governance structure, as well as new additions to our vaccine portfolio.

The 2022 TCFD assessment involved a screening exercise across our facilities in Denmark to identify sources of GHG emissions, primarily focusing on scope 1 and 2 emissions. Actual and potential impacts on climate change were assessed with specific emission data reported for heating, electricity generation and transport emissions.

This process evaluated energy efficiency initiatives, such as the implementation of LED lighting and heat pumps to reduce operational emissions. We also explored the purchase of renewable energy certificates and measures to decarbonize our value chain, such as engaging suppliers through responsible sourcing standards.

We assessed climate-related physical and transition risks and opportunities against two physical and two transition scenarios under different time periods. This analysis covered our own operations and our upstream and downstream value chain.

Scenario analysis

For the purposes of considering the physical risks that climate change may pose to us by mid-century, the Intergovernmental Panel on Climate Change's Shared Socioeconomic Pathway (SSP) 5-8.5 and 2-4.5 were used. Assessing against these scenarios helps us identify climate-related hazards and how our assets and business activities are exposed to such hazards.

The former is a 'worst case-high emissions' scenario that assumes 'business-as-usual', while the latter is considered a 'middle of the road' approach to mitigation and adaptation, with a reduction in GHG emissions and lower warming threshold than SSP5-8.5. The timeframes for our physical risk scenario analysis are split into:

Near-term (present-2040), where initial impacts like increasing heatwave frequency and water scarcity are expected to begin affecting operations;

Medium-term (2040-2060), where the severity of extreme weather events is anticipated to increase further.

These time horizons were selected based on the expected lifetime of our assets, strategic planning horizons, and the evolving capital allocation plans for infrastructure upgrades.

For the transition risk assessment, the Net Zero Emissions by 2050 Scenario and the Stated Policies Scenario from the 2022 World Energy Outlook report, published by International Energy Agency were selected. These scenarios represent a 'worst case' and a 'favorable case' respectively, enabling a stress test of our resilience to the transition to a low-carbon economy. These scenarios were considered over three-time frames: short-term (present-2025), medium-term (2025-2030) and long term (2030–2040).

The key drivers considered in these scenarios include:

Policy assumptions: For example, carbon pricing and increasing energy efficiency standards are central in both scenarios.

Energy usage and technology assumptions: The transition scenarios evaluated the expected shift towards clean energy sources and the adoption of low-carbon technologies like heat pumps and electrification of vehicles. These assumptions were critical in assessing how quickly our facilities and supply chains could adapt to future regulations and market changes.

Macroeconomic trends: The analysis considered trends like rising carbon prices and the introduction of emissions trading schemes, which could increase operational costs and affect our competitiveness.

The transition risk assessment covered both transition risks and opportunities. For each risk and opportunity, the scenario analysis assessed different points in time and the potential impact on our business was classed between very low to very high based on predefined materiality criteria, including financial and reputational thresholds. The outcomes of the scenario analysis reflect the anticipated level of risk at those future points in time, rather than aggregated risks over that period.

The process to identify transition risks and opportunities included our assets and business activities that may be deemed incompatible with or need significant efforts to be compatible with a transition to a climate-neutral economy in that it included scope 1 and 2 emissions, which allows us to track and identify high-emission assets or activities.

The climate scenarios used in our analysis have been evaluated in the context of our financial planning and assumptions to ensure consistency. Specifically, the financial thresholds used in the scenario analysis, as well as the DMA, are consistent with the financial materiality thresholds of our Enterprise Risk Management system.

DMA process for remaining environmental topics

During the DMA process, interviews with internal subject matter experts were used to identify and assess pollution-related, water-related, biodiversity-related and resource use-related actual and potential impacts, risks and opportunities relating to our business activities. In our assessment of biodiversity and ecosystems, we identified dependencies in our upstream value chain, specifically our reliance on horseshoe crab blood for endotoxin testing. Additionally, site-specific biodiversity assessments were conducted for our production sites in Kvistgaard, Denmark, and Bern, Switzerland, using external sources as proxies. These assessments indicated a physical risk score of 2.5 (Low) for Bern and 3.5 (Medium) for Kvistgaard. At the Kvistgaard site, a pond classified as a protected area under the Danish Protection of Nature Act §3 was identified. The pond serves as a rainwater retention tank for us and two neighboring companies. This highlights a dependency on ecosystem services, which we continue to monitor. However, no transition or systemic risks related to biodiversity have been included in the assessment at this stage.

To further investigate potential impacts, we initiated a long-term biodiversity monitoring project, which involves daily data collection on insect species diversity and abundance at our Kvistgaard and Bern production sites. The results will be compared to reference sensors and can guide potential future mitigation efforts. We have not consulted with affected communities or performed other community involvement regarding shared biological resources or ecosystems.

In relation to biodiversity-sensitive areas, the pond at our Kvistgaard site, classified as protected, is under external expert investigation to determine its habitats and associated species. As these investigations have yet to be concluded, it is unclear whether biodiversity mitigation measures will be necessary. This ongoing analysis will guide any required actions to minimize potential impacts and ensure compliance with biodiversity-related obligations.

Our assessments and actions reflect a commitment to understanding and addressing biodiversity and ecosystem-related dependencies and impacts. Monitoring and further evaluations will support our decisions on potential mitigation initiatives.

Business conduct DMA process

The identification of IROs in relation to business conduct matters involved a mapping of key activities and locations within our value chain with elevated potential impacts or risks associated with corruption and bribery risks, and human rights violations.

Material impacts, risks and opportunities

The table on the following pages summarizes impacts, risks and opportunities (IROs) deemed material following our double materiality assessment.

The majority of the identified IROs across the environmental, social and governance topics are in our own operations, closely tied to the manufacturing of vaccines. For IROs in our downstream value chain, these are generally related to consumers and end-users of our vaccines. The identified material impacts originate from activities closely related to our business model and are deemed to affect people and the environment to varying degrees, depending on our ability to manage these matters accordingly. There are no significant current financial effects of our material risks and opportunities. Further descriptions of each IRO are found in the respective topical ESRS.

As these sustainability statements mark our first year of compliance with the CSRD and the ESRS, our material IROs have not been identified, or presented in this manner, in previous sustainability reports. Our 2024 DMA therefore also forms the baseline for future DMAs conducted, and all IROs identified in the 2024 DMA are covered by ESRS disclosure requirements.

Similarly, as this is the first year of reporting in accordance with the CSRD and the ESRS, we have, with regards to identified impacts, risks and opportunities (IROs), not yet fully formalized processes to assess resilience in the context of the expectations laid out by the CSRD and the ESRS. General resilience considerations related to the identified material impacts, risks and opportunities were however captured on a qualitative basis through discussions with subject matter experts as part of the double materiality assessment process. This included the application of the same time horizons assessed in the double materiality assessment process.

Disclosure requirements covered in the sustainability statements

Double materiality assessment for other topics

The identified impacts, risks, and opportunities related to Water and Marine Resources and Affected communities were not deemed material because they did not meet the materiality thresholds established during the double materiality assessment. Our operations, which primarily involve the production of vaccines, are not heavily water-dependent and do not materially affect any communities through our operations, resulting in minimal impact and negligible financial or reputational risk in these areas.

Determination of material information

To determine the material information disclosed in our sustainability statements, we conducted an assessment of our material impacts, risks, and opportunities. This effort was carried out through close collaboration between the Corporate Sustainability department and the ESG Finance department, ensuring an integrated approach across functions. The process was designed to align the disclosed information with the outcome of the DMA with the priorities of our key stakeholders while supporting our business strategy. See the section The double materiality assessment process for the full description of this process, including the use of thresholds and the implementation of criteria related to material matters and materiality of information.

List of material impacts, risks and opportunities (IRO)
ESRS 2 - table 2

Applicable ESRS sub-topic/sub-sub-topic	Name of IRO	Description	Type	Location in our value chain			Expected time horizon		
				Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
E1 – Climate change									
Climate change adaptation	Extreme weather events in supply chain	Cases of extreme weather events events, without existing mitigating actions, could have potential impacts on production and transportation, specifically in relation to shortages and delayed deliveries from Contract Manufacturing Organizations and supply of raw materials.	Risk	●				●	
Climate change adaptation	Extreme weather events at production sites	Due to weather related effects of climate change, without existing mitigating actions, there could be an increased frequency and intensity of extreme weather events, such as storms and floods. These extreme weather events could disrupt manufacturing operations.	Risk		●			●	
Climate change mitigation	GHG emissions contributing to climate change	We emit greenhouse gasses as part of activities related to research, development, manufacturing and distribution of vaccines, processes which are dependent on various energy sources and use of fossil fuels, both in our own operations (Scope 1 and 2) and throughout our value chain (Scope 3).	Actual negative impact	●		●	●	●	●
Climate change mitigation	Systems controlling refrigerants	A potential failure of systems controlling refrigerants which would result in a release of CO_2 equivalents into the atmosphere.	Potential negative impact		●		●	●	●
Energy	Reliance on energy sources stemming from use of fossil fuels	Our manufacturing processes partly rely on energy sources dependent on fossil fuels, which emit greenhouse gases and contribute to climate change.	Actual negative impact		●		●	●	●
E2 – Pollution									
Substances of concern	Use of substances of concern	A part of our processes in Research and Manufacturing makes use of substances classified as substances of concern which could be harmful to the environment and/or for people handling the substances.	Actual negative impact		●		●	●	●
Substances of very high concern	Use of substances of very high concern	A part of our processes in Research and Manufacturing makes use of substances classified as substances of very high concern which could be harmful to the environment and/or for people handling the substances.	Actual negative impact		●		●	●	●
Substances of very high concern	Further restriction on the use of substances of very high concern	We could face a risk in case of further regulatory restrictions on using SVHC's in our operations. Regulations banning the use of such substances could have a consequence on the manufacturing process and would require us to reformulate vaccines.	Risk		●			●	

List of material impacts, risks and opportunities (IRO) - continued
ESRS 2 - table 2

Applicable ESRS sub-topic/sub-sub-topic	Name of IRO	Description	Type	Location in our value chain			Expected time horizon		
				Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
E4 – Biodiversity and ecosystems									
Impacts on the state of species	Reliance on horseshoe crabs for endotoxin testing	Impact on horseshoe crabs (a species listed on the IUCN Red List) stems from our dependency on Limulus Amebocyte Lysate, (LAL). which is derived from horseshoe crab blood. The substance is used for endotoxin (safety) testing and is currently a part of our regulatory compliance with quality assurance processes for testing, and product release to ensuring safety of our vaccines.	Actual negative impact	●			●	●	●
Impacts on the state of species	Continued regulation on horseshoe crab reliance	The use of substances derived from horseshoe crabs, could pose a financial risk if various regulatory bodies, in geographies where we are present, do not align or adopt similar medium- to long-term phase-out provisions on the use of current testing methods, which would not allow us to harmonize any eventual phase-out.	Risk	●			●		
E5 – Resource use and circular economy									
Resource inflows, including resource use	Change of certain manufacturing practices can reduce resource use	We are exploring opportunities to optimize production process which could potentially decrease resource inflow and at the same time increase productivity, amounts of certain vaccines produced per batch, improve COGS, and other benefits. Further details are considered company sensitive as disclosed in General disclosures.	Opportunity		●			●	
Waste	Waste from operations	We generate waste from our research and manufacturing facilities, and non-recyclable waste is sent to either incineration and/or landfill, both of which negatively impacts the natural environment.	Actual negative impact		●		●	●	●

List of material impacts, risks and opportunities (IRO) - continued
ESRS 2 - table 2

Applicable sub/ sub-sub-topic	Name of IRO	Description	Type	Location in our value chain			Expected time horizon		
				Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
S1 – Own workforce									
Equal treatment and opportunities for all	Equal treatment and opportunities	Given our global presence and reliance on a highly skilled workforce, we may risk our ability to attract and retain talent if we do not keep momentum in current efforts and continuously develop initiatives to ensure that we maintain an inclusive and diverse workforce.	Risk		●		●		
Health and safety own workers	Health and safety of our workforce	Some processes in our manufacturing facilities and research facilities could result in a negative impact on a person's physical health.	Actual negative impact		●		●	●	●
Health and safety own workers	Health and safety of non-employees	Some processes in our manufacturing facilities and research facilities could result in a negative impact on a person's physical health. This also applies to non-employees carrying out activities and services on behalf of us.	Potential negative impact		●		●	●	●
Working conditions	Work-life balance	As an employer, we play a crucial role in shaping the work-life balance of its employees, ultimately impacting their overall well-being and job satisfaction.	Potential negative impact		●		●	●	●
Working conditions	Attraction and retention of talent and employees	We are dependent on the ability to attract and retain talents for many functions. In situations of intense competition for skilled individuals, or other events leading to adverse impact on our image, this could impact our ability to perform.	Risk		●		●		
S2 – Workers in the value chain									
Working conditions	Health & safety of off-premise workers in the value chain	Suppliers and partners in our value chain manage and handle chemicals, which can potentially have a direct impact on the health and safety of workers in the value chain.	Potential negative impact	●			●	●	●
Working conditions	Health & safety of on-premise workers in the value chain	We make use of external companies and individuals who carry out various services at our production sites, some of whom may be exposed to processes that could result in a negative impact on a person's physical health.	Potential negative impact		●		●	●	●

List of material impacts, risks and opportunities (IRO) - continued
ESRS 2 - table 2

Applicable sub/ sub-sub-topic	Name of IRO	Description	Type	Location in our value chain			Expected time horizon		
				Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
S4 – Consumers and end-users									
Personal safety of consumers and or end-users	Potential adverse effects on patients enrolled in clinical trials	During clinical trials, participants' health could be adversely affected from unexpected adverse reactions / events to a vaccine candidate in any stage of clinical trials.	Potential negative impact		●		●	●	●
Personal safety of consumers and or end-users	Adverse effects due to vaccines administration	Adverse events due to vaccine administration can happen and could negatively impact patient health.	Potential negative impact			●	●	●	●
Personal safety of consumers and or end-users	Potential adverse effects on patients enrolled in clinical trials	During clinical trials, adverse events linked to the drug substance represents significant risk as it could stop or pause the development of a vaccine candidate.	Risk		●		●		
Personal safety of consumers and or end-users	Adverse events as a result of vaccine administration	Adverse events as a result of vaccine administration can occur, and if not handled properly, could result in lawsuits and/or regulatory enforcement.	Risk			●	●		
Social inclusion of consumers and end users	Prevention of spread of infectious diseases	People who have been vaccinated with a vaccine for which we hold the market authorization, can through increased coverage contribute to the prevention of the spread of infectious diseases.	Actual positive impact			●	●	●	●
Social inclusion of consumers and end users	Expanding access to vaccines in endemic countries	We have an opportunity to distribute vaccines, in our current portfolio, to endemic low- and lower-middle-income countries reaching markets currently not served. This could have a positive impact on underserved communities by reducing the spread of preventable infectious diseases.	Potential positive impact			●	●	●	●
Social inclusion of consumers and end users	Vaccines can prevent the spread of infectious diseases due to climate change	We have an opportunity to provide vaccines which can prevent the spread of infectious diseases which can be correlated to the effects of climate change. Therefore, through our Public Preparedness and Travel Health portfolio, we can have a positive impact on human adaptation to certain effects of climate change.	Actual positive impact			●	●	●	●

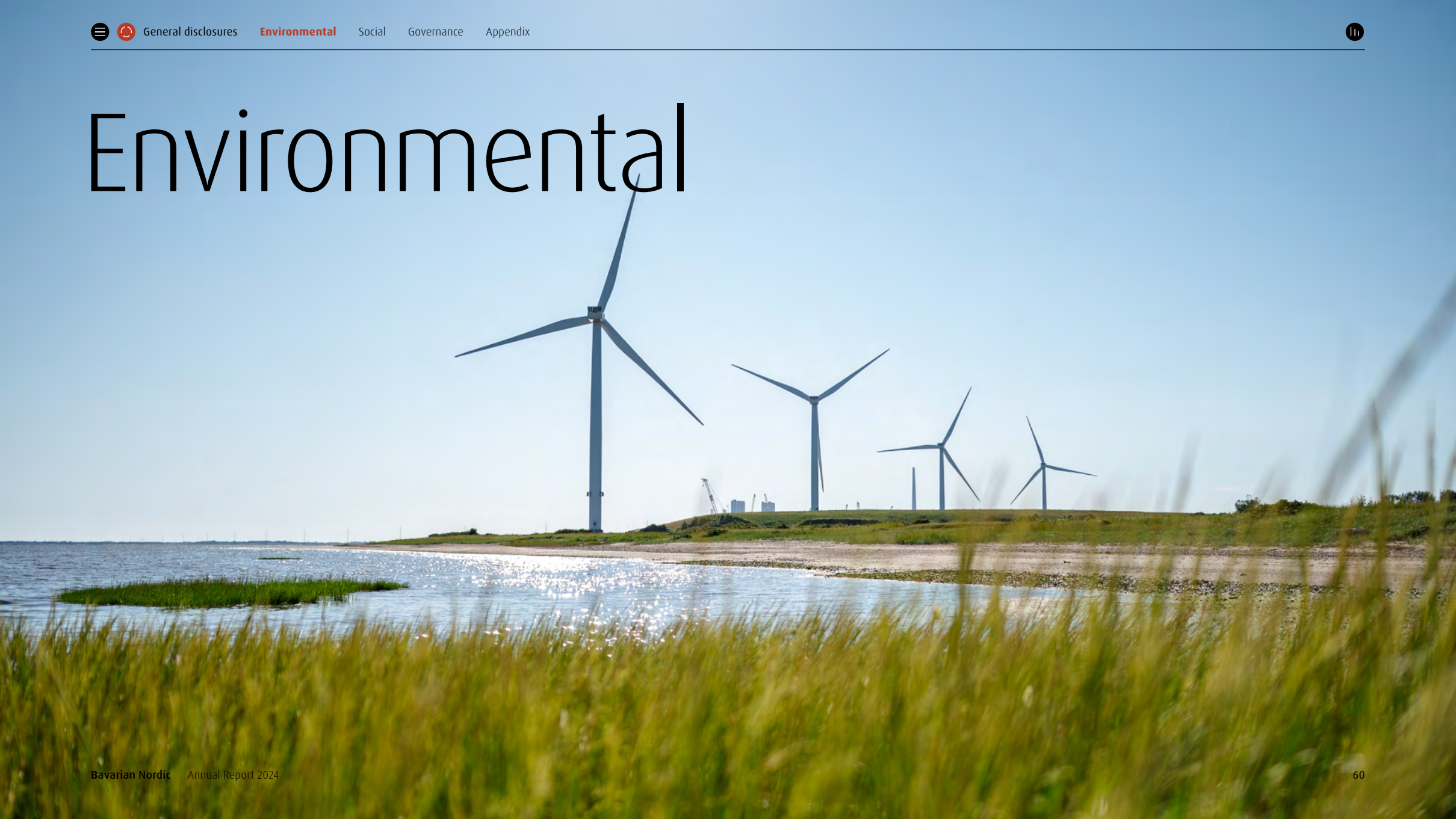
List of material impacts, risks and opportunities (IRO) - continued
ESRS 2 - table 2

Applicable sub/ sub-sub-topic	Name of IRO	Description	Type	Location in our value chain			Expected time horizon		
				Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Social inclusion of consumers and end users	Potential to breach responsible marketing standards	For companies in the pharmaceutical industry, there are strict rules and regulations in place regarding the marketing to customers. These regulations vary across countries; however, violating these regulations or industry codes could lead to misinformation of health care workers, legal & financial penalties, fines, and damage to a company's reputation.	Risk		●		●		
Social inclusion of consumers and end users	Potential to further expanding vaccine portfolio	We have an opportunity to develop or acquire new vaccines to our portfolio which could serve new disease areas and prevent the spread of infectious diseases.	Opportunity		●				●
Social inclusion of consumers and end users	Access barriers	Distributing vaccines to a global market, we may face situations where access barriers can prevent or slow our ability to deliver vaccines to persons in need. Such barriers may be linked to local regulatory processes, lack of cold-chain transportation, affordability, etc., and could impact our ability to do business, and deliver vaccines, to certain markets.	Risk			●	●		
Social inclusion of consumers and end users	Opportunity to prevent the spread of infectious diseases related to climate change	With our current portfolio of vaccines, we have a growing opportunity to distribute vaccines that can prevent the spread of certain infectious diseases, whose increasing prevalence can be attributed to the impact of climate change on natural habitats.	Opportunity		●	●		●	

List of material impacts, risks and opportunities (IRO) - continued
ESRS 2 - table 2

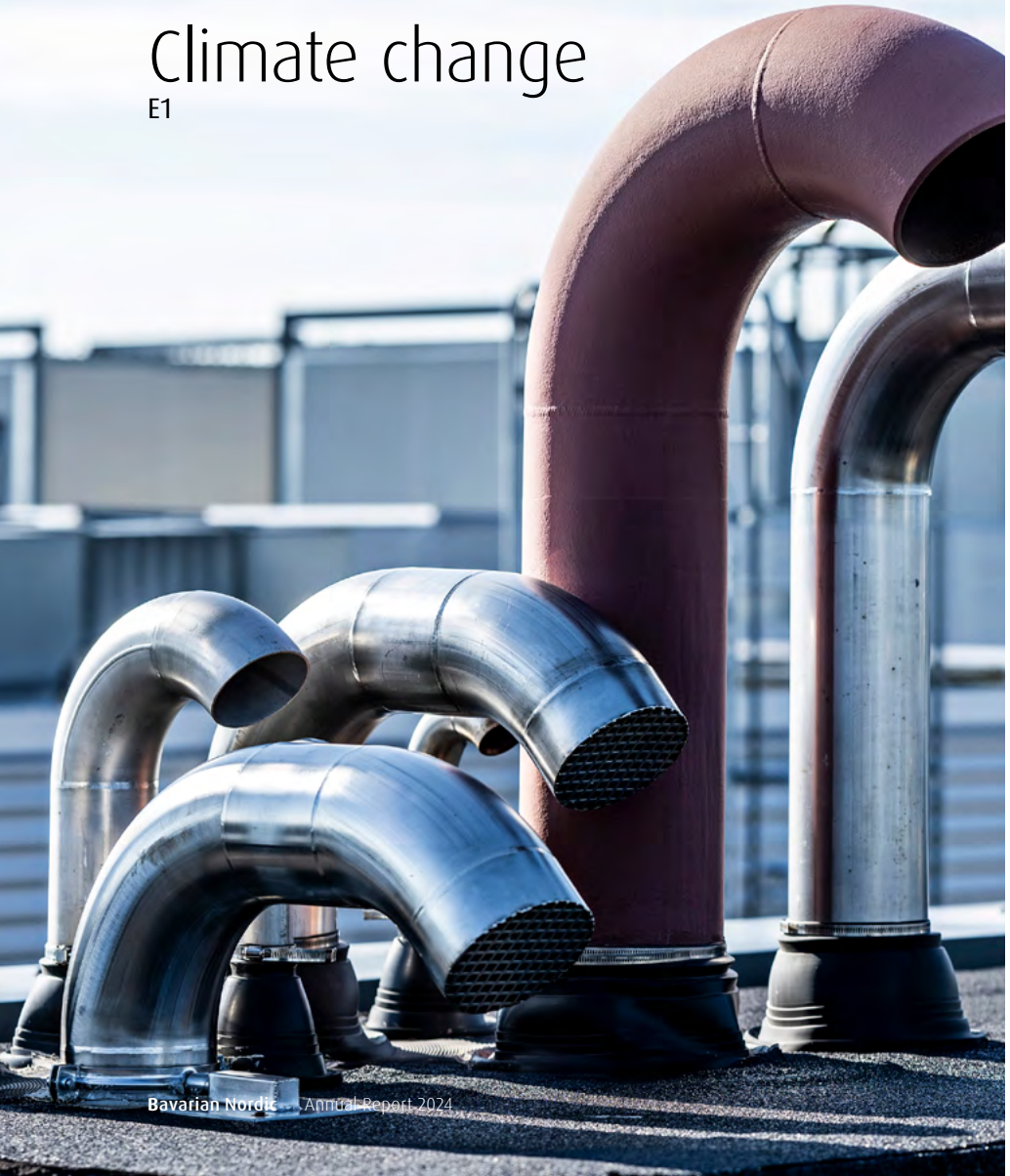
Applicable sub/ sub-sub-topic	Name of IRO	Description	Type	Location in our value chain			Expected time horizon		
				Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
G1 – Business conduct									
Animal welfare	Use of mice in in-vivo studies	To fulfill regulatory requirements in preclinical studies and, as part of certain batch-release protocols, we perform safety and efficacy tests through in-vivo studies (testing on mice). This negatively impacts the mice as studies can cause various levels of pain and/or distress, and we are required to euthanize the mice at the end of the study.	Actual negative impact		●		●	●	●
Animal welfare	Potential for in-vitro studies in batch-release testing	We have an opportunity to move away from in-vivo studies in batch release testing (testing in mice) to in-vitro studies which would not require the testing on mice in conjunction with batch releases. This would represent a reduction in the number of mice needed for testing, and a financial opportunity to save on costs compared to in-vivo testing.	Opportunity		●			●	
Corporate culture	Challenges in maintaining the corporate culture	As we undergo high growth of onboarding new employees, and as a fast-developing company, we may negatively impact employees if we do not manage to maintain a healthy and sound corporate culture on how we best work together.	Potential negative impact		●		●	●	●
Corruption and bribery	Breach of bribery and corruption laws	We operate in an industry where interactions with government officials and health care professionals is a prerequisite of doing business, and breach of these requirements risk severe legal and financial penalties.	Risk			●	●		

Environmental



Climate change

E1



Transition plan for climate change mitigation

We recognize the need to address climate change and align with the goals of the Paris Agreement. In response to assessing material impacts, risks and opportunities, we undertook a review of our greenhouse gas emissions and decarbonization strategies. A transition plan has been developed and it outlines the steps we will take in advancing our commitment to reducing our GHG footprint.

In 2024, we initiated a feasibility analysis to assess the compatibility of our GHG emission reduction targets with a 1.5°C pathway. Recognizing the importance of adhering to the Paris Agreement, we align with the Science-Based Targets initiative (SBTi), aiming to secure third-party validation for our emissions trajectory, thereby reinforcing the integrity and transparency of our commitments. Bavarian Nordic is not excluded from the EU Paris-aligned benchmarks.

The feasibility analysis forms the starting point in our efforts in relation to climate change mitigation. Approved by Executive Management, the analysis, targets and transition plan reinforce our commitment to mitigating material climate change-related impacts and risks and subsequently constitute an alignment with our overall business strategy and financial planning.

The analysis included a qualitative assessment of potential locked-in GHG emissions from Scope 1 and 2 sources. This assessment focused on identifying emissions associated with long-term, energy-intensive assets that may hinder future reductions if not managed proactively. By analyzing these assets, we were able to pinpoint areas where emissions might persist due to operational dependencies on fossil fuels or legacy systems. This insight has informed the decarbonization strategy, allowing us to prioritize interventions that mitigate transition risks and align more closely with a 1.5°C reduction pathway.

Our decarbonization strategy has identified specific levers for reducing Scope 1, 2, and 3 emissions. The approach included four steps: target determination, identifying decarbonization levers, modelling emissions reduction pathways, and selecting the most feasible path forward. Key actions and targets include the following, which are elaborated on the following pages:

Scope 1 & 2

A 42% reduction in Scope 1 and 2 emissions by 2030 from a 2023 base year, guided by an absolute reduction trajectory aligned with a 1.5°C pathway. This reduction will be achieved through optimizing energy systems across global sites, transitioning to renewable energy through power purchasing agreements (PPAs) and electrifying key operational systems to reduce dependence on fossil fuels.

Scope 3

For Scope 3 emissions, we developed a supplier engagement overview to assess target maturity and alignment across our top-spend suppliers. This overview illustrates the maturity level of key suppliers and how they align with our ambition levels in relation to climate change mitigation. This first step of establishing a supply chain mapping allows us to make informed decisions supported by data, ensuring realistic targets. We have not set an absolute reduction target for Scope 3 emissions.

The transition plan was approved in late 2024 and serves as a first step in our progress. Additionally we have in the fourth quarter of 2024 signed a 5-year power purchase agreement (PPA) for our Danish manufacturing site, shifting our reliance on energy sources stemming from fossil fuels, to energy from solar and wind power. We have not reported any economic activities that are covered by delegated regulations on climate adaptation or mitigation under the Taxonomy regulation, and as such none of the CapEx, CapEx plans, or OpEx currently aligns with the criteria established in Commission Delegated Regulation 2021/2139.

Material impacts and risks

The double materiality assessment (DMA) described in General disclosures determined the following impact and risks associated with climate change. No opportunities were found in the assessment.

In 2022, we performed a climate scenario analysis, as described in General disclosures. This analysis provided input for the DMA, while the results informed the identification and description of the following climate-related impacts and risks.

IRO

GHG emissions

Our operations generate greenhouse gas (GHG) emissions, which arise from our business model; research, development, manufacturing, and distribution of vaccines, which are reliant on energy sources that include fossil fuels. These activities produce Scope 1 and Scope 2 emissions from our own operations, as well as Scope 3 emissions throughout our value chain.

This short-, medium-, and long-term impact contributes to climate change, impacting the environment by intensifying global warming and associated risks. We mitigate this impact by actioning several scope 1 and 2 decarbonization levers which include optimizing energy systems across sites, transitioning to renewable energy and electrifying key operational systems to reduce dependence on fossil fuels.

IRO

Systems controlling refrigerants

The potential failure of systems controlling refrigerants could, without existing mitigating efforts potentially cause, a release of CO_2 equivalents. Refrigerants have a high global warming potential, and any malfunction of the containment systems could lead to a release of GHG emissions.

This potential impact originates directly from our reliance on temperature-sensitive operations, particularly in the manufacturing, storage, and distribution of biopharmaceutical products. The use of refrigerant systems is essential to maintain the stability and efficacy of temperature-sensitive products.

To mitigate this risk, all refrigeration units are inspected and serviced annually according to legislation in Denmark and the EU. We have service agreements for inspection & maintenance of all units every year which includes leak testing for refrigerants. Some units are inspected four times per year, over and above requirements because of cold storage of production critical materials and final products.

IRO

Reliance on energy sources stemming from use of fossil fuels

Our manufacturing processes rely partly on energy sources that originate from fossil fuels. This reliance creates leads to release of GHG emissions associated with fossil fuel combustion, contributing directly to climate change.

As part of an effort to mitigate this impact, we have signed a Power Purchase Agreement for our Danish manufacturing site to source a portion of our energy from renewable sources, which is a key step toward reducing fossil fuel dependency. This effort is one of the decarbonization levers helping advance our near-term targets and contributes to a significant decrease of our market-based scope 2 emissions.

Our strategy and business model demonstrate increased resilience in addressing this material impact through the signing of a Power Purchase Agreement for our manufacturing site in Denmark, signaling a commitment to sourcing renewable energy.

IRO

Extreme weather events in supply chain

Without current mitigation efforts, we could face a risk associated with extreme weather conditions, which could potentially disrupt our supply chain in the medium-term. Extreme weather events, such as floods, storms, or heatwaves, have the potential to delay or disrupt supplier deliveries.

This could have a cascading effect on our business model, leading to increased costs and delays although our current financial position has not been affected. To mitigate the potential risk further, we use dual sourcing and work with minimum inventory levels.

IRO

Extreme weather events at production sites

Without current mitigation efforts, production sites could face a physical risk from extreme weather events, such as flooding, which could disrupt manufacturing operations at our production sites. The increased frequency and intensity of storms and floods, driven by climate change, could impact facility integrity and production continuity in the medium-term. This risk could lead to increased operational costs, repair cost, operational downtime, and preventive infrastructure investments.

Flooding at production sites could have effects on our business model by causing production delays and increased costs. In the medium-term, we may face the need to allocate additional resources to flood prevention measures or rapid response systems to ensure operational continuity.

Currently, we work with minimum inventory levels, and have business continuity plans in place, and we are further assessing what can be done in case of such events.

Policies

Our internal governance documents drive the management of climate change-related Impacts and Risks, however we currently do not have policies related to climate change mitigation, adaptation, energy efficiency or renewable energy deployment. A climate-related policy has not been drafted as we have focused on and allocated resources to establishing SBTi targets, including an evaluation of the most efficient decarbonization levers to reduce GHG emissions.

Actions

In 2024, we focused on a series of strategic actions to align with our climate commitments and science-based target ambitions. To drive meaningful progress toward our emission reduction goals, we concentrated on three primary initiatives: optimizing energy systems, transitioning to renewable energy, and developing a near-term and long-term net-zero climate target.

During the reporting year, we actioned an energy optimization program across sites, with a primary focus on our Danish operations. This initiative has been central to our effort to increase energy efficiency and reduce future emissions. By enhancing energy systems within production facilities and office buildings, we aim to further reduce overall energy consumption impact on Scope 1 and 2 emissions while also delivering operational cost savings.

In 2024, we secured a Power Purchasing Agreement for our Danish manufacturing site, covering our Danish manufacturing with renewable electricity and reducing Scope 2 market-based emissions significantly in the coming years.

We have addressed our Scope 3 emissions by developing a supplier engagement dashboard to evaluate and track the climate target maturity of our top suppliers. This program prioritizes suppliers within Purchased goods, Services, Capital goods, and Upstream transportation and distribution. By 2029, we have an ambition that 70% of our suppliers, by spend in Purchased goods and services, and 90% by spend in Upstream transportation, will have committed to setting science-based targets. This initiative supports our broader climate strategy by ensuring that key partners align with our values and reduction targets.

With 2023 serving as a baseline year, we will continuously monitor the progress of these actions against our climate targets. Initial results have yielded a 12.6% reduction in GHG emissions in total scope 1 and 2 (market-based) emissions. As renewable energy projects and supplier engagement efforts

expand, further reductions are expected to meet our Scope 1, 2, and 3 targets over time. This steady approach reflects our dedication to achieving our climate objectives in a way that is transparent, financially sustainable, and aligned with our long-term business strategy.

We have in 2024 not allocated significant monetary amounts, in relation to CapEx and OpEx, to implement actions taken or planned, in neither line items or notes in the financial statements, nor key performance indicators required under Commission Delegated Regulation (EU) 2021/2178.

Targets

From 2024 we are committed to science-based targets to reduce GHG emissions in line with a 1.5°C global warming pathway. This commitment is grounded in clear, quantitative goals across Scope 1, 2, and 3 emissions, with targets aligned to support both near-term (2030) and long-term (2050) objectives.

The current targets for Scope 1 and 2 emissions involve a 42% absolute reduction by 2030, using 2023 as the base year. These are gross targets, with no reliance on GHG removals, carbon credits, or avoided emissions.

For Scope 3 emissions, we have not set a quantitative target. However, we have committed to working with suppliers to align their practices with our climate goals.

The target is for 70% of suppliers, by spend, covering purchased goods and services and capital goods, and 90% of suppliers by spend covering upstream transportation and distribution, to establish science-based targets by 2029. These efforts are expected to significantly reduce Scope 3 emissions by covering key value chain emissions.

Our targets are science-based and align with the global 1.5°C trajectory. These targets follow a sectoral decarbonization pathway using a climate scenario model aligned with the Paris Agreement. The SBT feasibility analysis incorporated future factors such as shifts in customer demand, regulatory developments, and technology advancements, which are expected to influence both emissions levels and reduction potential.

To achieve our GHG reduction targets, we have identified key decarbonization levers across our operations:

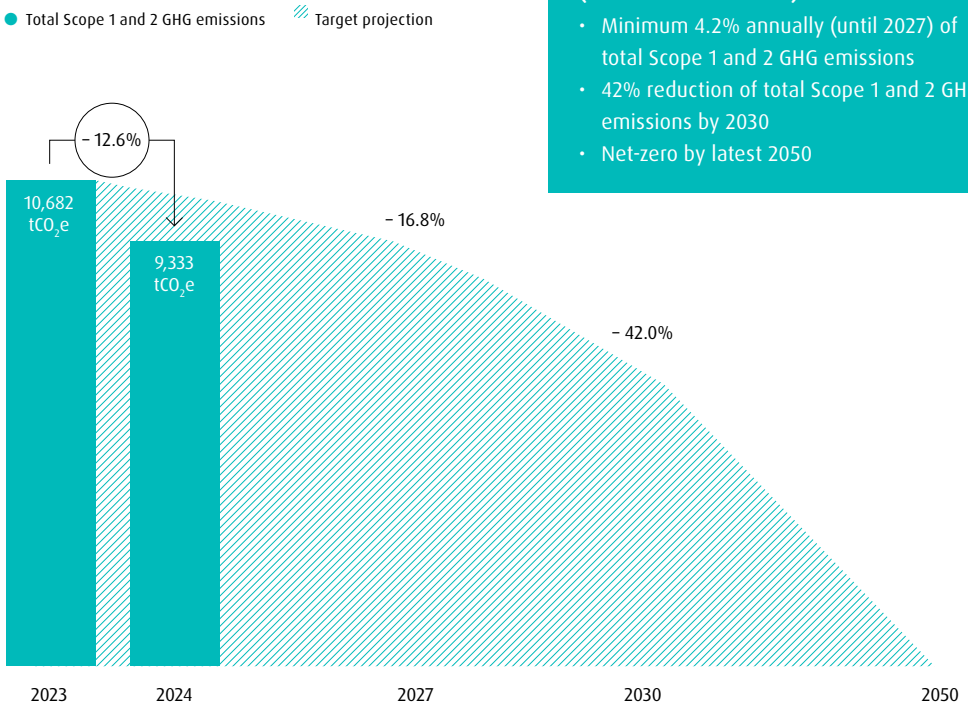
- Renewable energy transition: We have committed to renewable energy sourcing, including a PPA for our Danish manufacturing site. This transition is expected to achieve a minimum of 30% reduction in Scope 2 market-based emissions by 2026.
- Electrification of key systems: Electrifying core operational systems to replace fossil fuel-dependent processes is anticipated to reduce Scope 1 emissions.
- Scope 3 supplier engagement: Engaging suppliers to set science-based targets is a major lever for reducing Scope 3 emissions. This initiative focuses on high-emission categories such as purchased goods and upstream transportation. By covering 70-90% of key supplier emissions by 2029, this action will align our supply chain with our climate goals.
- Our commitment to carbon reduction, through energy efficiency optimizations, is integrated into our company goals linked to sustainability-related performance in incentive schemes.

Scope 1 and 2 reduction target 2024

E1 – table 1

in tonnes of CO_2e	2023 (Base year)	2024 (Target)	2024 (Actual)	% (Actual/ Base year)
Gross Scope 1 GHG emissions	4,364		4,111	
Gross market-based Scope 2 GHG emissions	6,318		5,222	
Total Scope 1 and Scope 2 GHG emission	10,682	10,233	9,333	-12.6%

Scope 1 and 2 GHG emission reduction targets and progress



Scope 1 and 2 reduction targets (from a 2023 baseline):

- Minimum 4.2% annually (until 2027) of total Scope 1 and 2 GHG emissions
- 42% reduction of total Scope 1 and 2 GHG emissions by 2030
- Net-zero by latest 2050

Energy consumption and mix

E1 – table 2

in megawatt hours (MWh)	2024
Fuel consumption from coal and coal products	-
Fuel consumption from crude oil and petroleum products	8,027
Fuel consumption from natural gas	9,724
Fuel consumption from other fossil sources	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	14,660
Total fossil energy consumption	**32,411**
Share of fossil sources in total energy consumption	**94%**
Consumption from nuclear sources	**-**
Share of consumption from nuclear sources in total energy consumption	**-**
Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	2,201
The consumption of self-generated non-fuel renewable energy	-
Total renewable energy consumption	**2,201**
Share of renewable sources in total energy consumption	**6%**
Total energy consumption	**34,612**
Energy intensity per net revenue (MWh/mDKK)	**6.1**

GHG intensity based on net revenue

E1 - table 3

in tonnes of CO_2e/million DKK	2024
Total GHG emissions (location-based) per net revenue	8.9
Total GHG emissions (market-based) per net revenue	9.5

Gross scopes 1, 2, 3 and total GHG emissions
E1 - table 4

in tonnes of CO_2e		2024	2023 (Base year)	% change
Category	**Scope 1 GHG Emissions**			
	Gross Scope 1 GHG emissions	4,111	4,364	-6%
	Percentage of Scope 1 GHG emissions from regulated emission trading schemes	-	-	-
	Scope 2 GHG Emissions			
	Gross location-based Scope 2 GHG emissions	1,715	3,038	-44%
	Gross market-based Scope 2 GHG emissions	5,222	6,318	-17%
	Significant scope 3 GHG emissions			
	Total Gross indirect (Scope 3) GHG emissions	45,032	87,024[1]	-48%
1	Purchased goods and services	26,111	40,390[1]	-35%
2	Capital goods	5,399	37,812[1]	-86%
3	Fuel and energy-related activities (not included in Scope 1 or Scope 2)	1,620	1,733[1]	-7%
4	Upstream transportation and distribution	4,503	4,139[1]	9%
5	Waste generated in operations	4,430	212[1]	1,990%
6	Business traveling	1,286	1,148[1]	12%
7	Employee commuting	1,683	1,582[1]	6%
12	End-of-life treatment of sold products	0.4	8[1]	-95%
	Total GHG emissions (location-based)	**50,858**	**94,426**	**-46%**
	Total GHG emissions (market-based)	**54,365**	**97,706**	**-44%**

[1] Not audited

Our **Scope 1** emissions remained relatively stable compared to 2023. They are primarily driven by the usage of natural gas and diesel oil for heating, which is highly dependent on weather conditions.

We achieved a substantial reduction in our **Scope 2 market-based** emissions in 2024, which can primarily be attributed to our new Power Purchase Agreement (PPA) for the Kvistgaard site, effective from November 2024, which enabled us to reduce 750 tonnes of CO_2e through the use of the renewable electricity source. This will result in further reductions of emissions in 2025 since the PPA will have effect for the full twelve months.

Our **Scope 2 location-based** emissions reduction, comparing to 2023, mainly derived from a 55% decrease of the location-based emission factor for electricity production in Denmark, which reflects an increased share of renewable sources used in the country where the majority of our Scope 2 emissions is generated.

Our **Scope 3** emissions also decreased comparing to 2023 and these developments can be mainly attributed to GHG emissions yearly reduction in categories 1 and 2.

Decreased GHG emissions in category 1 reflect lower operational spendings this year, primarily on research activities. In 2023 we noted significant expenses on the late-stage studies related to our newest vaccine against chikungunya.

Reduction of our GHG emissions category 2 is a result of extraordinarily high CapEx last year related to the acquisition of our travel vaccines portfolio from Emergent BioSolutions in 2023.

Yearly development of emissions in category 5 is a result of incomplete waste inventory used in our estimates in 2023. Last year we did not include wastewater generated by our manufacturing site in Kvistgaard, This year we improved our internal review of data for Scope 3 calculations and we ensured the wastewater is included. This waste stream itself contributed with 4.2 thousand tonnes of CO_2e in our indirect GHG emissions in 2024.

In line with the GHG Protocol Scope 2 Guidance, we have applied both the location- and market-based methods to calculate our Scope 2 GHG emissions. For the market-based method, we utilized the following bundled instruments to cover a portion of our purchased energy consumption: Purchase Power Agreement covering 8% of our purchased energy and a Guarantee of Origin covering 5% of our purchased energy. We did not use any unbundled instruments during the reporting period.

The methodologies, significant assumptions and emissions factors used to calculate or measure GHG emissions are provided in the accounting policies.

Accounting policies

Energy consumption and mix
Energy volumes data are based on meter readings and suppliers' statements. Energy is considered to be derived from renewable sources if the origin of the purchased energy is clearly defined in the contractual arrangements with its suppliers. This includes renewable power purchase agreements and market instruments such as Guarantees of Origin from renewable sources. Otherwise, it is reported under energy from fossil sources.

Energy intensity based on net revenue
This metric is relevant for companies operating in high climate impact sectors only which covers all of our activities (biotechnology and pharmaceuticals – NACE code C21). Energy intensity has been calculated as total energy consumption from all our activities divided by reported total net revenue in mDKK. Since we operate in high climate impact sectors only, we have applied our total net revenue for the intensity calculation. See note 3 in our financial statement for net revenue used for the metric.

Scope 1
Scope 1 emissions are reported based on the Greenhouse Gas (GHG) Protocol and cover all direct emissions of greenhouse gases generated by us. They include GHG emissions from fuels combustion and fugitive emissions from refrigerants.

In calculating CO_2e emissions, specific emission factors relevant for the emissions type are used. Applied emission factors are based on the most recent data provided by third parties, such as the Department for Environment, Food & Rural Affairs (DEFRA) or refrigerant suppliers.

Scope 2
Scope 2 emissions are reported based on the GHG Protocol and include indirect GHG emissions from the generation of electricity and heat purchased and consumed by us. When calculating emissions in Scope 2, both the location-based method and the market-based method are utilized, as recommended by the GHG Protocol. Location-based emissions are based on national average emission factors for the respective locations. Market-based emissions are based on either supplier specific emission factors (for the electricity associated with contractual instruments such as Power Purchase Agreements or Guarantees of Origin) or on residual mix emission factors.

Scope 3
Scope 3 emissions are calculated based on activity data and reported in line with the GHG Protocol, where the scope 3 inventory is split into 15 subcategories. In 2024, our scope 3 inventory included the following:

- Category 1 (Purchased goods and services) based on spend data multiplied by relevant spend-category-specific emission factors,
- Category 2 (Capital goods) based on spend data (CapEx) multiplied by relevant spend-category-specific emission factors,
- Category 3 (Fuel- and energy-related activities) based on actual fuel consumption multiplied by relevant emission factors,
- Category 4 (Upstream transportation and distribution) based on spend data multiplied by relevant spend-category-specific emission factors. It includes fuel for transportation and distribution of both materials sourced from our suppliers and products delivered to our customers, provided the transportation is a service purchased by Bavarian Nordic,
- Category 5 (Waste generated in operations) based on actual waste data multiplied by relevant emission factors,
- Category 6 (Business travel) based on spend data multiplied by relevant spend-category-specific emission factors,
- Category 7 (Employee commuting) based on the employees' survey used to estimate the distance travelled and travel type (e.g. car or train),
- Category 12 (End-of-life treatment of sold products) based on the material composition of a single product multiplied by the number of the doses sold.

The following categories are not relevant for Bavarian Nordic:

- Category 8 (Upstream leased assets) as we do not have any leased assets which are not in our control,
- Category 9 (Downstream transportation and distribution) as our outbound logistics is included in Category 4 as a purchased service,
- Category 10 (Processing of sold products) as our vaccines are the final products and they do not undergo any additional processing.
- Category 11 (Use of sold products) as there are no significant emissions associated with administration of our vaccines to the patients,
- Category 13 (Downstream lease assets) as we do not act as a lessor,
- Category 14 (Franchises) as we do not use franchises in our business model,
- Category 15 (Investments) as we do not have any significant investments which are not already captured under other categories.

We have set operational control as the organizational boundaries which means that areas where the company has the authority to introduce and implement operating policies, are captured under Scope 1.

In calculating CO_2e emissions, specific emission factors based on calculation method and emissions type are used. Applied emission factors are based on the data provided by third parties, such as DEFRA, Exiobase and Ecoinvent. Category 5 emissions for Danish sites were pre-calculated by the external waste handling supplier.

Percentage of GHG scope 3 calculated using primary data
As of 2024 majority of Scope 3 emissions calculation is estimated based on spend data. Emissions calculated using primary data from suppliers or other value chain partners account for 13% of our total Scope 3 emissions.

GHG intensity
GHG intensity based on net revenue has been calculated as total gross scope 1, scope 2 location-based/ market-based, and gross scope 3 emissions divided by total reported net revenue in mDKK. See note 3 in our financial statements for net revenue used for the metric.

Pollution
E2

Material impacts and risks

Our commitment to sustainability is integral to our mission of improving public health through research, development, manufacturing, and distribution of vaccines in our portfolio. While the general Pollution topic is not material to our operations, we have deemed Substances of Concern (SoC) and Substances of Very High Concern (SVHC) to be material, as the use of such chemicals is part of our vaccine research and manufacturing process.

IRO

SoC and SVHC

Using SoC and SVHC can be harmful to the environment and/or for people handling the substances. The processes in which we use these substances are related to our business model and strategy, as research and manufacturing are crucial parts of our ability to research, develop, and manufacture vaccines. We use SoC and SVHC in research and manufacturing in-house as well as through business relationships with CROs and CMOs. The need to use these substances is evaluated as part of the daily and strategic decision-making performed by the Environmental, Health, and Safety (EHS) department. As the current use of SoC and SVHC are crucial parts of our operations, there is a financial risk related to potentially having to switch out the use of these. In the case of authorities applying restrictions that would impact our ability to use these substances, we would have to reformulate vaccines, which is costly. This risk is deemed to be present in the medium-term and does not imply current financial effects.

We use SoC and SVHC within our operations in research, development, and manufacturing. These substances play a critical role in our manufacturing processes, ensuring that our vaccines meet the highest standards of quality and safety. We have appropriate authorizations in place for use of regulated substances. We do not engage in the production, distribution, commercialization, or import/export of these substances. Our focus remains on ensuring safe and compliant use within our facilities, adhering to all relevant regulations and policies.

Policies

Our commitment to sustainability and safety is reflected in our comprehensive policies designed to manage and mitigate the impacts and risks associated with SoC and SVHC. Each of our locations using such substances, both production and research facilities (except from the site in Martinsried), have policies on handling and storage of such substances to minimize the risk of negative impacts associated to the usage of these chemicals. These policies include management's and employees' responsibilities in regards to the management of hazardous substances and guidelines on safety measures,

both in terms of protective equipment and chemicals storage requirements. The polices apply to all employees involved in chemicals storage and handling within our own operations. Heads of the sites are accountable for implementation of those policies.

We also have a policy on monitoring changes in environmental laws and compliance which is described in our EHS Rules and Regulation. The purpose of the policy is to define the responsibilities for tracking changes in the legislation and to establish a procedure for evaluation of compliance which takes place at least once a year. Application of this policy secures our compliance with legislation which helps increasing the safety of chemicals handling and limits the risk of health or environmental hazards associated with usage of these substances. The policy applies to specifically listed groups of employees at our Danish sites having EHS responsibilities within our own operations. Head of site Kvistgaard is accountable for implementation of this policy.

Additionally, our EHS Assessment – Chemicals/ Products policy addresses the risk associated with the use of SVHC in relation to environmental permits and new regulations. This framework defines employees' responsibilities both in terms of internal communication and contact with the authorities regarding the approval of chemicals consumption. It requires us to continuously work on evaluating lower risk alternatives and, if possible, reducing the use of SVHC. The purpose of the policy is to ensure that we seek safer alternatives to reduce our dependency on high-risk substances and prepare us for potential future restrictions. The policy applies to all employees at our Danish sites who introduce, order or buy chemicals. Head of site Kvistgaard is accountable for implementation of this policy. All the policies are accessible to affected stakeholders through our internal document repository, which is available to all employees.

Actions & targets

In 2024, we initiated a project to better understand all the potential SoC used in Bavarian Nordic. In 2025, we will continue to evaluate SoC and create action plans for particular SoC used in our operations. The purpose of the plans are to ensure safe handling procedures, minimize risk and potentially reduce the use of SoC. The expected outcome is a reduction in the use of some harmful substances, aligning with our sustainability policies and targets. The scope of this action encompasses our own activities. This includes all geographical locations where we operate, ensuring a consistent approach to reducing substance consumption.

Another initiative planned for 2025 is implementation of a global chemicals register across all our locations. This solution is expected to streamline and unify our chemicals management and reporting processes. By having a centralized system, we can better track and control the use of chemicals, ensuring compliance with regulations and enhancing our ability to respond to any issues promptly.

SVHC pose serious hazards to people and the environment if not handled and managed safely. There is also the risk of further restrictions on the use of SVHC. For these reasons, we are investigating potential alternatives for these critical substances. This proactive measure aims to identify viable alternatives that would allow us to continue our operations relying less on SVHC. With this investigation, we aim to identify options that could reduce the impact to the business of regulatory changes, ensuring the continuity of our manufacturing processes and reducing the need for costly vaccine reformulations.

At this time, our focus has been on further defining our policies and actions, and we have not yet formalized targets.

Substances of concern used during the production
E2 - table 1

in tonnes	2024
Hazard class	
Health hazard	6
Environmental hazard	1
Health & Environmental hazard	604
Total	**611**

Substances of very high concern used during the production
E2 - table 2

in tonnes	2024
Hazard class	
Health hazard	2
Environmental hazard	0
Health & Environmental hazard	0
Total	**2**

Accounting policies

Substances of concern and substances of very high concern
Only substances of concern and substances of very high concern consumed at the manufacturing sites are considered in the disclosure. Substances used at the research and development facilities are assessed immaterial for sustainability reporting purposes.

The following three hazard classes have been defined as the main hazard classes for Bavarian Nordic:

Health hazard, which include the substances of at least one of the following characteristics:

- carcinogenicity categories 1 and 2;
- germ cell mutagenicity categories 1 and 2;
- reproductive toxicity categories 1 and 2;
- endocrine disruption for human health;
- Persistent, Mobile and Toxic or Very Persistent, Very Mobile properties;
- Persistent, Bioaccumulative and Toxic or Very Persistent, Very Bioaccumulative properties;
- respiratory sensitisation category 1;
- skin sensitisation category 1;
- specific target organ toxicity, repeated exposure categories 1 and 2;
- specific target organ toxicity, single exposure categories 1 and 2; or

Environmental hazard, which include the substances of at least once of the following characteristics:

- endocrine disruption for the environment;
- chronic hazard to the aquatic environment categories 1 to 4;
- hazardous to the ozone layer;

Health and environmental hazard, for substances associated with hazards from both hazard classes described above (health and environmental).

Substances classified to any of the hazard classes listed above are considered substances of concern.

Substances listed in any of the following lists are considered substances of very high concern:

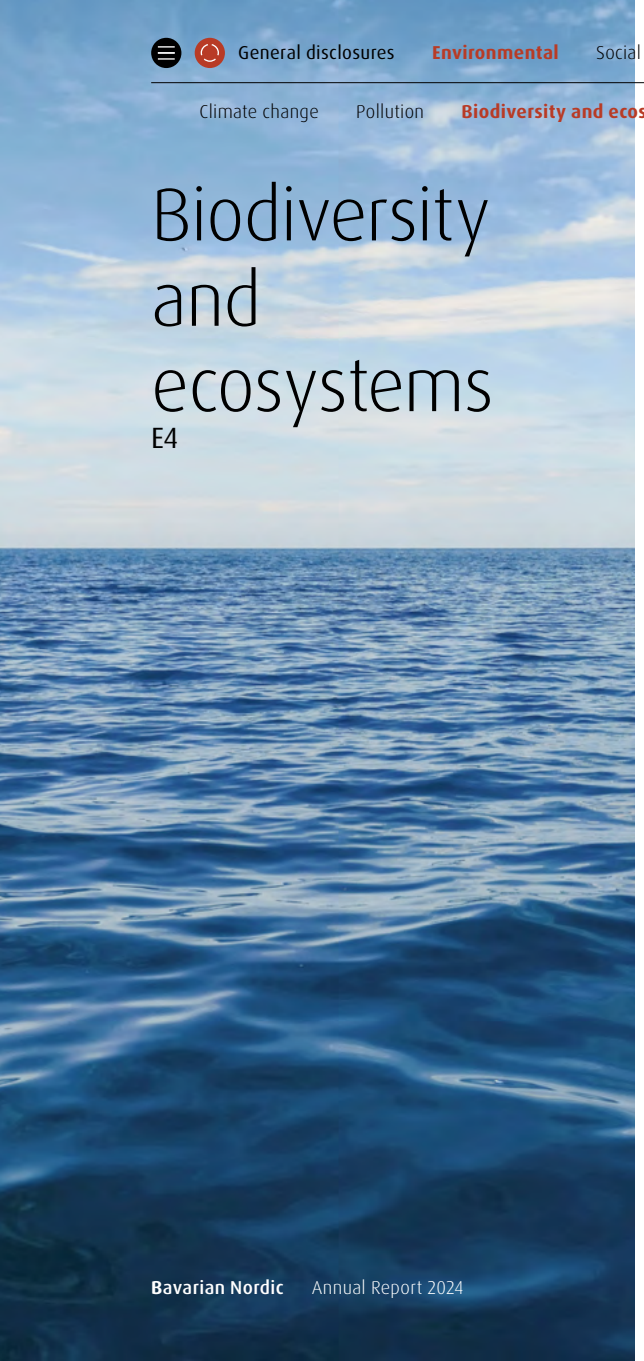
- Substances restricted in Annex XVII to REACH
- Authorisation List in Annex XIV of REACH
- Candidate List of substances of very high concern for Authorisation

Substances of very high concern are disclosed similarly to the substances of concern, using the hazard classes described above.

Relevant substances to be reported by Bavarian Nordic are identified based on the mapping from our internal chemicals' management systems.

Volumes of the substances used in the production are extracted directly from the local ERP systems where consumption of materials is registered upon their transfer from a warehouse to production. The volume units are determined upon the registration of the substance being delivered to our production sites. As liquids are typically measured in liters, their volumes have been converted to kilograms. We performed the conversion with a substance-specific factor where possible, otherwise we assumed a uniform density of one kilogram per liter.

We have not identified any substances of concern or very high concern leaving our facilities as emissions, products or part of our products.



Biodiversity and ecosystems

E4

Material impacts and risks

IRO

Reliance on horseshoe crabs for endotoxin testing

Our impact on a vulnerable species stems from our dependency on Limulus Amebocyte Lysate (LAL), which is derived from horseshoe crab blood. The substance is used for endotoxin (safety) testing and is currently a part of our regulatory compliance with quality assurance processes for testing, and product release, to ensuring safety of our vaccines.

The substance on which we rely stems from the North American horseshoe crab which is currently a species listed as "Vulnerable" on the IUCN Red List. After the blood harvesting process is completed, the horseshoe crabs are released back into their natural habitat in the wild.

The LAL is sourced from an external supplier who, is a member of the Pharmaceutical Supply Chain Initiative (PSCI) and committed to following its established guidelines regarding this matter.

Additionally, reliance on this biological resource poses medium-term financial risks due to potential regulatory changes or restrictions of the testing method stemming from the species' Vulnerable status and the existence of an alternative synthetic method. Such restrictions could limit access to the substance derived from horseshoe crab's blood, and result in increased costs, requiring transition to manage both the environmental and financial impacts.

We recognize that our biodiversity and ecosystem impacts, dependencies, risks, and opportunities originate from our operations and value chain activities. Currently, we are working to better understand and specify these impacts and dependencies and exploring options for how we can transition away from reliance and use of this substance. Through this effort we aim to gain the necessary insights to reduce our biodiversity dependency and impact and ensure alignment with product safety standards and regulations.

Policies

Our efforts are focused on understanding our material impact and risks. We have not implemented policies corresponding to the requirements in the European Sustainability Reporting Standards (ESRS). Consequently, we have not yet developed dedicated policies to address biodiversity. We have not adopted biodiversity and ecosystem protections policies or policies related to deforestation, or sustainable land and ocean practices.

Actions & targets

To address these concerns and reduce reliance on the horseshoe crab, we are in the early stages of exploring the feasibility of alternative methods for endotoxin testing that could be implemented in our production process. Due to varying regulations between countries, products tested with alternative methods can only be supplied to those countries where such methods have been approved. At this time, we have not implemented further actions or targets, as we are working to increase our understanding of the impact and risk to be able to appropriately address this matter.

No biodiversity offsets, mitigation measures, or incorporation of local knowledge and nature-based solutions have been undertaken at this time.

Resource use and circular economy

E5

Material impacts and risks

We recognize the importance of sustainable resource management and the principles of a circular economy. As part of our resource outflow, we generate both general waste and hazardous waste, some of which could pose significant environmental risks, and as such we recognize our responsibility to properly manage such waste.

We have impact from the waste generated at our research and manufacturing facilities. Non-recyclable waste is sent to either incineration or landfill, both of which negatively impact the natural environment.

The waste is primarily generated from our activities in manufacturing sites located in Denmark and Switzerland, as well as research facilities in Denmark, the United States and Germany. This impact is as such concentrated in our own operations and is connected to our business model in manufacturing and research. The management of this impact is a part of our daily and strategic decision-making, which will be enhanced as a mean of strengthening the capacity of the Environmental, Health and Safety (EHS) functions globally and locally. There are no significant financial effects related to this impact.

Waste materials

Given the nature of our business and industry, we inherently generate hazardous waste in our manufacturing and research activities, including chemicals and biological materials.

The waste generated from operations includes a variety of materials, with single-use plastics playing a significant role due to their usage in equipment, connections, hoses, and bags for media or buffer solutions. Discarded plastic items and vials may contain product residues, including viruses, which are a clinical risk and are discarded and incinerated as biomedical waste. Waste also comprises empty raw material packaging in plastic, glass, and cardboard. Chemical waste emerges from both laboratory and production processes, encompassing residues from analytical processes expired materials, and substances like ethanol.

Waste streams

Wastewater is our primary waste stream, accounting for over 70% of our overall waste by weight. While the majority of our wastewater is composed of water, it also includes organic matters, inactivated virus, media solutions and antibiotics. It is discarded and captured in a holding tank as hazardous waste due to the antibiotic content. The wastewater we generate is collected by a specialized waste management service provider, who is respon-

sible for its further treatment. Our wastewater is combined with waste from other companies and incinerated to ensure that any hazardous substances are destroyed.

Policies

Our commitment to sustainability is reflected in our policies designed to manage and mitigate the negative impact associated with waste generated. Each of production and research facilities have a local policy on handling the residual waste. Those policies are implemented to ensure that the waste is properly classified, segregated, transported, and destroyed by the proper disposal companies and disposal methods in order to protect the environment and human health. Their scope includes all employees involved in managing production and laboratory waste within our own operations. Heads of the sites are accountable for implementation of those policies.

All the policies are accessible to affected stakeholders through our internal document repository, which is available to all employees.

Actions & targets

In 2024, we initiated an expansion of our Global EHS department. This will enable us to reassign current responsibilities and allocate new, improvement-focused tasks to our employees, in addition to their regular operational activities. We anticipate that the new structure and enhanced capacity of the department will further our understanding and management of our waste streams and the development of initiatives aimed at increasing the rate of recycled waste from our manufacturing and research facilities.

At this time our focus has been on further defining our actions, and we have not yet formalized targets.

Total amount of waste generated
E5 - table 1

in tonnes **Waste type**	**2024**
Hazardous waste	1,817
Non-hazardous waste	612
Radioactive waste	0
Total waste	**2,429**

Total waste diverted from disposal breakdown by the recovery operation types
E5 – table 2

in tonnes **Recovery operation type**	**2024**
1) Preparation for reuse	
Hazardous waste	0
Non-hazardous waste	5
2) Recycling	
Hazardous waste	3
Non-hazardous waste	146
3) Other recovery operations	
Hazardous waste	1
Non-hazardous waste	108

Total waste directed to disposal by waste treatment types
E5 – table 3

in tonnes **Treatment type**	**2024**
1) Incineration	
Hazardous waste	1,808
Non-hazardous waste	281
2) Landfill	
Hazardous waste	0
Non-hazardous waste	72
3) Other disposal operations	
Hazardous waste	5
Non-hazardous waste	0

Total non-recycled waste

E5 – table 4

in tonnes

Non-recycled waste	2024
Amount	2,166
Percentage	89%

Accounting policies

Waste

All waste generated across our sites is managed by local waste handling companies, who collect disposals directly from our facilities. For our manufacturing sites and for our research and development facilities in Hørsholm (Denmark) and San Diego (USA), we maintain direct contracts with the suppliers, allowing us to obtain precise waste data, including waste type, amounts, and treatment methods.

For our research site in Martinsried, Germany, which is located in a shared commercial building, waste management and contracts with waste collectors are managed by both the landlord and ourselves. This arrangement results in certain data limitations. Consequently, for this site, we have applied estimates based on interviews with the landlord, who confirmed the capacity of containers and the frequency of waste collection by the external service supplier.

Our office facilities are excluded from the metrics as the waste generated there is considered not material for sustainability reporting purposes. Only waste generated at manufacturing sites and research facilities is considered in the disclosure.

All waste subcategories are split between hazardous and non-hazardous waste, defined in accordance with the EU's Waste Framework Directive.

We have not identified any radioactive waste in our operations.

Non-recycled waste

Total amount of non-recycled waste is calculated as a sum of waste directed to disposal (incineration, landfill and other disposal operations). The percentage rate is calculated as a total amount of non-recycled waste divided by a total amount of waste generated.

EU Taxonomy

The EU Taxonomy is a European sustainability classification framework. It enables corporations to communicate to stakeholders which of their business activities have the potential to be considered sustainable (i.e. are Taxonomy-eligible) and which activities will be reported as EU Taxonomy-aligned (i.e. fulfil EU requirements to be considered sustainable). For each relevant business activity, we have to disclose how much of its Turnover, Operating Expenditures (OpEx) and Capital Expenditures (CapEx) can be considered eligible and aligned, respectively.

In 2024 we identified eligible economic activities based on the six published environmental objectives. Each of the economic activities was assessed on its percentage of Taxonomy-eligibility. As a result, we report 96%, 61% and 100% Taxonomy-eligible Turnover, OpEx and CapEx in 2024, respectively.

Eligibility and alignment
We continuously assess our business and economic activities and the environmental impact hereof. We utilized a two-step approach in formulating our Taxonomy disclosures. Initially, we screened the economic activities outlined in the EU Taxonomy to identify those relevant, considering our business model. Based on our review, we identified one economic activity to report on in 2024: 'PPC 1.2 Manufacture of medicinal products' under the environmental objective of 'Pollution Prevention and Control'. The screening was performed across revenue generation, costs, and investments, considering materiality.

Manufacture of medicinal products is our primary economic activity which drives the high eligibility percentage for turnover.

The identified eligible CapEx consists of additions in 2024 related to Intangible assets, PPE and Right-of-use assets in note 15, 16 and 17 of the Annual Report 2024.

We are still assessing our production process against the technical screening criteria pertaining to the manufacture of medicines to work towards alignment.

Accounting policies

Turnover
Total Turnover consists of total revenue from sale of goods and services, as defined under IFRS. The Turnover KPI is defined as Taxonomy-eligible Turnover divided by total turnover.

OpEx
The denominator consists of direct non-capitalized costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. OpEx does not include amortizations and impairments. The numerator equals to the part of the operating expenditure included in the denominator that is any of the following: (a) related to assets or processes that are associated with Taxonomy-aligned economic activities; (b) part of a CapEx plan to expand Taxonomy-aligned economic activities; (c) related to the purchase of output from Taxonomy-aligned economic activities. The OpEx KPI is defined as Taxonomy-eligible OpEx divided by total OpEx.

CapEx
The denominator consists of additions to tangible assets, intangible assets, and right-of-use assets during the financial year considered before depreciation, amortization, and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year, excluding any fair value changes. The numerator equals to the part of the capital expenditure included in the denominator that is any of the following: (a) related to assets or processes that are associated with Taxonomy-aligned economic activities; (b) part of a CapEx plan to expand Taxonomy-aligned economic activities; (c) related to the purchase of output from Taxonomy-aligned economic activities. In respect of (a), we assess intangible assets, which have successfully finalized stage 3 clinical studies, to be associated with our Taxonomy-aligned (eligible) economic activities. The CapEx KPI is defined as Taxonomy-eligible CapEx divided by total CapEx.

Contextual information about the KPIs
We perceive the principal part of Bavarian Nordic's revenue related to manufacture of medicinal products, cf. note 3 to the Consolidated financial statements. As Taxonomy-eligible, we only include CapEx directly associated with the manufacturing processes. Eligible CapEx for 2024 mainly relates product rights and investments in plant and machinery. Eligible OpEx relates to research and development directly associated with manufacturing processes, cf. note 4 to the Consolidated financial statements. The narrow EU Taxonomy OpEx definition is the main reason for a reported low eligibility.

When allocating CapEx and OpEx to economic activities, we prioritize those that directly contribute to our primary economic activity first. Secondly, we allocate to other environmental objectives for which specific technical screening criteria are set. This is how we avoid double counting where activities contribute to multiple environmental objectives. We are adjusting the R&D cost for amortizations to not double count these costs, as the amortization would also have been part of CapEx in prior years.

EU Taxonomy

Turnover

Financial year - 2024		2024		Sustainable contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities (1)	Code	Turnover	Proportion of Turnover year 2024	Climate Change Mitigation	Climate Change Adaption	Water & Marine Resource	Circular economy	Pollution Prevention and Control	Biodiversity and Ecosystems	Climate Change Mitigation	Climate Change Adaption	Water & Marine Resource	Circular economy	Pollution Prevention and Control	Biodiversity and Ecosystems	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2023	Category enabling activity	Category transitional activity
		DKK thousand	*%*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
None				N/A	N/A	N/A	N/A	N/A	N/A	N	N	N	N	N	N	N	0 %		T
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**							**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0 %**		
Of which is enabling										N	N	N	N	N	N	N		E	
Of which is transitional										N	N	N	N	N	N	N			T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*										
Manufacture of medicinal products	PPC 1.2	5,487,285	96 %	N/EL	N/EL	N/EL	EL	N/EL	N/EL								98%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**5,487,285**	**96 %**					**100 %**									**98%**		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		**5,487,285**	**96 %**					**%**											
B. Taxonomy-non-eligible activities																			
Turnover of Taxonomy-non-eligible activities		**228,921**	**4 %**																
Total		**5,716,206**	**100 %**																

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, Taxonomy-non-eligible activity with the relevant environmental objective

EU Taxonomy

OpEx

Financial year - 2024		2024		Sustainable contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities (1)	Code	OpEx	Proportion of OpEx year 2024	Climate Change Mitigation	Climate Change Adaption	Water & Marine Resource	Circular economy	Pollution Prevention and Control	Biodiversity and Ecosystems	Climate Change Mitigation	Climate Change Adaption	Water & Marine Resource	Circular economy	Pollution Prevention and Control	Biodiversity and Ecosystems	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year 2023	Category enabling activity	Category transitional activity
		DKK thousand	*%*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
None				N/A	N/A	N/A	N/A	N/A	N/A	N	N	N	N	N	N	N	0 %		T
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**							**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0 %**		
Of which is enabling										N	N	N	N	N	N	N		E	
Of which is transitional										N	N	N	N	N	N	N			T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*										
Manufacture of medicinal products	PPC 1.2	490,481	61 %	N/EL	N/EL	N/EL	EL	N/EL	N/EL								18 %		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**490,481**	**61 %**					**100 %**									**18 %**		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		**490,481**	**61 %**					**%**											
B. Taxonomy-non-eligible activities																			
OpEx of Taxonomy-non-eligible activities		**313,126**	**39 %**																
Total		**803,607**	**100 %**																

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, Taxonomy-non-eligible activity with the relevant environmental objective

EU Taxonomy

CapEx

Financial year - 2024		2024		Sustainable contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities (1)	Code	CapEx	Proportion of CapEx year 2024	Climate Change Mitigation	Climate Change Adaption	Water & Marine Resource	Circular economy	Pollution Prevention and Control	Biodiversity and Ecosystems	Climate Change Mitigation	Climate Change Adaption	Water & Marine Resource	Circular economy	Pollution Prevention and Control	Biodiversity and Ecosystems	Minimum safeguards	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) CapEx, year 2023	Category enabling activity	Category transitional activity
		DKK thousand	*%*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
None				N/A	N/A	N/A	N/A	N/A	N/A	N	N	N	N	N	N	N	0 %		T
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**							**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0 %**		
Of which is enabling										N	N	N	N	N	N	N		E	
Of which is transitional										N	N	N	N	N	N	N			T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*										
Manufacture of medicinal products	PPC 1.2	309,388	100 %	N/EL	N/EL	N/EL	EL	N/EL	N/EL								87%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**309,388**	**100 %**				**100%**										**87 %**		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		**309,388**	**100 %**				**100%**												
B. Taxonomy-non-eligible activities																			
CapEx of Taxonomy-non-eligible activities		**0**	**0 %**																
Total		**309,388**	**100 %**																

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, Taxonomy-non-eligible activity with the relevant environmental objective

Social

Own workforce

S1

Our employees are a key group of stakeholders, playing a crucial role in driving our strategic ambitions. They are at the core of our mission of protecting lives by creating access to vaccines. As a knowledge-based company, our success relies on the expertise, skills, and dedication of our people.

Attracting and retaining top talent is essential to maintaining our competitive edge and advancing our innovative agenda. As such, our impact on employees remains a key focus for us, ensuring we continue to foster an environment that supports, develops, and retains the highly capable people, that our business is built upon.

With our skilled employees in mind, we have identified the following material impacts and risks related to our own workforce:

- Talent attraction and retention
- Work-life balance
- Equal opportunities
- Health and safety of own employees
- Health and safety of non-employees

The identified impacts and risks listed are disclosed individually except from the two impacts related to health and safety, which are disclosed at an aggregate level. The related disclosures on policies, processes, actions, targets, and metrics are presented alongside the respective material impacts and risks. Disclosures stated in General policies and processes apply to all material impacts and risks related to our own workforce.

The identified material impacts and risks are concentrated on our own operations, as these only relate to our own workforce, including the health and safety of both employees and non-employees. Non-employees cover individuals working under a contract of employment with a contract end. This group can be either self-employed or third-party employed and are compensated through invoice payments, and not processed via our payroll system. Non-employees are registered with a Bavarian Nordic email in our HR system. The health and safety impact related to non-employees described below applies only to groups of non-employees handling similar tasks to those of our own workforce, on-site in research and/or manufacturing.

All people in our workforce who could be materially impacted are included in the scope of our disclosure. The material impacts and risks have been identified

taking into consideration particular activities and contexts in which people in our workforce perform their tasks. As such, the identified impacts related to health and safety apply to research and manufacturing functions only, as these employees are more exposed to potential harmful situations as opposed to workers in an office setting.

We have not identified any risks of child labor or forced labor in our operations. Though dependencies between our business model and our own workforce exist, none of the identified material impacts were deemed to trigger a risk considering the financial threshold applied in the double materiality assessment. Nonetheless, when considering the identified impacts related to our own workforce, these could collectively result in risks related to attraction and retention of employees, and equal opportunities as described further in sections below.

There are no current financial effects related to the identified risks. Depending on criticality, the Board and Executive Management evaluate the need for mitigating actions related to the identified impacts, risks and opportunities when and if they materialize.

The identified impacts and risks related to our own workforce do not require changes to our business model and strategy, as the current mitigating actions described below this section are deemed sufficient to prevent or reduce the associated impacts.

General policies and processes

The following apply to all impacts and risks related to our own workforce.

Policies

Human rights policy

We are guided by our commitment to providing a sustainable impact on society, patients, and employees. This commitment is reflected through our Human Rights Policy, which ensures that our workplace practices uphold the highest standards of fairness, respect, and inclusivity. By embedding these principles into our operations, we aim to empower our employees and ensure a positive and sustainable working environment that aligns with our values and long-term vision.

We follow internationally recognized human rights, as defined by the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights (ICCPR), the International Covenant on Economic, Social and Cultural Rights (ICESCR), and the ILO Core Labor Standards. Guided by authoritative global frameworks, such as the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises, we identify and address potential adverse impacts arising from our operations or business relationships.

We adhere to the principles of freedom of association, the right to collective bargaining, and the elimination of discrimination, forced labor, and child labor as well as minimizing the adverse impacts from suppliers related to labor. Our policy does not explicitly address trafficking in human beings, however our commitment to this is reflected in our commitment to respect internationally recognized human rights instruments and upholding applicable employment laws .

Our commitment extends to the human rights of any individual who may be impacted by our activities, including employees, patients, and business partners with a focus on fair employment conditions, patient data privacy, and responsible sourcing in collaboration with suppliers and partners.

The Human Rights Policy Statement was adopted by the Board of Directors in December 2023, and Executive Management is accountable for the implementation of the policy. It is publicly accessible through our website to all stakeholders.

Engaging with our workforce

We strive to maintain a collaborative and transparent approach to workforce engagement and incorporate the perspectives of own workforce into decision-making and operational activities by conducting anonymous employee engagement surveys and continuous dialogue with workers councils in Denmark and Germany.

Our approach includes assessing how and when engagement efforts occur, the roles and responsibilities involved, and the mechanisms in place to ensure effective outcomes. The Chief People & Sustainability Officer is the most senior person accountable for the employee engagement survey. The Executive Team is collectively responsible for driving engagement across Bavarian Nordic.

Employee engagement survey

Conducting employee engagement surveys facilitates transparent communication and collaboration, cultivating a supportive and engaging work environment and addressing factors impacting work-life balance, job satisfaction, and overall employee well-being. As part of our annual people processes we conduct regular engagement surveys to ensure employee feedback is transparently integrated into decision-making and local team dialogues. The engagement surveys involve different stages: survey planning, information gathering, and review phases of responses generated. Through the engagement survey, employees provide feedback on matters essential to workplace culture including health & well-being, diversity and inclusion, and transformation and change. All employees - across sites, functions, and organizational levels - are eligible to participate. Employees are informed about the surveys and encouraged to participate through email reminders, intranet announcements, Teams notifications, and other internal communication channels. Feedback is collected anonymously, where aggregated results are shared in each team, and presented into actionable insights for managers and leaders, providing a holistic view of organizational health while identifying areas for targeted improvement at local level.

The employee engagement survey aims to foster immediate engagement while establishing a long-term foundation for enhanced health, well-being, and job satisfaction. In 2024, three surveys were conducted, enabling consistent monitoring of employee perspectives and adaptability to emerging organizational needs. Surveys are tailored to address evolving priorities, supporting continuous alignment with organizational goals.

Workers councils

The workers councils ("Betriebsrat" in Germany and "Arbejdsmiljøorganisation" in Denmark) function as a formal channels to incorporate employee perspectives into organizational decision-making. It addresses the principles governing local working conditions, welfare arrangements, and the overarching personnel policies in Denmark and Germany. Serving as a platform for dialogue, the council enables management to communicate key information while ensuring that employee representatives are consulted on significant matters. This engagement promotes transparency, cooperation, and alignment, contributing to the continuous enhancement of our workplace environment and organizational unity.

Processes for remediation

We encourage all employees to raise concerns with their manager and/or our HR department, and we strive to address and resolve any issues that are raised in the line of business.

Additionally, employees have access to formal reporting channels including our Ethics Hotline, which allows for confidential and anonymous reporting of misconduct or ethical concerns. Read more about our Ethics Hotline in the Business Conduct section of these sustainability statements.

Number of employees by gender
S1 – table 1

in headcounts	2024
Male	766
Female	887
Total employees	**1,653**

Number of employees by country
S1 – table 2

in headcounts	2024
Denmark	979
Germany	301
Switzerland	215
United States of America	123
Other*	35
Total employees	**1,653**

* Countries with less than 50 employees are reported aggregated as other.

Number of employees by employment characteristics
S1 – table 3

in headcounts			2024
	Female	Male	Total
Number of permanent employees	856	749	1,605
Number of temporary employees	31	17	48
Number of non-guaranteed hours employees	0	0	0
Total employees	**887**	**766**	**1,653**

Rate and number of employees leaving the company
S1 – table 4

in headcounts	2024
Rate of employee turnover	17.4%
Number of employees who left the company	255

Accounting policies

Number of employees breakdown by gender and country
Employees refer to individuals working part-time or full-time under a contractual agreement with Bavarian Nordic. This definition encompasses employees under local terms and conditions of employment, such as entitlements, payment of social security contributions, and other applicable obligations. The number of employees (head counts) by gender and country are recognized based on records from the HR system at the end of the reporting period.

Number of employees by employment classification
The number of employees is disaggregated by employment classification, including permanent, temporary, and non-guaranteed hours employees, and is reported in number of headcounts. Permanent employees refers to employees employed on an indefinite contract, either full-time or part-time, subject to local terms and conditions of employment. Temporary employees refer to employees hired for a specific duration, either full-time or part-time, to fulfill short-term needs such as apprenticeships, backfilling, or covering parental leave. Temporary contracts end at a predefined date or upon project completion.

Turnover rate
The employee turnover rate, expressed as a percentage, reflects the proportion of employees who left the organization within a calendar year either voluntarily or due to dismissal, retirement or death in service. The turnover rate is determined by dividing the number of employees (measured by headcount) who left during the reporting period by the average number of employees (headcount) for the same period and multiplying it by one hundred.

Material impacts and risks

IRO

Attraction and retention of talent and work-life balance

Our ability to attract and retain a workforce with the necessary skills and experience is fundamental to our success and relates to other identified impacts, including work-life balance. In a competitive labour market, as well as under potential reputational pressures, difficulties in attracting or retaining employees could negatively impact our performance and strategic objectives. The identified risk arises from the dependencies on our own workforce, particularly those working in locations and function where there is a high demand within pharmaceutical research, development, manufacturing and commercial. The risk has been identified through our Enterprise Risk Management (ERM) process.

The vaccine sector can be subject to fluctuating market demands, due to external factors such as urgent responses to disease outbreaks. As an employer, we are responsible for shaping working conditions and work-life balance for our employees, impacting their overall well-being and job satisfaction, which ultimately affects our ability to retain talent. Peak periods can affect people working in various departments and sites throughout the organization, as they could lead to additional workload.

Policies & processes

Remote working policy

Our remote working policy defines the governing framework for employees performing working hours outside the organization's premises. The policy applies universally to all employees and is intended to enhance operational efficiency, employee engagement and organizational alignment through structured and flexible working arrangement. The policy reflects our commitment to flexible workplace practices, prioritizing well-being and adaptability to modern work requirements.

The New Ways of Working initiative

With the aim to increase flexibility and enhance work-life balance, we introduced our New Ways of Working initiative in 2021. Through this, we actively encourage employees to work collaboratively and adopt flexible working arrangements. By fostering a culture of flexibility, and improved work spaces at our offices, we provide a framework for work practices, which support employees in achieving improved work-life balance, also in peak periods.

Actions

In 2024, we initiated a series of initiatives aimed at strengthening our ability to attract and retain talent, with efforts focused on the below key actions:

Leadership development

LeadPioneers is our Leadership development program that provides a structured approach to leadership, setting clear expectations and fostering a shared understanding of effective leadership practices. Through this program, we equip leaders with the skills they need to lead their people and organization in line with present and future demands. LeadPioneers offers two distinct learning tracks: Leading Others, tailored for leaders managing individual contributors, and Leading Leaders designed to educate leaders of other managers.

Managed by the HR Development Team, LeadPioneers trains leaders in cohorts throughout 2025, with an objective for all leaders with at least three direct reports to complete the program by third quarter of 2026. Expected outcomes include consistently enhancing leadership capabilities, establishing a culture prioritizing accountability, and a resilient leadership framework aligned with our strategic objectives.

Performance management system

Our Performance Management system is a management tool to align expectations between employees and managers. It facilitates collaboration, dialogue, and follow-up on individual performance and development goals. By supporting continuous engagement and alignment on deliverables and development plans, it contributes to achieving long-term organizational objectives.

Integrated into annual HR processes, the performance management system ensures ongoing value through structured discussions and actionable outcomes. Expected benefits include improved performance tracking, focused development efforts, and enhanced alignment with organizational priorities.

Targets

Our people are the key to our success and although we have not formalized targets, we continuously monitor our performance in relation to talent attraction and retention, including work-life balance. This is done through various processes, including tracking turnover rates, employee engagement surveys, performance and development talks, leadership development program, one-on-one dialogue with managers, and exit-interviews.

IRO

Equal treatment and opportunities for all

Given our global presence and reliance on a highly skilled workforce, we may risk our ability to attract and retain talent if we do not keep momentum in current efforts and continuously develop initiatives to ensure that we maintain an inclusive and diverse workforce. This risk is linked to our dependency on human resources and our ability to attract and retain talent, including risk considerations related to our reputation, legal sanctions, and/or labour disputes.

Policies

Diversity and inclusion policy

Our Diversity and inclusion policy outlines our approach to ensuring equal treatment and opportunities for all employees, which is a key component of our sustainability efforts. The policy aims to create a work environment where everyone feels respected and valued in support of a diverse workplace. The policy covers the following grounds for discrimination, but not limited to: gender, age, educational background, ethnicity, physical impairment, religion, or sexual orientation.

The policy addresses material impacts such as eliminating biases in selection and promotion processes and preventing discriminatory behavior.

Executive Management is accountable for the implementation of the diversity and inclusion policy.

Global policy on sexual harassment and global policy on bullying and harassment at work

We do not accept any kinds of bullying and harassment. Our policies stress the importance of respect and dignity while providing guidance on preventing and remediating inappropriate behaviors. Additionally, they emphasize the collective for cultivating a workplace where every individual feels safe, valued, and empowered to contribute fully.

Maintaining a respectful workplace is a shared responsibility. All employees, including management, are accountable for adhering to the principles outlined in the policies. Members of the Executive Management are the most senior level accountable for the implementation of these policies. The policies are accessible for all employees via our intranet.

We do not currently have specific policy commitments related to positive action for people from groups at particular risk of vulnerability

Processes for remediation

We are committed to maintaining a safe, inclusive, and respectful workplace where all employees are treated with dignity. We encourage employees to address concerns at the local level whenever possible. Employees who experience or witness inappropriate behavior should first attempt to resolve the issue by speaking with the individuals involved, their immediate manager, or a trusted colleague. If further support is needed, employees are urged to contact their HR Business Partner, who will facilitate resolution in line with company guidelines. In cases where local resolution is not possible, or if the concern involves a direct manager, employees may escalate the issue to a higher-level manager, a union or Workers Council representative or the Health and Safety Representative.

We uphold a strict non-retaliation policy to protect employees who report concerns in good faith and continuously review our processes to ensure they remain effective, accessible, and aligned with regulatory and ethical standards.

Actions

In 2024, we conducted two online programs as part of our ongoing commitment to educate employees on the importance of inclusion and unconscious bias.
The sessions were focused on two key topics.

1. Inclusive Colleagueship - emphasizing the importance of inclusion, belonging, and allyship through practical, everyday actions; and

2. Unconscious Bias - exploring the impact of unconscious bias and impact on the workplace, providing strategies to mitigate bias.

The sessions offered actionable insights on how employees contribute to an inclusive work environment, emphasizing personal and collective responsibility in fostering an inclusive work environment.

Targets

Our people are the key to our success and although we have not formalized targets, we continuously monitor our performance in relation to equal opportunities and treatment. This is done through awareness trainings, salary benchmarks checks, and employee engagement surveys.

Gender distribution in Top management

S1 – table 5

in headcounts		2024
	Number	Share
Female	11	46 %
Male	13	54 %
Total employees	**24**	**100 %**

Age distribution in own workforce

S1 – table 6

in headcounts	2024
Under 30 years old	228
30-50 years old	963
Over 50 years old	462
Total employees	**1,653**

Remuneration metrics

S1 – table 7

	2024
Gender pay gap[1]	-1,6%
CEO remuneration ratio	29

[1] Negative gender pay gap reflects a pay gap in favor of males

Accounting policies

Gender diversity at Top management level
Top management is defined as positions at the Vice President level and above. Gender distribution is shown as headcounts and share distributed between male and female. The gender breakdown of employees at the Top management level is based on records from the HR system at the end of the reporting period.

Age distribution
The age breakdown of employees is based on records from the HR system at the end of the reporting period.

Gender pay gap
Gender pay gap is defined as the difference of average pay levels between female and male employees, expressed as percentage of the average pay level of male employees. The metric is calculated based on total annual remuneration which includes both fixed and variable components.

CEO remuneration ratio
The CEO remuneration ratio reflects the annual ratio between the total remuneration of the CEO (the highest paid individual) and the average remuneration of all employees (measured in FTEs) within the company, excluding executive management. The calculation of the ratio is consistent with the calculation of CEO pay ratio disclosed in our Remuneration Report.

IRO

Health and safety

We have processes in our manufacturing and research facilities that could pose a risk of negative impact on a person's physical health. This also applies to non-employees carrying out activities and services on our behalf. The negative impacts relate to individual incidents only for the part of our workforce that work in the context of our vaccines research and manufacturing. As this is an inherent part of our business model (end-to-end development and manufacturing of vaccines) decreasing the risk of negative impacts related to health and safety remains a priority on all our manufacturing and research facilities. The potential impacts described inform daily and strategic decision-making.

Policies

Global Environmental, Health & Safety Policy

Our Global Environmental, Health and Safety (EHS) Policy covers all our business areas and locations.

The policy emphasizes high standards of EHS performance, ensuring compliance with applicable EHS laws, managing EHS risks, and continuously seeking opportunities to reduce risks and improve performance.

It highlights the importance of educating and enabling employees and key stakeholders internally and externally to work safely and responsibly, fostering positive interactions and work practices through open dialogue on EHS matters. The EHS Management System, overseen by governance arrangements involving all company levels, ensures that performance is monitored and regularly reviewed to meet high standards and provide value to stakeholders.

Site heads are responsible for implementing the policy and ensuring that it is effective. The content was revised during 2024, and the updated policy was published in the beginning of 2025.

Employee vaccination program

The policy aims to ensure health and safety of employees operating in environments with potential exposure to infectious agents. It establishes protocols for vaccination for employees working in high-risk environments with live viruses.

Objectives include protecting employees from health risks associated with exposure to infectious agents, implementing stringent access control to high-risk areas, aligning with global health and biosafety standards, thereby minimizing potential adverse impacts on physical health.

The policy applies to all employees engaged in activities involving potential exposure to virus, including employees in production, quality control, environmental monitoring, and support roles operating in designated high-risk areas. The policy primarily addresses operations within our facilities, specifically activities directly involving the handling or production of hazardous biological materials.

Engaging with our workforce

We prioritize the health and safety of our employees through structured engagement processes with our workforce and their representatives. Our EHS Committee operates at the strategic level, collaborating closely with Site Heads and the ESG representatives to plan, lead, and coordinate our efforts in protecting employee health and safety, the surrounding environment, and risk prevention. This committee ensures that strategic decisions align with our commitment to maintaining a safe and healthy workplace.

Engagement with our workforce occurs directly and through workers' representatives. This engagement is integral to our decision-making processes, ensuring that the perspectives of our workforce are incorporated into managing actual and potential impacts. Engagement occurs at multiple stages, including planning, implementation, and review phases of health and safety initiatives. The types of engagement include regular meetings, surveys, and feedback sessions, conducted frequently to ensure continuous dialogue and improvement.

The Global EHS Director holds the overall responsibility for setting the strategic direction for EHS, aligning with each global function, while ensuring workforce engagement and feedback is the core of the strategy. The site heads have the overall responsibility, which is a legal requirement in most countries.

Our Global EHS Operations team has been established at the operational level, working in collaboration with EHS Management to handle and participate in risk prevention activities. These groups play a role in addressing unsustainable EHS matters, either by resolving them directly or escalating them to the EHS Committee. The EHS Committee act as a liaison between employees and the work environment organization, ensuring effective communication and collaboration. They are also responsible for providing comprehensive training and instruction to all employees, ensuring that everyone is well-informed about safety protocols and best practices.

Where relevant, we incorporate specific considerations to vulnerable employees, including pregnant women. We have an internal policy that outlines specific tasks pregnant women should avoid to prevent any risk to their health and safety. This policy helps protect both the expectant mother and her unborn child by minimizing workplace hazards. The policy stipulates that specific individual risk assessments must be carried out for each pregnant worker. Where a potential risk is identified and cannot be eliminated, we will find alternative work arrangement, which will not impact the expectant or breastfeeding mother or unborn child. By providing clear guidelines and adjusting work duties

as needed, we aim to create a supportive and safe environment for pregnant employees.

Processes for remediation

We apply established processes to address and remediate negative impacts on employees within own workforce, and to provide accessible channels for raising concerns. Employees are provided multiple options for reporting, including health and safety management system, health and safety representatives, or their direct managers. Employees are encouraged to report incidents, near-misses, or unsafe conditions to help maintain a safe and compliant working environment. The health and safety management system enables structured reporting and documentation facilitating the analysis and resolution of reported issues in alignment with regulatory requirements.

The objective is to implement a health and safety management system globally to standardize system management across all locations. Currently, we are in the process of identifying global internal standards to ensure that we drive continuous improvement in addition to legislative compliance. Each site has their individual health and safety management system. For countries or sites where the health and safety management system are not yet in place, local processes, manuals, procedures, and systems are in effect. EHS representatives responsible for time-tracking tools and regulatory documentation, manage the local EHS Management systems and collaborate closely with our HR department on health-related concerns and reporting of these to authorities. All processes adhere to applicable local legal requirements, ensuring full compliance.

Actions

We have developed a new Global EHS strategy with the purpose of further defining our roadmap and focus areas. We have started implementation and are planning to fill several key full-time positions in our EHS department with the purpose of driving our strategic ambitions, including areas related to the identified potential negative impact. This includes building governance, leadership, standards and capabilities on a global and local level across all EHS topics.

By hiring additional dedicated roles in the EHS area, we are better equipped to identify and mitigate risks, provide comprehensive training, and ensure a safe and supportive work environment for all our employees.

As part of our strategy, we have introduced the updated Global EHS Policy with the purpose of addressing health and safety impacts related to our own workforce as well as on- and off-premise workers.

Targets

Our sustainability-related company goals for 2025 include a target relating to the health and safety of workers on-premise, regardless of their type of employment. The target is supporting the objectives of our Global EHS Policy and Global EHS Strategy. The EHS department and Executive Management have been involved in the target setting process. Target performance will be assessed by the end of the year.

Our target is to further reduce health hazards in our operating sites by expanding our current portfolio of risk assessments in each of our locations and addressing 90% of identified mitigating actions. Risk assessments are an integral part of how we operate, and opportunity assessments are underway to expand on the work previously undertaken by each location. The baseline will be finalized by the end of quarter one in 2025, and tracking will be conducted by EHS on a quarterly basis thereafter. Target performance will be assessed by the end of the year.

Health and safety metrics related to own employees

S1 – table 8

in numbers	2024
Percentage of workforce covered under health & safety management system	100%
Fatalities as a result of work-related injuries & ill health	0
Recordable work-related accidents	6
Rate of recordable work-related accidents	2.3

Total number of incidents, complaints and severe human rights impacts

S1 – table 9

in numbers	2024
Incidents of discrimination, including harassment	0
Complaints filed through channels for people to raise concerns	0
Fines, penalties, and compensation for damages resulting from discrimination (in DKK)	0
Severe human rights incidents	0
Fines, penalties and compensation for damages resulting from severe human rights incidents (in DKK)	0

Accounting policies

The percentage of employees covered by health and safety management system
The metric is determined through information gathered from the health and safety responsible person in each of our locations. The percentage coverage is calculated as the number of employees (headcounts) covered by health and safety management systems divided by all employees (headcounts).

The number of fatalities as a result of work-related injuries and work-related ill health
The number of fatalities is determined based on records from our HR system. It refers to death of employees resulting from work-related accidents and work-related ill health. All types of employees are considered for the metric.

The number and rate of recordable work-related accidents
A recordable work-related accident is registered if the accident results in the employee being unable to perform their usual work for one day or more, excluding the day of the injury.

The rate of work-related accidents represents the number of cases per one million hours worked. It is calculated by dividing the total number of work-related accidents by the total hours worked by our own employees, and multiplying the result by one million.

The number of hours worked by our employees is estimated based on standard full-time equivalent (FTE) hours, taking into account entitlements to leave periods, including vacation and public holidays. The calculation excludes individually registered vacation days.

Incidents, complaints and severe human rights impacts
The metrics represent the number of discrimination incidents, complaints and severe human rights cases reported to the Ethics Hotline or to our Legal & Compliance team in the reporting period.

Workers in the value chain

S2

We depend on workers in our value chain to perform services, either as contracted services at our premises (on-premise workers), or as part of services and/or production at supplier or business partner premises (off-premise workers).

On-premise services include repairs, maintenance, construction work, and other similar work performed by people who are not classified as employees or non-employees (as defined in the Own workforce section of these sustainability statements) but are performing work or services at our sites.

Off-premise tasks involve upstream activities of sourcing of raw materials used in our vaccines and contract research and manufacturing (CROs and CMOs).

As a part of the double materiality assessment (DMA) process, we have gathered an increased understanding of how people in our value chain are actually and potentially exposed to specific impacts, risks, and opportunities - for both on-site and off-site workers. As such, the scope of the following disclosure includes only people in our value chain who perform services that are subject to the identified material potential health and safety impacts described below. We have not identified any significant risks of child labor or forced labor among the stakeholders in our value chain.

The disclosures related to interests and views of stakeholders and policies related to this topic are presented at an aggregate level, followed by disclosures on processes, actions and targets, which are presented alongside each impact.

General policies and processes

On- and off-premise value chain workers are covered under our Environmental, Health, and Safety (EHS) Policy which is described in Own workforce section of these sustainability statements.

Our Responsible Sourcing Standards Policy outlines our expectations for suppliers regarding health and safety, aiming to protect workers from work-related hazards and potential dangers. The general objectives of the policy include compliance with relevant regulations, proactive risk assessment, and the implementation of protective measures to safeguard workers' health and safety. The policy addresses material impacts such as chemical, biological, and physical hazards, and outlines the process for monitoring compliance through audits and corrective actions.

The policy applies to all activities within our upstream and downstream value chain, encompassing suppliers and sub-suppliers, including workers performing services in our value chain, regardless of their location. The policy excludes no specific activities or geographies, ensuring comprehensive coverage and protection for all stakeholders involved.

The most senior level accountable for the implementation of this policy is the Chief Operating Officer.

Our Code of Conduct and Human Rights Policy also apply to workers in the value chain and are described in the Business conduct and Own workforce section of these statements.

Based on data from our Ethics Hotline (see the Business conduct section of these statements), there are no reported cases of adverse human rights impacts (incidents and non-respect) of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises involving value chain workers in our upstream and downstream value chain.

Material impacts and risks

IRO

Health & safety of on-premise workers in the value chain

We make use of external companies and individuals who carry out various services at our manufacturing sites, some of whom may be exposed to processes that could result in a negative impact on their physical health. This impact applies to potential individual incidents of on-premise workers in the value chain who perform services at our sites. The need for workers in the value chain to perform various services on-site, e.g. construction and repairs is related to our business relationships, as the workers do not fall into the categories of the services and employment types for the people described in the topical standard related to our own workforce and non-employees as defined in the Own workforce section of these statements. As the impact potentially occurs in our site operations, it is a direct impact which can potentially involve a reputational risk for us, however there are no identified material risks associated with this impact. Due to the nature of our business needs for having manufacturing and research sites, there is an inherent risk related to negative health and safety impact for people located on-premise. Managing these remains a priority in all our manufacturing and research facilities, and the identified impact informs the daily and strategic decision-making.

Engaging with on-premise value chain workers

Our engagement with value chain workers on-site is direct in relation to training and information about their health and safety. We engage with this group of stakeholders as they enter our sites to perform a visitor induction. The induction includes information about what the visitors, including the workers, may encounter when entering our sites, how they are expected to behave, their duties related to our site rules. Visitors must sign documentation following the information provided to them and, depending on their designated access level, some will be accompanied by a Bavarian Nordic employee while on-site.

The site head holds the operational responsibility for ensuring that the engagement happens and monthly meetings are held in which EHS matters are discussed. These inform the decision-making related to the process for engaging with value chain workers on-site. The needs of workers who may be particularly vulnerable are assessed on an individual basis, taking into consideration any special provisions to ensure the health and safety of these individuals.

Processes for remediation

We have established processes to address and remediate the potential negative impact on on-premise value chain workers as part of our duty of care for people on our sites. These general processes align with those in place to remediate the negative impacts for our own employees as described in the Own workforce section of these statements.

The monthly EHS meetings are in place to ensure continuous attention to health and safety-related impacts on our sites.

Our Ethics Hotline is publicly available and workers in the value chain can raise confidential and anonymous reporting of suspected violations of the Code of Conduct and applicable laws and regulations.

Actions

Our completed and planned key actions related to the potential negative impact are described below. These actions are taken and planned to limit the likelihood of us causing or contributing to the identified potential negative impact.

- We have developed a new global EHS strategy with the purpose of further defining our roadmap and focus areas. We have started implementation and are planning to fill several key full-time positions in our EHS department with the purpose of driving our strategic ambitions, including areas related to the identified potential negative impact. This includes building governance, leadership, standards and capabilities on a global and local level across all EHS topics, including health and safety for on-premise value chain workers.

- As part of our strategy, we have updated our EHS Policy with the purpose of addressing health and safety impacts related to our own workforce as well as on- and off-premise workers. See more in the Own workforce section of these statments.

- We have updated our visitor induction training on our sites to enable all visitors, including on-premise workers. The purpose of the induction is to enable visitors to understand their responsibilities and site rules prior to entering our site.

Our actions will be tracked and assessed regularly by the site head in collaboration with EHS department to ensure that the intended outcomes are met.

Targets

The target disclosed in Health & Safety of our own workforce also applies to on-premise value chain workers.

IRO

Health and safety of off-premise workers in the value chain

Suppliers and partners in our value chain manage and handle chemicals, which can potentially have a direct impact on the health and safety of workers in the value chain. As an inherent part of our business model, we engage in business relationships with suppliers from whom we source raw materials and CMOs whose workers perform services such as vaccines research and manufacturing. As such, this impact is connected with our business model, as we have dependencies on the workers in the value chain working for suppliers and business partners. This impact applies to potential individual incidents of off-premise workers in the value chain. It is an indirect impact as it originates from our business relationships with suppliers and partners. It can potentially involve a reputational risk for us, however, there are no identified material risks associated with this impact. As our business model requires us to source raw materials and engage CMOs in the manufacturing of our products, there is an inherent potential health and safety risk for people working with these tasks and within manufacturing facilities. As such, the health and safety of workers is a priority throughout our value chain, and the identified potential impact informs our decision-making related to the suppliers and business partners we choose to collaborate with.

Engaging with off-premise value chain workers

Our engagement with value chain workers working off-premise occurs through monthly and ad hoc meetings in our industry collaboration membership in the Pharmaceutical Supply Chain Initiative (PSCI). We consider the PSCI a credible proxy with insights into the situation of off-premise workers in our value chain. While key functions at our EHS, Procurement and Corporate Sustainability departments have taken part of the engagement, and the ESG Director held the operational responsibility for our PSCI engagement in 2024. The Global EHS Director has the operational responsibility for health & safety engagement with suppliers and CMOs, and the respective lines of business engage with suppliers and CMOs through ongoing work and collaboration. Each are responsible for ensuring that engagement happens and that the results inform our approach in the area. This responsibility includes regular assessments of the effectiveness of our engagement, including the learnings and outcomes gained from the engagement.

As the PSCI is an organization solely focusing on pharmaceutical supply chains, the insights provided by them are deemed to take into consideration the perspectives of workers that may be particularly vulnerable to impacts.

Processes for remediation

To further capture the health and safety impacts in our value chain, we are in the process of further developing our Responsible Value Chain Program. Based on risk screenings, we aim to conduct targeted engagements with suppliers and business partners to collaborate on tracking, monitoring and mitigating health and safety impacts.

Our Ethics Hotline is publicly available and workers in the value chain can raise confidential and anonymous reporting of suspected violations of the Code of Conduct and applicable laws and regulations.

Actions

Our completed and planned key actions related to the potential negative impact are described below.

- The further development of a supplier management program is a strategic priority and a part of our Responsible Value Chain program. The purpose of the program is to further develop our supplier management and engagement processes to enable an understanding of our adverse impacts and how to address these. We have completed a mapping of our value chain and high-level risk screening of our tier 1 suppliers and business partners in defined service categories. The mapping was based on industry practice and internal guidelines and will guide our efforts in this area. We plan to develop the program further in the coming years by building internal governance structures in the area and continuously collaborate with new and existing suppliers and business partners. Key stakeholders within the EHS, Procurement, External Manufacturing, and Corporate Sustainability departments collaborate on developing and implementing the program, including the type of action needed in response to the identified potential negative impact.

- As a part of our commitment to the PSCI and its Principles for Responsible Supply Chain Management, we have initiated work to increase the coverage of supplier audits. This action is also

anchored with our Responsible Value Chain Program.

- We have introduced an EHS Policy with the purpose of addressing health and safety impacts related to our own workforce as well as on- and off-premise workers. See Health & Safety for on-premise workers in the Own workforce section of these statements.

Our actions will be tracked and assessed monthly by the key stakeholders involved in driving forward the strategic initiative to ensure that the intended outcomes are met.

Targets

To track the effectiveness of our actions related to our Responsible Value Chain Program, we have set a target to increase the share of scoped suppliers and business partners that have undergone an audit in accordance with the Pharmaceutical Supply Chain Initiative (PSCI) audit standards or similar. Our long-term target is for 70% of all in-scope suppliers and business partners have undergone an audit in accordance with PSCI audit principles. The long-term target is due in 2027 with annual milestone targets.

The target setting process involved internal subject matters experts and the target was approved by Executive Management. The monitoring of progress is performed by key internal stakeholders.

Since 2024 is our first year of tracking the vendor audit rate, we do not have a baseline value for 2023. We have reached our target for 2024.

Vendor audit rate
S2 – table 1

	Target	Actual
2024	12.5%	12.6%
2025	25%	
2026	40%	
2027	70%	

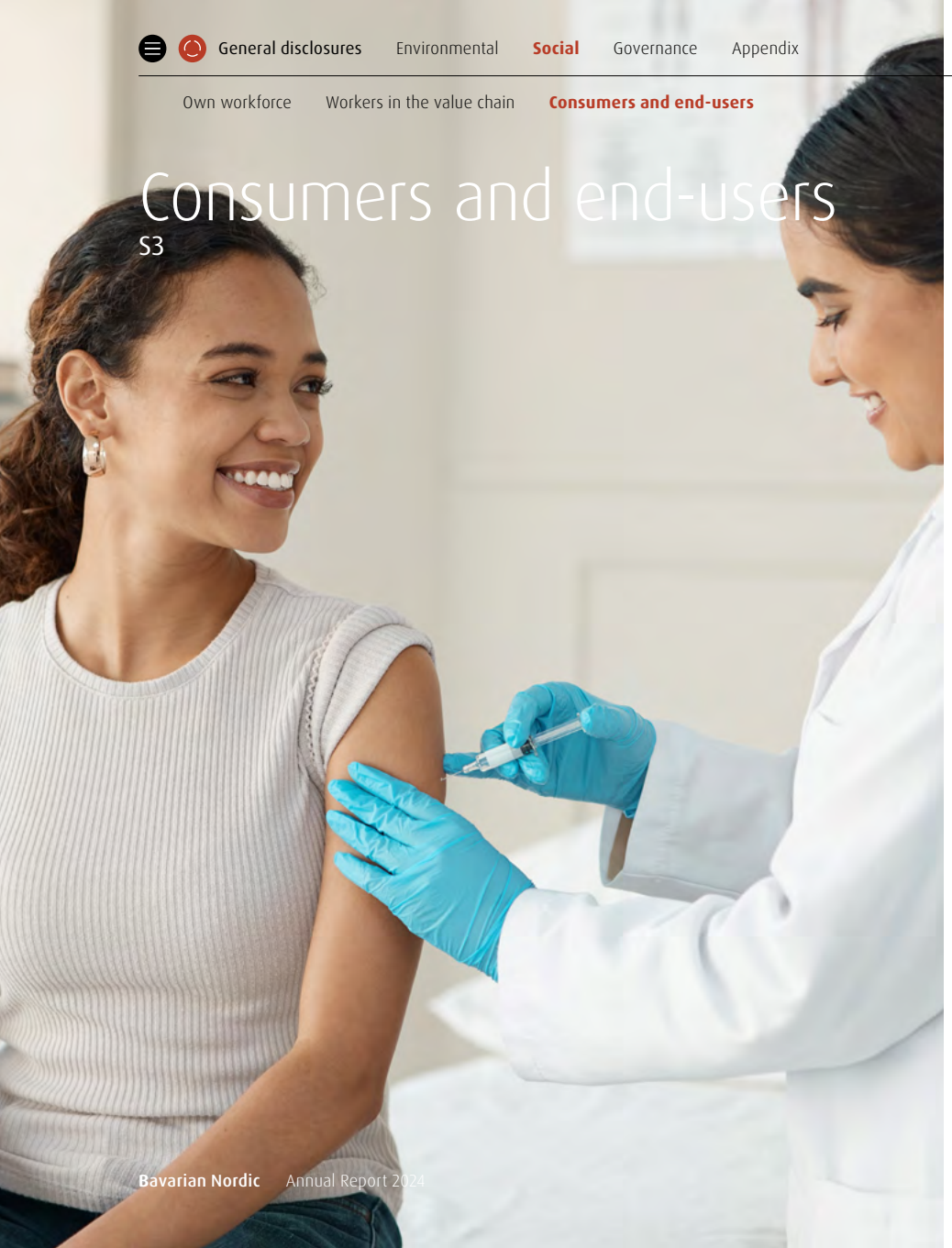
Accounting policies

Vendor audit rate
Suppliers and business partners in scope refer to Contract Manufacturing Organizations (CMO's) or other manufacturing organization or suppliers providing critical production raw materials for commercial products.

The metric indicates the proportion of scoped suppliers that have been audited in compliance with PSCI audit standards or equivalent. This proportion reflects the ratio of our total expenditures on audited vendors to all scoped vendor-related expenditures in the reporting period. No individual vendor exceeded 10 percentage points of the metric.

Consumers and end-users

S3



The people we serve are the foundation of our business. Our commitment to saving and improving lives by unlocking the power of the immune system remains strong as we have continued to increase our impact on global health in 2024.

Central to our overall sustainability ambitions, business model and strategy is our ability to expand access to our vaccines across geographies, where we foster trust amongst stakeholders through responsible interactions and by supplying safe and efficacious vaccines.

We have identified the following impacts, risks and opportunities (IROs) related to consumers and end-users, defined as vaccine recipients, clinical trial participants, and/or health care professionals (HCPs), in our double materiality assessment. All potentially affected end-users are included in the scope of these disclosures.

The identified IROs are disclosed on an aggregate level, divided into three categories: Safety, Access to vaccines, and Responsible marketing. These three areas are central to our business model and strategy from research, development, manufacturing, distribution and sales, and are as such anchored in a combination of our own operations and in our upstream and downstream value chain. All identified IROs relating to consumers and end-users occur in both short-term, medium-term and long-term.

Within each category, we have disclosed applicable policies, procedures, actions and targets.

Our policies reflect our commitment to human rights throughout our organization and supply chain, as defined by the United Nations Guiding Principles on Business and Human Rights (UNGPs), International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, principles of the UN Global Compact, and the Universal Declaration of Human Rights (UDHR).

Following regulatory requirements and industry standard practices, all clinical trials are reviewed and approved by independent review boards (IRB), independent bioethics committee (IBC), or an independent ethics committee (IEC) tasked with protecting the human of the individuals involved in clinical trials and ensure that our clinical trials are ethical, follow applicable regular standards, and appropriately protect the rights, safety and well-being of clinical trial participants. We, in compliance with associated regulations and ethical standards,

require that all clinical trial participants be provided an opportunity for informed consent, including risks associated with participation, and that their informed consent is documented. Our processes require that both adverse safety events and deviations from the approved protocol be documented, investigated, assessed, and reported to the IRB and regulatory authorities, as appropriate. We use a Corrective and Preventive Action (CAPA) system to assign and resolve corrective actions to remedy identified issues and to help prevent future similar problems. In collaboration with regulatory authorities, relevant safety information from clinical trials and post-marketing adverse events reports are included in our product labels to inform healthcare professionals and the general public about both the risks and the benefits of our products.

Material impacts, risks and opportunities

IRO

Access to vaccines

Access to vaccines saves, empowers and improves lives across the world. We take pride in pioneering advancements in vaccine development and distribution. This endeavor protects individuals and safeguards communities from the damaging effects of infectious diseases.

Global health security: Prevention of the spread of infectious diseases, including those due to climate change

Vaccination with our vaccines will save and protect the lives of patients by immunizing them against infectious diseases. By preventing the spread of infectious diseases, vaccines contribute to healthier populations and reduce the burden on healthcare systems.

In addition, through our Public Preparedness and Travel Health portfolios, we develop and supply vaccines which can prevent the spread of infectious diseases. The spread of certain diseases can be attributed to the effects of climate change, and infectious diseases that previously were endemic in certain geographies are now, or have the potential to, spread to other geographies. Therefore, our vaccines, on condition that they are administered, can have a positive impact on human adaptation to certain effects of climate change that relate to the spread of certain diseases.

This positive impact through the prevention of the spread of infectious diseases affects the patients, communities and public health systems where our vaccines are administered and occurs in the short term.

Expanding access to vaccines in endemic countries

By expanding access to vaccines in our current portfolio to low- and lower-middle-income countries, we can help to reduce the spread of preventable infectious diseases and positively impact underserved communities.

This potential positive impact affects patients living in endemic regions who cannot access vaccines

Expanding our vaccine portfolio

We have an opportunity to develop or acquire new vaccines to our portfolio which could serve new disease areas and prevent the spread of infectious diseases.

Developing and supplying vaccines that address unmet medical needs is core to our strategy. This opportunity, which depends on the successful development of clinical trials and approval and implementation of new vaccines, or the successful acquisition of an existing vaccine, is concentrated in our own activities in the medium term and could have positive financial effects for us through revenue growth.

Barriers to access that slow or prevent the delivery of vaccines

Distributing vaccines to a global market, we may face situations where access barriers slow or prevent our ability to deliver vaccines to persons in need, particularly in low-income countries (LICs) and low-middle-income countries (LMICs). These barriers may be linked to local regulatory processes, lack of cold-chain transportation, affordability and other factors, which could impact our ability to do business, and deliver vaccines, to certain markets.

Access barriers that prevent us from delivering vaccines to people in need could have a negative financial effect on us in the medium term as well as potentially causing negative reputational consequences for the company.

This risk does not stem from any dependencies on natural, human and/or social resources for our business processes.

Policies

We are committed to the prevention of infectious diseases through innovation in the development, manufacture and supply of life-saving vaccines. While we do not have a formal policy related to access to vaccines, we manage the associated

impacts, risks and opportunities through the actions described below.

Actions

Mpox: Working with partners to reach populations in low- and lower-middle-income countries

During 2024, Africa experienced one of the largest and deadliest known mpox outbreaks to date, with the majority of cases occurring in the Democratic Republic of Congo (the DRC). Both the Africa CDC and World Health Organization (WHO) declared a public health emergency in August.

To strengthen the response in the African region, we collaborated with global health partners, including WHO, United Nations Children's Fund (UNICEF), Africa CDC, and Gavi to provide our mpox vaccine, which served as an important tool to help control the 2022-2023 mpox outbreak.

In September, our vaccine became the first mpox vaccine to receive prequalification from WHO, a prerequisite for governments and organizations like Gavi and UNICEF to procure and distribute vaccines in African countries.

As a first response to the 2024 mpox outbreak in central and eastern Africa, doses were delivered to the Democratic Republic of Congo (the DRC) in early September, initiating the delivery of more than 250,000 doses total donated by the U.S. government, the European Commission's Health Emergency Preparedness and Response Authority (HERA), and Bavarian Nordic.

Together with Gavi, the Vaccine Alliance, we announced an advance purchase agreement (APA) to secure 500,000 doses of the mpox vaccine to be supplied to countries in Africa impacted by the mpox outbreak. The first doses arrived in the Central African Republic and Liberia in December 2024.

Later that month, we signed an agreement with UNICEF for the supply of 1 million doses of mpox vaccine for countries in Africa impacted by the outbreak. Combined with donations by various governments, institutions and Bavarian Nordic, this agreement helped to secure more than 2.5 million doses, thus fulfilling the short-term requirement as expressed by the Africa CDC and allowing an immediate response in the affected countries. Through this contract, we have ensured vaccine access with the lowest price for the 77 low- and lower-middle-income countries.

Clinical initiatives to expand access to groups in need

Children suffer disproportionately from mpox. In September, our mpox vaccine was approved for use against mpox and smallpox in adolescents 12-17 years of age after expedited review with the European Medicines Agency. We are also working with partners, including the Coalition for Epidemic Preparedness Innovations (CEPI) to evaluate the safety and efficacy of the vaccine in children 2-12 years of age as well as in pregnant women and children between 4 and 23 months of age.

Chikungunya: Expanding our vaccine portfolio

Our chikungunya vaccine candidate was approved in February 2025 by the U.S. Food and Drug Administration (FDA), and received a recommendation for approval in Europe in 2025 (final marketing authorization is pending adoption by the European Commission). Chikungunya is a mosquito-borne viral disease caused by the chikungunya virus (CHIKV). CHIKV disease typically presents acute symptoms, including fever, rash, fatigue, headache, and often severe and incapacitating joint pain. While mortality is low, morbidity is high; nearly 50% of individuals with CHIKV disease have debilitating long-term symptoms that can intensify with age. In the past 20 years, CHIKV has emerged in several previously non-endemic regions in Asia, Africa, southern Europe, and the Americas, often causing large unpredictable outbreaks.

Access to medicine strategy in low-income (LIC) and lower-middle-income countries (LMIC)

During 2024, we took steps to further formalize our access and approach to access to relevant vaccines in our portfolio in LICs and LMICs. The work in 2024 defined the overall strategy approach, defined timelines for next steps and agreed on a governance structure to oversee the access strategy and approach.

The strategy focuses on vaccines which have the highest impact on unmet medical needs, where our business model is well suited to manufacture and distribute vaccines. The timeline for the strategy runs to 2028 beginning with defining and taking action on concrete steps in 2025. The overall strategy is anchored with our Executive Management.

License and Manufacturing Agreement

We have in 2024 entered into a License and Manufacturing Agreement for our mpox vaccine with Serum Institute of India (SII). Under the agreement, the companies will undertake a technology transfer of the current manufacturing process for the mpox vaccine to SII to enable supply for the Indian market, for which SII obtains the license to sell and distribute the vaccine. Furthermore, upon the relevant regulatory approvals, the agreement enables SII to perform contract manufacturing of mpox vaccine for Bavarian Nordic which expands the manufacturing capacity, ensuring global access even during outbreaks of mpox.

This partnership will significantly expand our supply capability and will allow us to ensure the access of the vaccine to a region of the world where we currently have no presence.

Engaging with consumers and end-users

We have ongoing engagement with supranational organizations, NGOs, governments and other partners as described in the Action section above. We consider these business partners as credible proxies for the people potentially in need of one of our vaccines. Our Vice President, Commercial, Rest of World is the most senior position within Bavarian Nordic that has the operational responsibility for this type of engagement.

Targets

As one of the three KPIs included in our Sustainability Linked Loan (SLL) credit facility, we have a target to finalize our "Access to vaccines" strategy directed at low- and lower-middle-income countries by the end of 2024. In 2025, we have a target to define quantitative targets and execute these in the following years. The KPI was set in collaboration with key internal functions, including the Corporate Sustainability department, Finance and Commercial, as well as the banks involved in providing the credit facility.

The target for 2024 is completed as our "Access to vaccines" strategy was approved by Executive Management in December 2024. In 2025, we aim to continue with the next steps as defined in our SLL agreement.

IRO

Safety

The safety of vaccine recipients and clinical trial participants is a top priority and is paramount to our business model.

Vaccine development and delivery is a highly regulated area, with a strong regime of inspections and approvals which set high standards for our work, from early research, preclinical development, clinical trials, product approval, and commercial manufacturing through distribution.

Policies

Our commitment to end-user safety is supported through our framework of quality and safety policies and procedures which includes, as applicable:

- Good Clinical Laboratory Practice (GCLP)
- Good Manufacturing Practice (GMP)
- Good Distribution Practice (GDP)
- Good Pharmacovigilance Practice (GVP)
- Applicable ethical standards

We follow the regulatory guidelines from the International Council for Harmonisation (ICH), which provides guidelines on safety, quality, and efficacy topics, the Declaration of Helsinki, Good Clinical Practice (GCP).

Our Quality Management System (QMS) is designed to ensure compliance with applicable legislation, safety requirements, and all Good Practice (GxP) standards across our trials, manufacturing and testing. It aligns with regulatory expectations and industry best practices to maintain the highest quality standards.

The procedures governing our QMS are accessible to all employees and mandatory training is required to ensure full understanding and adherence.

The Senior Vice President of Global Quality serves as the management representative, bearing responsibility for the effective implementation of the QMS. This includes achieving defined quality objectives, clearly establishing and communicating roles and responsibilities, and ensuring the provision of adequate resources and authority throughout the organization

Code of Conduct

The Bavarian Nordic Code of Conduct acknowledges our responsibility to ensure patient safety. We develop and supply innovative, high-quality products, and we require all employees to comply with all relevant laws and regulations governing product quality and safety as well as all requirements for reporting adverse events and product quality complaints.

If our employees become aware of an adverse event or other potential safety issue, they are instructed to report it to the company's pharmacovigilance team.

Engaging with consumers and end-users

Our pharmacovigilance system supports the ongoing collection, assessment, and notification of relevant safety data. We have procedures in place for reporting adverse events, reactions, and/or product quality complaints, and all our employees are trained in the proper handling of information, should they become aware of an adverse event, reactions, or other potential safety issue related to our products.

Our Chief Medical Officer is the most senior position within Bavarian Nordic that has operational responsibility engagement.

Processes for remediation

Efforts to remediate negative impacts for participants in clinical trials are handled internally or through the CRO, to whom we transfer obligations but maintains oversight and assessment through the standard operating procedure for selection and management of vendors for services in the Development department. When an adverse event does occur in connection with a clinical trial, the clinical trial participant is advised by the responsible healthcare professional.

Participants in clinical trials can contact the respective investigators or the CRO. All communications via this channel are addressed through channels established by the investigators, the CRO and in agreement with us, and all such engagements are

treated in accordance with data privacy laws. The effectiveness of this channel for participants is assessed through mandated regulatory quality and compliance procedures.

Vaccine recipients of marketed products who experience adverse effects can raise concerns through a publicly accessible e-mail, and all communications via this channel are addressed through established procedures and treated in accordance with data privacy laws. The effectiveness of this channel for participants is assessed through mandated regulatory quality and compliance procedures.

Actions & targets

When needed, we update our framework of quality and safety policies and procedures to align with changes made by national health regulations.

Internal and external audits are also undertaken to ensure the effectiveness of the framework.

All relevant employees in our organization are required to complete "GxP" refresher trainings every 2 years and when the applicable GxP policies, SOPs or guidance are updated, either as part of regulatory requirements or our own initiatives. All employees in our organization are required to complete training in pharmacovigilance, which is managed in the quality management system.

We have not formalized an external reporting target; however, we do have a Safety Committee, work to continuously evaluate our pharmacovigilance program, require pharmacovigilance training for all employees, and routinely assess the safety of our products to appropriately inform regulatory authorities, healthcare professionals and the general public about both the risks and benefits of our products

IRO

Responsible marketing practices

The pharmaceutical industry is highly regulated regarding product promotion to healthcare professionals (HCPs) and the public. In many countries, prescription-only medicines are not allowed to be promoted to the public. Where it is allowed, we follow high ethical standards.

We have policies, procedures, and systems in place to ensure that our promotion of pharmaceutical products and other communication activities comply with all applicable laws and regulations.

Policies

Our approach to responsible marketing to HCPs and the public is anchored in our Code of Conduct, which is supported by documented processes and procedures for marketing approval in the countries where we operate.

Our documented processes include descriptions of roles and responsibilities for the review and approval of promotional material, disease awareness (lay public educational material), and other relevant communications. We respect all local laws and regulations with regard to our marketing materials. Where appropriate, our processes include Medical Affairs, Commercial, Regulatory Affairs, Legal and Clinical Safety & Pharmacovigilance review, participation or approval. Additionally, we utilize a system of record for all advertising and promotional materials to ensure appropriate review and that approvals have been obtained, to document the approvals and uses of materials, to conduct periodic reviews, for version control, and to expire and cease use of material that is no longer relevant.

These processes include all products for which Bavarian Nordic is a distributor and are designed to ensure that we are operating ethically and in compliance with all local rules.

Code of Conduct

The Bavarian Nordic Code of Conduct is committed to compliance with all applicable legal and regulatory requirements, including promotion of our products.

We communicate to healthcare professionals about our products to help healthcare professionals make the best treatment choice for their patients.

We only promote our products consistent with the regulations of each country, and the product or commercial information that is shared with healthcare professionals and patients is scientifically sound, accurate, balanced, fair, objective and substantiated.

We have policies, procedures, and systems in place to ensure that our promotion of pharmaceutical products and other communication activities, including social media activities, comply with all applicable laws and regulations.

The Code of Conduct applies to all employees, including temporary staff and employees employed on fixed-term contract, to the Executive Management and the Board of Directors. Third parties acting on behalf of Bavarian Nordic must also adhere to the standards of Code of Conduct which is publicly available on our website.

The Code of Conduct was most recently approved by the Board of Directors in December 2024.

Engaging with consumers and end-users

Marketing and engagements with consumers and end-users are highly regulated in the pharmaceutical industry, and we follow and apply required standards and procedures to manage and govern such interactions and engagements. The disclosures throughout this section on consumers and end-users

describe in greater detail how such processes and engagements are managed in relation to impacts.

Processes for remediation

HCPs and members of the public (in countries where direct-to-consumer advertising is permitted) have a range of options to raise concerns about our marketing and promotions activities. These include:

- The Bavarian Nordic Ethics Hotline. See Business Conduct.
- Regulatory authorities such as the U.S. Food and Drug Administration (FDA), Health Canada, the European Medicines Agency and the national competent authorities in each member state where applicable.
- National advertising oversight bodies.

Actions & targets

To ensure understanding of the Code of Conduct, we provide annual training and communication to employees worldwide.

Training on our processes for review and approval of marketing materials is mandatory for those participating in the material creation, review, and approval processes.

In 2024:

- Relevant employees received training on marketing materials review
- Relevant third parties received appropriate training, where applicable
- Employees were trained on the Code of Conduct

We have not developed any formalized targets due to the differences in local promotional regulations and the evolving regulatory landscape. However, we require that the respective materials review committees periodically re-review previously approved marketing materials to ensure that they remain truthful and non-misleading, and to update or cease use of the materials as appropriate.

Governance

Business conduct

G1

Material impacts and risks

IRO

Anti-coruption and corporate culture

As we undergo high growth and rapidly onboard new employees, it is central to maintain a healthy and sound corporate culture and effective collaboration to prevent negative impacts on employees. We establish our corporate culture through business conduct policies, including the Code of Conduct, Anti-Corruption Policy, Third-Party Intermediary Policy, and Speak-Up Policy. These policies establish an obligation to report suspected violations and apply to all employees, Executive Management, the Board of Directors, as well as third parties acting on our behalf.

Functions-at-risk identified in the annual Global Business Ethics Compliance Risk Assessment and their management are trained on the Anti-Corruption Procedure. Ad hoc training is provided as necessary. Trainings include read & understand campaigns, and face-to-face or virtual trainings.

These efforts are key in an industry where interactions with government officials and healthcare professionals are a prerequisite for doing business, as breaches of anti-corruption and anti-bribery laws could result in, litigation, severe fines, and charges. To evaluate our corporate culture, we regularly review and update our policies and training programs, and conduct annual assessments to measure compliance and identify areas for improvement.

Reported violations of the Code of Conduct and applicable laws and regulations are handled according to the Speak-Up Policy. The Ethics Hotline enables confidential and anonymous reporting of suspected violations of the Code of Conduct and applicable laws and regulations. Claims reported to the Ethics Hotline are subject to an initial assurance review by outside counsel and Legal & Compliance which has an independent reporting line to the Board through FRAC. Reports are managed by external counsel or qualified lawyers in Legal & Compliance, data is stored in a secure and restricted system, and quarterly reporting is anonymized to secure the integrity of the process and to protect whistleblowers and those cooperating with investigators.

Policies

The Code of Conduct, Anti-Corruption Policy, and Speak-Up Policy prohibit corruption and bribery and establish an obligation to report suspected violations and apply to all employees, Executive Management, the Board of Directors, and third parties acting on our behalf. The Global Business Ethics Compliance Program includes annual monitoring activities including third parties and Health Care Professionals.

The Ethics Hotline enables confidential and anonymous reporting of suspected violations of the Code

of Conduct and applicable laws and regulations, including corruption and bribery. Claims reported to the Ethics Hotline are subject to an initial assurance review by outside counsel and Legal & Compliance which has an independent reporting line to the Board of Directors through the Finance, Risk & Audit Committee (FRAC). The Global Business Ethics Compliance Committee and FRAC receive anonymized reports on received compliance concerns.

All employees, Executive Management, and the Board receive training on the Code of Conduct, Anti-Corruption Policy, and Speak-Up Policy. All functions-at-risk identified in the annual Global Business Ethics Compliance Risk Assessment and their management are trained on the Anti-Corruption Procedure. Ad hoc training is provided as necessary. Trainings include read & understand campaigns, and face-to-face or virtual trainings.

No incidents of corruption or bribery
During the reporting period there have been no reported incidents of corruption or bribery, no confirmed incidents, no convictions or fines, and no actions taken as a result.

The role of the administrative, management and supervisory bodies

The administrative, management, and supervisory bodies at Bavarian Nordic play a crucial role in providing oversight and management of business conduct matters. The Board of Directors and the Finance, Risk & Audit Committee (FRAC) oversee the Global Business Ethics Compliance Program, ensuring that business conduct aligns with our ethical standards and regulatory requirements. Our Chief Compliance Officer, who reports directly to our CEO and independently to the FRAC, is responsible for implementing the compliance program and heads the Legal & Compliance Function.

Our Executive Management oversee day-to-day operations and ensuring that business conduct policies are effectively implemented across all levels of the organization. They are responsible for embedding ethical practices into our operational processes and ensuring compliance with regulatory standards.

The expertise of these bodies in business conduct matters is extensive. Members of the Executive Management and the Board of Directors bring significant experience in governance, compliance, and ethical business practices. This collective expertise ensures that we adhere to high standards of integrity and transparency in all its activities.

IRO

Animal welfare

We are committed to high standards of animal welfare in our research, development, and batch release testing activities. The use of animals in our studies is a regulatory necessity driven by the need and requirement to develop safe and effective vaccines. Our work with animals is regulated and conducted under stringent guidelines to ensure their levels of well-being.

Preclinical and batch release testing are being performed in our in-house facilities. These activities are governed by a set of internal requirements, policies, standard operating procedures (SOPs), and mandatory national and international guidelines and regulation. We obtain a specific permit related to animal welfare as part of any study. This permit is reviewed by the appropriate authority to ensure that all formal requirements are met and that appropriate technologies and methods are used. We are, for batch-release protocols, exploring the opportunity to replace in vivo potency testing with in vitro potency testing.

Our commitment to animal welfare is reflected in our research and development processes, ensuring that the animals in our care are treated with respect and consideration. Our internal policies relate to animal welfare for research and development activities and batch release testing. Our Vice President, Research is accountable for implementation of the policies.

Policies

To ensure proper conduct in our research activities, we have several policies which are described here in aggregate.

Our animal facility policy covers general aspects such as specific premises, access control, and hygiene, detailing the responsibilities of personnel, biological protection and safety levels, and procedures for entering the facility.

Our policies enforce a daily routine check to ensure proper living conditions for mice, including equipment checks and animal health inspections, with a focus on maintaining welfare in housing conditions.

All procedures are subject to both internal and external approvals to ensure that protocols are adhered to while emphasizing careful handling and proper techniques. This applies to both preclinical studies and tests as part of our batch release procedures – both of which are required from a regulatory perspective

Code of Conduct
Our Code of Conduct acknowledges the ethical and humane treatment of animals required for scientific investigation as our responsibility. We value the 3R-principle (Reduce, Replace & Refine animal testing) and all applicable regulations with internal and external evaluation restricting in vivo testing to the absolute minimum needed to ensure safe and efficacious treatments.

When conducting our preclinical trials, we care for the welfare of animals, and all our animal handling staff is thoroughly trained in best practices and is regularly evaluated to make sure they possess the right competences and understanding of the well-being of animals in our care.

Sustainability statements appendix

Statement on due diligence
ESRS 2 GOV-4 - Appendix table 1

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Datapoints derived from EU legislation

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ESRS 2 GOV-4	Statement on due diligence paragraph 30	●				103
ESRS 2 SBM-1	Involvement in activities related to fossil fuel activities paragraph 40 (d) i	●	●	●		Not material
ESRS 2 SBM-1	Involvement in activities related to chemical production paragraph 40 (d) ii	●		●		Not material
ESRS 2 SBM-1	Involvement in activities related to controversial weapons paragraph 40 (d) iii	●		●		Not material
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ESRS E1-9	Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			●		Phase-in
ESRS E1-9	Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		●			Phase-in
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ESRS E2-4	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	●				Not material
ESRS E3-1	Water and marine resources paragraph 9	●				Not material
ESRS E3-1	Dedicated policy paragraph 13	●				Not material
ESRS E3-1	Sustainable oceans and seas paragraph 14	●				Not material
ESRS E3-4	Total water recycled and reused paragraph 28 (c)	●				Not material

Disclosure requirement	Datapoint	SFDR reference	Pillar reference	Benchmark Regulation reference	EU Climate Law reference	Page number
ESRS E3-4	Total water consumption in m³ per net revenue on own operations paragraph 29	●				Not material
ESRS 2- IRO 1	E4 paragraph 16 (a) i	●				71
ESRS 2- IRO 1	E4 paragraph 16 (b)	●				71
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ESRS E4-2	Sustainable land / agriculture practices or policies paragraph 24 (b)	●				71
ESRS E4-2	Sustainable oceans / seas practices or policies paragraph 24 (c)	●				71
ESRS E4-2	Policies to address deforestation paragraph 24 (d)	●				71
ESRS E5-5	Non-recycled waste paragraph 37 (d)	●				74
ESRS E5-5	Hazardous waste and radioactive waste paragraph 39	●				73
ESRS 2- SBM3 - S1	Risk of incidents of forced labour paragraph 14 (f)	●				81
ESRS S1-1	Human rights policy commitments paragraph 20	●				81
ESRS S1-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			●		81
ESRS S1-1	Processes and measures for preventing trafficking in human beings paragraph 22	●				81
ESRS S1-1	Workplace accident prevention policy or management system paragraph 23	●				87
ESRS S1-3	Grievance/complaints handling mechanisms paragraph 32 (c)	●				82
ESRS S1-14	Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	●		●		88
ESRS S1-14	Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	●				Phase-in
ESRS S1-16	Unadjusted gender pay gap paragraph 97 (a)	●		●		86
ESRS S1-16	Excessive CEO pay ratio paragraph 97 (b)	●				86
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Disclosure requirement	Datapoint	SFDR reference	Pillar reference	Benchmark Regulation reference	EU Climate Law reference	Page number
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ESRS S2-4	Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	●				91
ESRS S3-1	Human rights policy commitments paragraph 16	●				Not material
ESRS S3-1	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	●		●		Not material
ESRS S3-4	Human rights issues and incidents paragraph 36	●				Not material
ESRS S4-1	Policies related to consumers and end-users paragraph 16	●				94
ESRS S4-1	Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	●		●		94
ESRS S4-4	Human rights issues and incidents paragraph 35	●				94
ESRS G1-1	United Nations Convention against Corruption paragraph 10 (b)	●				Not material
ESRS G1-1	Protection of whistle-blowers paragraph 10 (d)	●				Not material
ESRS G1-4	Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a	●		●		102
ESRS G1-4	Standards of anti- corruption and anti- bribery paragraph 24 (b)	●				102

EU Taxonomy — nuclear and fossil gas related activities

	Nuclear energy related activities	Yes/No
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Key terms and abbreviations

The abbreviations and respective definitions apply to the sustainability statement.

- Terms with a single "*" are terms and/or abbreviations which related to our company
- Terms with a double "**" relate to industry specific terms or abbreviations
- All others relate to CSRD and ESRS related abbreviations and terms

CSRD
Corporate Sustainability Reporting Directive is an EU regulation that mandates companies to disclose detailed sustainability information, including environmental, social, and governance impacts, risks, and opportunities.

DMA
Double materiality assessment is a process that evaluates both how sustainability issues impact a company's financial performance and how the company's activities affect the environment and society.

ESRS
European Sustainability Reporting Standards are a set of reporting standards developed under the Corporate Sustainability Reporting Directive. They define the requirements for companies to disclose sustainability-related information, covering environmental, social, and governance factors.

FRAC*
Finance Risk and Audit Committee is a governance body within an organization responsible for overseeing financial reporting, risk management, and audits.

IROs
Impacts, risks, and opportunities refer to the key sustainability-related impacts, risks, and opportunities identified through a double materiality assessment.

Impact
Refers to the positive or negative effects that a company's activities, products, operations have on the environment or society.

Risk
Refers to a potential negative effect that sustainability-related factors may have on a company's financial performance.

Opportunity
Refers to a potential positive effect that sustainability-related factors can have on a company's financial performance.

NFRD
Non-Financial Reporting Directive is an EU regulation that requires large companies to disclose non-financial information related to environmental, social, and governance factors.

Subject matter expert*
Is a professional with knowledge and expertise in a specific field or industry.

Sustainability matter
Refers to any environmental, social, or governance (ESG) issue that is relevant to a company's operations, value chain, or stakeholders. These matters can include topics, sub-topics and sub-sub-topics.

TCFD
Task Force on Climate-related Financial Disclosures is a framework for identifying companies' climate-related financial risks and opportunities.

3R principles**
Reduce, Reuse, Recycle are key guidelines for sustainable waste management aimed at minimizing environmental impact.

CMOs**
Contract Manufacturing Organizations are third-party companies that produce products on behalf of another company.

CROs**
Contract Research Organizations are companies that provide outsourced research services for another company.

EHS*
Environmental, Health and Safety.

ERM*
Enterprise Risk Management is a structured approach used by organizations to identify, assess, manage, and monitor risks that could impact their operations, strategy, and financial performance.

GHG Protocol
The Greenhouse Gas Protocol is the global standard for measuring, managing, and reporting greenhouse gas (GHG) emissions. It provides guidelines and frameworks for organizations to track their carbon footprint and develop strategies for reducing emissions.

GO
Guarantee of Origin is an energy certificate that verifies that a specific amount of electricity was produced from renewable sources.

GxP**
GxP is a general abbreviation for the Good "x" Practice which are quality guidelines and regulations which apply to the pharmaceutical sector (amongst other sectors). The "x" stands for the various fields for example Good Clinical Practice (GCP), Good Manufacturing Practice (GMP), etc.

HCPs**
Healthcare Professionals are individuals who provide medical care, treatment, and health-related services to patients.

IUCN Red List
The International Union for Conservation of Nature Red List is the global indicator on the conservation status of species, assessing their risk of extinction from Least Concern to Extinct. A species classified as Vulnerable faces a high risk of extinction in the wild due to factors like habitat loss, climate change, pollution, or overexploitation, indicating a significant population decline that requires conservation efforts to prevent further deterioration.

MSL**
Medical Science Liaison is a scientific expert who acts as a bridge between pharmaceutical or biotech companies and healthcare professionals.

NACE code
Nomenclature of Economic Activities is a European industry classification system used to categorize businesses based on their economic activities. It is used for statistical, regulatory, and administrative purposes within the EU.

PPA*
Power Purchase Agreement is a long-term contract between an energy producer and a buyer. It defines the terms for purchasing electricity.

PSCI**
Pharmaceutical Supply Chain Initiative is a non-profit industry organization focused on promoting responsible supply chain management in the pharmaceutical and healthcare industries.

SBT*
Science-Based Target is a specific, measurable emissions reduction target set by a company to align with climate science and the goals of the Paris Agreement.

SBTi
Science Based Targets initiative is an independent organization that provides guidance, validation, and certification for companies setting Science-Based Targets to ensure they meet credible climate science criteria.

SLL*
Sustainability-Linked Loan is a type of loan where the interest rate and terms are tied to the borrower's sustainability performance.

SSP
Shared Socioeconomic Pathways are scenarios used in climate research to describe possible future global developments based on different economic, social, and environmental trends.

UN Global Compact or UNGC *
The UN Global Compact is a United Nations initiative that encourages businesses worldwide to adopt sustainable and socially responsible practices. It is based on ten principles covering human rights, labor, environment, and anti-corruption, helping companies align their strategies with global sustainability goals. It also supports the UN Sustainable Development Goals (SDGs), which are 17 global objectives designed to address climate change, poverty, inequality, and environmental protection by 2030.

Financial statements

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Financial statements

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Consolidated income statement

For the years ended December 31, 2024 and 2023

DKK thousand	Note	2024	2023
Revenue	3	5,716,206	7,062,340
Production costs	4,8,9	2,897,448	2,459,294
Gross profit		**2,818,758**	**4,603,046**
Sales and distribution costs	5,8	500,336	331,579
Research and development costs	6,8,9	862,510	2,228,080
Administrative costs	7,8,9,10	516,142	540,848
Total operating costs		**1,878,988**	**3,100,507**
Income before interest and tax (EBIT)		**939,770**	**1,502,539**
Financial income	11	150,065	112,784
Financial expenses	12	118,478	132,380
Income before company tax		**971,357**	**1,482,943**
Tax on income for the year	13	(16,620)	7,754
Net result for the year		**987,977**	**1,475,189**
Earnings per share (EPS) - DKK			
Basic earnings per share of DKK 10	14	12.6	19.2
Diluted earnings per share of DKK 10	14	12.6	19.2

Consolidated statement of comprehensive income

For the years ended December 31, 2024 and 2023

DKK thousand	Note	2024	2023
Net result for the year		**987,977**	**1,475,189**
Other comprehensive income			
Remeasurements of defined benefit plans	26	(17,390)	(32,555)
Income tax	13	4,171	4,505
Items that will not be reclassified to the income statement		**(13,219)**	**(28,050)**
Recycled to financial items		(45,887)	(31,894)
Change in fair value of financial instruments entered into to hedge future cash flows		(29,203)	45,887
Exchange rate adjustments on translating foreign operations		(8,927)	34,489
Items that will be reclassified to the income statement		**(84,017)**	**48,482**
Other comprehensive income after tax		**(97,236)**	**20,432**
Total comprehensive income for the year		**890,741**	**1,495,621**

Consolidated statement of cash flow

For the years ended December 31, 2024 and 2023

DKK thousand	Note	2024	2023
Net result for the year		**987,977**	**1,475,189**
Adjustment for non-cash items:			
Financial income	11	(150,065)	(112,784)
Financial expenses	12	118,478	132,380
Tax on income for the year		(16,620)	7,754
Depreciation, amortization and impairment	9	663,375	1,111,504
Share-based payment	29	78,672	55,477
Changes in inventories		(683,573)	(599,015)
Changes in receivables		617,864	(1,345,427)
Changes in provisions		19,636	24,744
Changes in current liabilities		222,987	368,739
Cash flow from operations (operating activities)		**1,858,731**	**1,118,561**
Received financial income		141,146	63,260
Paid financial expenses		(32,188)	(52,412)
Paid company taxes		(17,857)	(10,203)
Cash flow from operating activities		**1,949,832**	**1,119,206**

DKK thousand	Note	2024	2023
Investments in product rights	15,24	(1,586,633)	(298,117)
Investments in other intangible assets	15	(18,343)	(536,763)
Investments in property, plant and equipment	16	(82,661)	(142,525)
Cash used for acquisition of businesses	30	-	(1,831,573)
Investments in financial assets		(29,766)	(38,706)
Investments in securities		(1,448,447)	(10,834)
Disposal of securities		1,294,987	1,912,954
Cash flow from investment activities		**(1,870,863)**	**(945,564)**
Payment on loans	25	(1,921)	(1,105,545)
Proceeds from loans	25	-	240,000
Repayment of lease liabilities	25	(41,639)	(34,270)
Proceeds from warrant programs exercised		126,794	45,517
Proceeds from capital increase		-	1,641,913
Costs related to issue of new shares		-	(42,795)
Purchase of treasury shares		(27,459)	(8,988)
Cash flow from financing activities		**55,775**	**735,832**
Cash flow of the year		**134,744**	**909,474**
Cash and cash equivalents as of January 1		1,477,234	575,407
Currency adjustments		11,512	(7,647)
Cash and cash equivalents as of December 31		**1,623,490**	**1,477,234**

Consolidated statement of financial position – Assets

December 31, 2024 and 2023

DKK thousand	Note	2024	2023
Non-current assets			
Product rights		4,660,426	4,791,442
Acquired rights and development in progress		1,286,782	1,286,749
Developed production processes		343,619	-
Software		21,371	12,443
Intangible assets in progress		18,694	391,102
Intangible assets	15	**6,330,892**	**6,481,736**
Land and buildings		939,006	987,013
Leasehold improvements		18,316	25,047
Plant and machinery		417,210	412,674
Fixtures and fittings, other plant and equipment		626,376	696,060
Assets under construction		159,660	206,721
Property, plant and equipment	16	**2,160,568**	**2,327,515**
Right-of-use assets	17	**81,899**	**125,170**
Other receivables	20	9,086	11,185
Prepayments	21	36,421	4,556
Financial assets		**45,507**	**15,741**
Total non-current assets		**8,618,866**	**8,950,162**

DKK thousand	Note	2024	2023
Current assets			
Inventories	18	**2,327,309**	**1,643,736**
Trade receivables	19	1,175,744	1,778,104
Tax receivables		928	84
Other receivables	20	43,665	95,136
Prepayments	21	64,324	18,510
Receivables		**1,284,661**	**1,891,834**
Securities	23	551,538	390,247
Cash and cash equivalents		1,623,490	1,477,234
Securities, cash and cash equivalents		**2,175,028**	**1,867,481**
Total current assets		**5,786,998**	**5,403,051**
Total assets		**14,405,864**	**14,353,213**

Consolidated statement of financial position – Equity and liabilities

December 31, 2024 and 2023

DKK thousand	Note	2024	2023
Equity			
Share capital		788,548	780,978
Treasury shares		(2,843)	(1,537)
Retained earnings		10,434,197	9,330,002
Other reserves		188,659	230,489
Equity		**11,408,561**	**10,339,932**
Liabilities			
Deferred consideration	24	-	1,016,856
Debt to credit institutions	25	13,053	15,135
Retirement benefit obligations	26	113,589	80,732
Deferred tax liabilites	13	-	29,068
Lease liabilities	27	73,653	83,621
Non-current liabilities		**200,295**	**1,225,412**
Deferred consideration	24	1,081,465	1,360,133
Debt to credit institutions	25	2,074	1,913
Lease liabilities	27	39,470	44,633
Prepayment from customers	28	131,408	-
Trade payables		1,045,134	954,142
Company tax		-	7,205
Other liabilities	22	497,457	419,843
Current liabilities		**2,797,008**	**2,787,869**
Total liabilities		**2,997,303**	**4,013,281**
Total equity and liabilities		**14,405,864**	**14,353,213**

Consolidated statement of changes in equity

December 31, 2024

DKK thousand	Share capital	Treasury shares	Retained earnings	Reserves for currency adjustment	Reserves for cash flow hedge	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 year							
Net result for the year	-	-	987,977	-	-	-	987,977
Other comprehensive income	-	-	(13,219)	(8,927)	(75,090)	-	(97,236)
Total comprehensive income for the year	**-**	**-**	**974,758**	**(8,927)**	**(75,090)**	**-**	**890,741**
Transactions with owners							
Share-based payment	-	-	-	-	-	78,665	78,665
Warrant programs exercised	7,570	-	147,806	-	-	(28,582)	126,794
Warrant programs expired	-	-	474	-	-	(474)	-
Costs related to issue of new shares	-	-	(112)	-	-	-	(112)
Purchase of treasury shares	-	(1,623)	(25,836)	-	-	-	(27,459)
Transfer regarding restricted stock units	-	317	7,105	-	-	(7,422)	-
Total transactions with owners	**7,570**	**(1,306)**	**129,437**	**-**	**-**	**42,187**	**177,888**
Equity as of December 31, 2024	**788,548**	**(2,843)**	**10,434,197**	**2,005**	**(29,203)**	**215,857**	**11,408,561**

The share capital comprises a total of 78,854,857 shares of DKK 10 as of December 31, 2024 (78,097,834 shares). The shares are not divided into share classes, and each share carries one vote.

Treasury shares
In May 2024, the Board of Directors decided to launch a share buy-back program, under which the Company bought back 162,288 of its own shares (43,954 shares in 2023). The purpose of the share buy-back program was to meet the Company's obligations arising from the share-based incentive program for the Executive Management and the Board of Directors. Under the share-based incentive program, payment of half of the achieved bonus for 2023 for members of the Executive Management are converted to restricted stock units for a value corresponding to half of the achieved bonus. As part of the long-term incentives Executive Management are also granted performance restricted stock units. The restricted stock units will be released to the Executive Management 3 years after grant. This to further increase the long-term shared interests between the Executive Management and the Company's shareholders. The Board of Directors is granted restricted stock units corresponding to 50% of the annual fee (excl. committee fee). The vesting period for those restricted stock units is also 3 years.

Treasury shares represent 0.36% (0.16%) of the total share capital.

For further information about share based payment see note 29.

Consolidated statement of changes in equity

December 31, 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, 2023	**707,354**	**(1,463)**	**6,300,575**	**(23,557)**	**31,894**	**135,184**	**7,149,987**
Comprehensive income for the year							
Net result for the year	-	-	1,475,189	-	-	-	1,475,189
Other comprehensive income	-	-	(28,050)	34,489	13,993	-	20,432
Total comprehensive income for the year	**-**	**-**	**1,447,139**	**34,489**	**13,993**	**-**	**1,495,621**
Transactions with owners							
Share-based payment	-	-	-	-	-	58,677	58,677
Warrant programs exercised	3,156	-	54,856	-	-	(12,495)	45,517
Warrant programs expired	-	-	1,276	-	-	(1,276)	-
Capital increase through private placement	70,468	-	1,571,445	-	-	-	1,641,913
Costs related to issue of new shares	-	-	(42,795)	-	-	-	(42,795)
Purchase of treasury shares	-	(440)	(8,548)	-	-	-	(8,988)
Transfer regarding restricted stock units	-	366	6,054	-	-	(6,420)	-
Total transactions with owners	**73,624**	**(74)**	**1,582,288**	**-**	**-**	**38,486**	**1,694,324**
Equity as of December 31, 2023	**780,978**	**(1,537)**	**9,330,002**	**10,932**	**45,887**	**173,670**	**10,339,932**

Transactions on the share capital

DKK thousand	2024	2023	2022	2021	2020
Share capital as of January 1	780,978	707,354	704,684	584,501	323,891
Issue of new shares	7,570	73,624	2,670	120,183	260,610
Share capital as of December 31	**788,548**	**780,978**	**707,354**	**704,684**	**584,501**

The share capital comprises a total of 78,097,834 shares of DKK 10 as of December 31, 2023 (70,735,376 shares). The shares are not divided into share classes, and each share carries one vote.

Rules on changing Articles of Association
Changing the Articles of Association requires that the resolution passes by at least 2/3 of the votes as well as 2/3 of the voting capital represented.

Note 1

Material accounting policies

Basis of preparation
The consolidated financial statements for Bavarian Nordic have been prepared in accordance with the IFRS Accounting Standards class D as adopted by the EU and Danish disclosure requirements for the consolidated financial statements of listed companies. Danish disclosure requirements for the presentation of consolidated financial statements are imposed by the Statutory Order on Adoption of the IFRS Accounting Standards issued under the Danish Financial Statements Act.

The accounting policies are unchanged from last year except for changes due to implementation of new and revised standards that were effective January 1, 2024.

The consolidated financial statements are presented in Danish kroner (DKK), which is the functional currency of the parent company.

The consolidated financial statements are presented on a historical cost basis, apart from derivative financial instruments, securities and liability relating to phantom shares, which are measured at fair value.

The accounting policies have been consistently applied for the financial year and for the comparative figures except for implementation of new standards and amendments, see further below.

In the narrative sections of the consolidated financial statements comparative figures for 2023 are shown in brackets.

Implementation of new and revised standards and interpretations
Management has assessed the impact of new or amended and revised accounting standards and interpretations issued by the IASB and the IFRS Accounting Standards endorsed by the European Union effective on or after January 1, 2024. It is assessed that application of amendments effective from January 1, 2024 has not had a material impact on the consolidated financial statements for 2024. Furthermore, Management does not anticipate any significant impact on future periods from the adoption of these amendments.

Standards and interpretations not yet in force
At the date of publication of the consolidated financial statements, a number of new and amended standards and interpretations have not yet entered into force or have not yet been adopted by the EU. Therefore, they are not incorporated in the consolidated financial statements.

None of the new or amended standards and interpretations are expected to have a material impact on the consolidated financial statements.

Applying materiality
The consolidated financial statements are a result of processing large numbers of transactions and aggregating those transactions into classes according to their nature or function. The transactions are presented in classes of similar items in the consolidated financial statements. If a line item is not individually material, it is aggregated with other items of a similar nature in the consolidated financial statements or in the notes.

The specific disclosures required by the IFRS Accounting Standards are provided in the Consolidated Financial Statements unless the information is considered immaterial to the users of the financial statements.

Accounting policies
The accounting policies for specific line items are described in the notes to the financial statements. Set out below is a description of the accounting policies for the basis of consolidation, foreign currency translation and the cash flow statement.

Recognition and measurement
Income is recognized in the income statement when generated. Assets and liabilities are recognized in the balance sheet when it is probable that any future economic benefit will flow to or from the Group and the value can be reliably measured. On initial recognition, assets and liabilities are measured at cost, except for financial instruments, which are measured at fair value. Subsequently, assets and liabilities are measured as described in the description of the accounting policies in the respective notes to the financial statements.

Basis of consolidation
The consolidated financial statements include Bavarian Nordic A/S and the subsidiaries in which the Group holds more than 50% of the voting rights or otherwise has control.

Principles of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of the parent company and the individual subsidiaries, and these are prepared in accordance with the Group's accounting policies and for the same accounting period.

Intra-group income and expenses together with all intra-group profits, receivables and payables are eliminated on consolidation. In the preparation of the consolidated financial statements, the book value of shares in subsidiaries held by the parent company is set off against the equity of the subsidiaries.

Foreign currency translation
On initial recognition, transactions denominated in currencies other than the Group's functional currency are translated at the exchange rate ruling at the transaction date.

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date.

Exchange differences between the exchange rate at the date of the transaction and the exchange rate at the date of payment or the balance sheet date, respectively, are recognized in the income statement under financials. Property, plant and equipment and intangible assets, inventories and other nonmonetary assets acquired in foreign currency and measured based on historical cost are translated at the exchange rates at the transaction date.

On recognition in the consolidated financial statements of subsidiaries whose financial statements are presented in a functional currency other than Danish

Note 1

Material accounting policies *(continued)*

kroner (DKK), the income statements are translated at the average exchange rates of the respective months.

Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange differences arising on the translation of foreign subsidiaries' opening balance sheet items to the exchange rates at the balance sheet date and on the translation of the income statements from average exchange rates of the respective months to exchange rates at the balance sheet date are recognized as other comprehensive income.

Segment reporting
The Group does not prepare segment reporting internally and therefore only reports one operating segment externally.

Geographic spilt of revenue and revenue from major customers is disclosed in note 3 to the consolidated financial statements. Geographic location of noncurrent assets is disclosed in note 15 and 16 to the consolidated financial statements.

Cash flow statement
The cash flow statement is prepared in accordance with the indirect method on the basis of the Group's net result for the year. The statement shows the Group's cash flows broken down into operating, investing and financing activities, cash and cash equivalents at year end and the impact of the calculated cash flows on the Group's cash and cash equivalents.

Cash flows in foreign currencies are translated into Danish kroner (DKK) at the exchange rate on the transaction date.

In the cash flows from operating activities, net profit for the year is adjusted for non-cash operating items and changes in working capital.

Cash flows from investing activities include cash flows from the purchase and sale of intangible assets, property, plant and equipment, investments and securities. Cash flows from financing activities include cash flows from the raising and payment of loans and capital increases.

Additionally, cash flows from assets held under finance leases are recognized by way of lease payments made.

Reporting under the ESEF Regulation
The Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) requires the use of a particular electronic reporting format for annual reports of listed companies in the EU. More specifically, the ESEF Regulation requires the annual report to be prepared in XHTML format with iXBRL tagging of the consolidated financial statements including notes.

The Company's iXBRL tagging has been made using the ESEF taxonomy disclosed in the annexes to the ESEF Regulation and developed based on the IFRS Accounting Standards taxonomy published by the IFRS Foundation.

The line items in the consolidated financial statements are XBRL-tagged to the elements of the ESEF taxonomy that are considered to match the content of those line items. For line items not considered to be covered by line items defined in the taxonomy, entity-specific extensions to the taxonomy have been incorporated. Except for subtotals, these extensions are anchored to standard elements of the ESEF taxonomy.

Consistently with the requirements of the ESEF Regulation, the annual report approved by Management is comprised of a ZIP file bava-2024-12-31-en.zip, which includes an XHTML file that may be opened using standard web browsers, and a number of technical XBRL files enabling mechanical retrieval of the XBRL data incorporated.

Net asset value per share:

$$\frac{\text{Equity}}{\text{Number of shares at year-end}}$$

Share price/Net asset value per share:

$$\frac{\text{Market price per share}}{\text{Net asset value per share}}$$

Equity share, %:

$$\frac{\text{Equity} \times 100}{\text{Total assets}}$$

Earnings per share and diluted earnings per share are calculated in accordance with IAS 33 "Earnings per share" and specified in note 14.

Note 2

Key accounting estimates and judgments

Key accounting estimates

In the preparation of the consolidated financial statements, Management makes a number of accounting estimates and judgements, which form the basis for the presentation, recognition and measurement of the Group's assets and liabilities.

The recognition and measurement of assets and liabilities often depend on future events that are somewhat uncertain. In that connection, it is necessary to assume a course of events that reflects Management's assessment of the most probable course of events.

The key accounting estimates and judgements identified are those that have a significant risk of resulting in a material adjustment to the measurement of assets and liabilities in the following reporting period.

Management bases its estimates and judgements on historical experience and various other assumptions that are held to be reasonable under the circumstances. The underlying assumptions are reviewed on an ongoing basis. If necessary, changes are recognised in the period in which the estimate and judgement are revised. Management considers the key accounting estimates and judgements to be reasonable and appropriate based on currently available information. The actual amounts may differ as more detailed information becomes available.

Management has made the following accounting estimates and judgements which significantly affect the amounts recognized in the consolidated financial statements:"

Accounting policy	Key accounting estimates and judgments	Note
Revenue	Estimate of US sales deductions and provisions for sales rebates	3
Intangible assets	Estimate regarding impairment of assets; assessment whether future sales and development milestones have become probably; assessment whether development costs should be expensed or capitalized	15
Inventories	Estimate of indirect production costs capitalized and inventory write-down	18

Note 3

Revenue

Accounting policies

Sale of goods

Revenue from sale of goods is recognized when Bavarian Nordic has transferred control of products sold to the buyer and it is probable that Bavarian Nordic will collect the consideration to which it is entitled for transferring the products. Control of the products is transferred at a point in time, typically on delivery. The amount of sales to be recognized is based on the consideration Bavarian Nordic expects to receive in exchange for its goods. When sales are recognized, Bavarian Nordic also records estimates for a variety of sales deductions, including product returns as well as rebates and discounts to government agencies, wholesalers, health insurance companies, managed healthcare organizations and retail customers. These sales deductions are recognized as "Gross to net deduction" under other liabilities. Revenue is measured net of value added tax, duties, etc. collected on behalf of a third party.

Where contracts contain customer acceptance criteria, Bavarian Nordic recognizes sales when the acceptance criteria are satisfied.

The pricing mechanisms in the US market and the different kind of rebates are described below.

Pricing mechanisms in the US market

In the US, sales rebates are paid in connection with government and commercial programmes. Key customers in the US include private payers, Group Purchasing Organizations (GPOs) and government payers. GPOs play a role in negotiating price concessions with drug manufacturers for the commercial channels, and determine which drugs are offered as preferred options on their drug lists.

US Medicaid & Medicare rebates

Medicaid & Medicare are government insurance programmes. Medicaid and Medicare rebates have been estimated using a combination of historical experience, product and population growth, price increases, and the impact of contracting strategies. The calculation also involves interpretation of relevant regulations that are subject to changes in interpretative guidance from government authorities. Bavarian Nordic adjusts the provision periodically to reflect actual sales performance.

Wholesaler charge-backs

Wholesaler charge-backs relate to contractual arrangements between Bavarian Nordic and indirect customers whereby products are sold at contract prices lower than the list price originally charged to wholesalers. A wholesaler charge-back represents the difference between the invoice price to the wholesaler and the indirect customer's contract price. Accruals are calculated for estimated charge-backs using a combination of factors such as historical experience, current wholesaler inventory levels, contract terms and the value of claims received but not yet processed.

Other discounts and sales returns

Other discounts are provided to wholesalers, hospitals, pharmacies, etc. They are usually linked to sales volume or provided as cash discounts. Accruals are

Note 3

Revenue *(continued)*

Accounting policies *(continued)*

calculated based on historical data and recorded as a reduction in gross sales at the time the related sales are recorded. Sales returns are related to damaged or expired products.

Sale of services and licenses
Furthermore, revenue comprises the fair value of the consideration received or receivable for income derived from development services where revenue is measured at the expected net sales price.

Sales of licences that transfer the rights associated with ownership of intellectual property are recognized at a point in time when control is transferred. Revenue from development services and licences that do not transfer the right of ownership to intellectual property are recognized over time in line with the execution and delivery of the work.

Agreements with commercial partners generally include non-refundable upfront license and collaboration fees, milestone payments, the receipt of which is dependent upon the achievement of certain clinical, regulatory or commercial milestones, as well as royalties on product sales of licensed products, if and when such product sales occur, and revenue from the supply of products. For these agreements that include multiple elements, total contract consideration is attributed to separately identifiable components on a reliable basis that reasonably reflects the selling prices that might be expected to be achieved in stand-alone transactions provided that each component has value to the partner on a stand-alone basis. The allocated consideration is recognized as revenue in accordance with the principles described above.

Key accounting estimates

Provisions for sales deductions
Sales discounts and rebates are predominantly issued in the US in connection with the US Federal and State Government Healthcare programs, namely Medicare and Medicaid, and commercial rebates.

The estimate of sales discounts and rebates is based on a calculation which includes a combination of historical utilization data, combined with expectations in relation to the development in sales and utilization. Furthermore, specific circumstances regarding the different programs are considered. The obligations concerning sales discounts and rebates are incurred at the time the sale is recorded. However, the actual discount or rebate related to a specific sale may be invoiced later.

Bavarian Nordic considers the provisions established for sales discounts and rebates to be reasonable and appropriate based on currently available information. However, the actual amount of discounts and rebates may differ from the amounts estimated as more detailed information becomes available.

Partner contracts
Whether a component of a multiple element contract has value to the partner on a stand-alone basis is based on an assessment of specific facts and circumstances and is associated with judgement. This applies also to the assessment of whether a license transfers rights associated with ownership of an intangible asset. Furthermore, allocation of the total consideration of a contract to separately identifiable components requires considerable estimates and judgement to be made by Management. At inception and throughout the life of a contract Management is performing an analysis of the agreement with its partners based on available facts and circumstances at each assessment date such as historical experience and knowledge from the market to the extent obtainable. This includes also an understanding of the purpose of the deliverables under the contract and the negotiation taken place prior to concluding the contract.

Note 3

Revenue *(continued)*

DKK thousand	2024	2023
Travel health		
Rabipur/RabAvert	1,352,461	1,161,162
Encepur	497,130	416,756
Vivotif	179,212	118,885
Vaxchora	64,153	23,736
Other product sale	193,629	156,533
	2,286,585	**1,877,072**
Public preparedness		
Mpox/smallpox vaccine sale	3,206,186	5,027,001
Sale of goods	**5,492,771**	**6,904,073**
Contract work	223,435	158,267
Sale of services	**223,435**	**158,267**
Revenue	**5,716,206**	**7,062,340**
Total revenue includes:		
Fair value adjustment concerning financial instruments entered into to hedge revenue	5,486	5,016

Other product sale consists of the following:
- Sale of Dukoral and Ixiaro licensed from Valneva
- Sale of Heplisav licensed from Dynavax

DKK thousand	2024	2023
Geographic split of revenue:		
USA	2,702,900	2,577,081
Germany	972,759	714,136
Canada	493,208	1,556,039
France	268,766	740,256
Saudi Arabia	265,730	4,839
Belgium	218,193	-
Singapore	124,649	42,041
Finland	98,467	15,720
Netherlands	69,793	39,325
Switzerland	52,591	107,738
Sweden	49,805	71,966
Taiwan	40,046	53,796
Spain	-	429,664
Australia	-	338,076
Other geographic markets	359,299	371,663
Revenue	**5,716,206**	**7,062,340**

In 2024 revenue achieved on the Danish market amounted to DKK 28.1 million (DKK 18.9 million).

In 2024 the following customers represented more than 10% of total revenue:
- Biomedical Advanced Research and Development Authority (BARDA), USA, DKK 1,328.5 million.

In 2023 the following customers represented more than 10% of total revenue:
- Biomedical Advanced Research and Development Authority (BARDA), USA, DKK 1,708.3 million.
- Health Canada/PHAC, Department of Health, Canada, DKK 1,534.8 million.
- Agence nationale de santé publique FR, France, DKK 729.9 million.

Note 3

Revenue *(continued)*

Accounting for contract with Biomedical Advanced Research and Development Authority (BARDA)
When drug substance batches are invoiced to BARDA the batches remain in the Company's physical possession until filling as final product. The filling takes place either at the Company's facility in Kvistgaard or at CMO's (a bill-and-hold arrangement). Revenue is recognized once the batches are releasable according to contract with BARDA.

Payment is due within 30 days after invoicing.

Note 4

Production costs

Accounting policies

Production costs consist of costs incurred in generating the revenue for the year. Costs for raw materials, consumables, production staff and a proportion of production overheads, including maintenance, amortization, depreciation and impairment of intangible and tangible assets used in production as well as operation, administration and management of the production facility are recognized as production costs. Amortization of acquired product rights are recognized as production costs. In addition, the costs related to idle capacity and write-down to net realisable value of goods on stock are recognized.

DKK thousand	2024	2023
Cost of goods sold	1,580,276	1,608,263
Contract costs	152,267	126,877
Other production costs	847,456	426,125
Amortization of product rights	317,449	298,029
Production costs	**2,897,448**	**2,459,294**

Other production costs primarily consist of un-allocated costs, including the cost of idle manufacturing capacity and cost of unsuccessful production runs, plus write-downs.

Net write-downs reflect write down of products and material capitalized as inventory and amounted to DKK 141.3 million. The amount is primarily explained by write-down of MVA-BN batches failing final tests. See note 18.

The remaining part of Other production costs was impacted by factors like water damage at the Kvistgaard site, cost of switching campaigns due to the tech-transfer program, full-year effect of the Bern site and later than expected ramping up for chikungunya manufacturing.

The product rights to Rabipur/RabAvert and Encepur were amortized with DKK 278.9 million (DKK 272.9 million). The product rights for Vivotif and Vaxchora were amortized with DKK 38.5 million (DKK 25.1 million).

Note 5

Sales and distribution costs

Accounting policies

Sales and distribution costs comprise costs incurred for the sale and distribution of products sold during the year. This includes costs incurred for sales campaigns, training and administration of the sales force and for direct distribution, marketing and promotion. Also included are salaries and other costs for the sales, distribution and marketing functions, loss allowance for expected credit losses, amortization, depreciation and other indirect costs.

Note 6

Research and development costs

Accounting policies

Research and development costs include salaries and costs directly attributable to the Group's research and development projects, less government grants. Furthermore, salaries and costs supporting direct research and development, including costs of patents, rent, leasing and depreciation attributable to laboratories, and external scientific consultancy services, are recognized under research and development costs. No indirect or general overhead costs that are not directly attributable to research and development activities are included in the disclosure of research and development expenses recognized in the income statement.

Research costs are expensed in the year they occur.

Development costs are generally expensed in the year they occur. In line with industry custom, capitalization of development costs does not begin until it is deemed realistic that the product can be completed and marketed and it is highly likely that a marketing authorization will be received. In addition, there must be sufficient certainty that the future earnings to the Group will cover not only production costs, direct distribution and administrative costs, but also the development costs.

Contract research and development costs incurred to achieve revenue are included in "Research and development costs incurred this year" in the table and then transferred under "Contract costs recognized as production costs" to be recognized as production costs.

Grants that compensate the Group for research and development expenses incurred, which are recognized directly in the income statement, are set off against the costs of research and development at the time when a final and binding right to the grant has been obtained.

Note 6

Research and development costs *(continued)*

DKK thousand	2024	2023
Research and development costs incurred this year	1,014,777	1,797,274
Of which:		
Contract costs recognized as production costs (note 4)	(152,267)	(126,877)
Impairment loss of ABNCoV2 development program	-	557,683
Research and development costs recognized in the income statement	**862,510**	**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**

San Diego site
In December 2024, Bavarian Nordic made the strategic decision to close its San Diego site. This decision was driven by the need to streamline operations and optimize resources. The closure of the San Diego site resulted in a one-time restructuring cost of DKK 80 million, which has been included in the research and development expenses for the year.

ABNCoV2 development program 2023
Following the Phase 3 results announced in August 2023, where ABNCoV2 demonstrated a reduced level of neutralizing antibodies against a circulating variant, the asset no longer represented a commercial opportunity for Bavarian Nordic as the regulators, EMA and FDA, could not accept a submission for licensure. Therefore Management decided to fully write-down all assets and liabilities related to the development program. The net write-down amounted to DKK 558 million and was recognized as an impairment loss and included as part of the research and development costs.

See note 31 for a summarized income statement and a summarized financial position showing how the write-down has impacted the Annual Report.

Note 7

Administrative costs

Accounting policies
Administrative costs include costs of Group Management, staff functions, administrative personnel, office costs, rent, short-term lease payments and depreciation not relating specifically to production, research and development or sales and distribution.

Note 8

Staff costs

DKK thousand	2024	2023
Wages and salaries	1,327,419	1,026,464
Contribution based pension	116,171	68,051
Social security expenses	76,057	52,640
Other staff expenses	88,440	68,262
Share-based payment, see specification in note 30	78,672	55,477
Staff costs	**1,686,759**	**1,270,894**
Staff expenses are distributed as follows:		
Production costs	793,584	545,968
Sales and distribution costs	220,433	148,016
Research and development costs	391,617	333,548
Administrative costs	281,125	209,564
Capitalized salaries	-	33,798
Staff costs	**1,686,759**	**1,270,894**
Average number of employees converted to full-time	1,529	1,255
Number of employees as of December 31 converted to full-time	1,611	1,379

The Group has mainly defined contribution plans and pays regular fixed contributions to independent pension funds and insurance companies.

DKK thousand	2024	2023
Staff costs include the following costs:		
Board of Directors:		
Remuneration	6,490	6,345
Share-based payment	2,070	2,070
Remuneration to Board of Directors	**8,560**	**8,415**
Executive Management:		
Salary	13,227	11,330
Paid bonus	9,884	2,484
Other employee benefits	797	705
Contribution based pension	1,832	1,574
Share-based payment	17,100	13,443
Corporate Management	**42,840**	**29,536**
Salary	11,588	12,622
Paid bonus	4,850	2,639
Other employee benefits	1,332	1,471
Contribution based pension	1,877	2,228
Share-based payment	15,538	11,999
Salary and benefits in notice period	19,966	-
Other Executive Management	**55,151**	**30,959**
Remuneration to Executive Management	**97,991**	**60,495**
Total management remuneration	**106,551**	**68,910**

Note 8

Staff costs *(continued)*

CEO and President of the Company Paul Chaplin and CFO Henrik Juuel constitute the Corporate Management in the Parent Company.

COO Russell Thirsk, CPO Anu Kerns, CCO JC May constitute the Other Executive Management. CMO Laurence De Moerlooze resigned in May 2024 and CPO Anu Kerns will resign beginning of 2025. Salary and benefits in the notice period have been accrued.

Restricted stock units
In March 2024 Corporate Management was granted 27,873 restricted stock units (excl. matching shares) (10,927 restricted stock units) at a value of DKK 4.6 million (DKK 2.5 million) at grant. Other Executive Management was granted 30,161 restricted stock units (excl. matching shares) (11,502 restricted stock units) corresponding to a value of DKK 4.9 million (DKK 2.6 million) at grant.

In December 2024 Corporate Management was granted 31,919 (32,028) performance restricted stock units at a value of DKK 6.2 million (DKK 5.3 million) at grant. Other Executive Management was granted 14,781 (29,574) performance restricted stock units at a value of DKK 2.9 million (DKK 4.9 million) at grant.

In April 2024, the members of the Board of Directors were granted in total 13,637 restricted stock units (10,644 restricted stock units) corresponding to 50% of their fixed fee amounting to DKK 2.1 million (DKK 2.1 million).

For further description of restricted stock units see note 29.

Warrants
In December 2023 Corporate Management was granted 80,839 warrants (83,921 warrants) with a fair value of DKK 6.2 million (DKK 5.3 million). Other Executive Management was granted 37,435 warrants (77,491 warrants) with a fair value of DKK 2.9 million (DKK 4.9 million).

Fair value calculated based on Black-Scholes, cf. note 29.

Incentive programs for the Executive Management and other employees are disclosed in note 29.

Members of the Executive Management have contracts of employment containing standard terms for members of the Executive Management of Danish listed companies, including the periods of notice that both parties are required to give and competition clauses. If a contract of employment of a member of the Executive Management is terminated by the Company without misconduct on the part of such member, the member of the Executive Management is entitled to compensation, which, depending on the circumstances, may amount to a maximum of 8-18 months' remuneration. In the event of a change of control the compensation may amount to 24 months' remuneration.

Note 9

Depreciation, amortization and impairment losses

DKK thousand	2024	2023
Depreciation and amortization included in:		
Production costs	545,901	477,544
Sales and distribution costs	80	181
Research and development costs	20,424	19,631
Administrative costs	58,495	56,465
Depreciation and amortization	**624,900**	**553,821**
Hereof loss from disposed fixed assets	2,526	704
Impairment losses included in:		
Research and development costs	38,475	557,683
Impairment losses	**38,475**	**557,683**

The product rights to Rabipur/RabAvert and Encepur are amortized over 20 years with an amortization of DKK 278.9 million for 2024. The product rights were acquired from GSK as per December 31, 2019.
The product rights for Vivotif and Vaxchora are amortized over 10-20 years, starting from the acquisition date May 15, 2023. The amortization amounted to DKK 38.5 million in 2024. The product rights were acquired from Emergent BioSolutions May 15, 2023.

Amortization of product rights is recognized as part of cost of goods sold under production costs.

See further description in note 15.

The impairment losses included in reaserch and development cost of 38.5 million for 2024 relates to the impairment of the right of use asset relating to the San Diego lease, as well as laboratory equipment at the San Diego site.

Note 10

Fees to auditor appointed at the annual general meeting

DKK thousand	2024	2023
Audit of financial statements	2,685	3,903
Other assurance services	1,800	268
Tax advisory	-	486
Other services	60	653
Fees	**4,545**	**5,310**

The fee for non-audit services provided to the Group by KPMG P/S, Denmark, amounted to DKK 1.9 million (DKK 0.9 million) and consisted of limited assurance on the sustainability statements, assistance with compliance reviews, and other accounting and tax advisory services.

Note 11

Financial income

Accounting policies

Interest income is recognized in the income statement at the amounts relating to the financial year. Financial income also includes net positive value adjustments of financial instruments and securities, adjustment of the net present value of provisions and net currency gains.

DKK thousand	2024	2023
Financial income from bank and deposit contracts[1]	48,307	40,214
Financial income from securities	27,369	14,340
Fair value adjustments on securities	7,831	30,777
Adjustment of deferred consideration due to change in estimated timing of payments	-	13,759
Currency adjustment deferred consideration	-	2,563
Net gains on derivative financial instruments at fair value through the income statement	-	11,131
Net foreign exchange gains	66,558	-
Financial income	**150,065**	**112,784**

1 Interest income from financial assets measured at amortized cost

Note 12

Financial expenses

Accounting policies

Interest expenses are recognized in the income statement at the amounts relating to the financial year. Financial expenses also include adjustment of net present value of the deferred consideration, cf. note 24, negative value adjustments of financial instruments and securities and net currency losses.

DKK thousand	2024	2023
Interest expenses on debt[1]	5,190	3,558
Unwinding of the discount related to deferred consideration	72,682	101,961
Adjustment of deferred consideration due to change in estimated timing of payments	7,090	-
Currency adjustment deferred consideration	24,899	-
Financial expenses, other	8,617	11,469
Net foreign exchange losses	-	15,392
Financial expenses	**118,478**	**132,380**

1 Interest expenses on financial liabilities measured at amortized cost

Note 13

Tax for the year

Accounting policies

Income tax for the year comprises current tax and deferred tax for the year. The part relating to the profit for the year is recognized in the income statement, and the part attributable to items in the comprehensive income is recognized in the comprehensive income statement.

The tax effect of costs that have been recognized directly in equity is recognized in equity under the relevant items.

Current tax receivable is recognized in the balance sheet under current assets.

Current tax payable is recognized in the balance sheet under current liabilities.

Deferred tax is measured using the balance sheet liability method on all temporary differences between accounting values and tax values. Deferred tax liabilities arising from temporary tax differences are recognized in the balance sheet as a liability.

Deferred tax assets arising from temporary deductible differences and tax losses carried forward are recognized when it is probable that they can be realized by offsetting them against taxable temporary differences or future taxable profits. At each balance sheet date, it is assessed whether it is probable that there will be sufficient future taxable income for the deferred tax asset to be utilized.

Deferred income tax is provided on temporary taxable differences arising on investments in subsidiaries, unless the parent company is able to control the timing when the deferred tax is to be realized and it is likely that the deferred tax will not be realized within the foreseeable future.

Deferred tax is calculated at the tax rates applicable on the balance sheet date for the income years in which the tax asset is expected to be utilized.

Note 13

Tax for the year *(continued)*

DKK thousand	2024	2023
Tax recognized in the income statement		
Current tax on profit for the year	11,211	11,493
Adjustments to current tax for previous years	(3,119)	(9,929)
Current tax	**8,092**	**1,564**
Change in deferred tax	(24,712)	6,190
Deferred tax	**(24,712)**	**6,190**
Tax for the year recognized in the income statement	**(16,620)**	**7,754**
Tax on income for the year is explained as follows:		
Income before company tax	971,357	1,482,943
Calculated tax (22.0%) on income before company tax	213,699	326,247
Tax effect on:		
Different tax percentage in foreign subsidiaries	(31,236)	(3,308)
Non-recognized deferred tax asset on current year losses in foreign subsidiaries	(3,197)	(747)
Income ()/expenses that are not taxable/deductible for tax purposes	(13,657)	16,273
Deduction for interest and currency adjustments related to debt forgiveness	-	(60,009)
Special tax credit	(12,321)	(32,788)
Change in unrealized intra-group profits	40,866	(11,025)
Change in non-recognized tax asset	(207,655)	(216,960)
Adjustments to current tax for previous years	(3,119)	(9,929)
Tax on income for the year	**(16,620)**	**7,754**
Tax recognized in other comprehensive income		
Remeasurements of defined benefit plans	4,171	4,505
Tax recognized in equity		
Tax on share based payment	-	-

Tax on income is an income of DKK 16.6 million (expense of DKK 7.8 million), corresponding to an effective negative tax rate of 1.7% (positive 0.5%). The parent company's taxable income for 2024 is DKK 0.0 million after use of tax losses carried forward (DKK 0.0 million). Current tax expensed in 2024 relates mainly to Bavarian Nordic GmbH, while change in deferred tax recognized as income in 2024 relates solely to Bavarian Nordic Berna GmbH.

'Income()/expenses that are not taxable/deductible for tax purposes' is primarily related Bavarian Nordic Inc. use of previously not recognized tax loss carried forward.

'Special tax credit' primarily relates to the 8% step up deduction on research and development costs according to Section 8B of the Danish Tax Assessment Act.

'Current tax on profit for previous years' relates primarily to refunded state taxes in Bavarian Nordic Inc.

Note 13

Tax for the year *(continued)*

DKK thousand	January 1, 2024	Adjustment to previous year	Recognized in the income statement	Recognized in equity	Exchange rate adjustments on translating foreign operations	December 31, 2024
	2024					
Product rights	(50,074)	(977)	(126,909)	-	-	(177,960)
Acquired rights and development in progress	(111,104)	(9,686)	(56,605)	-	-	(177,395)
Property, plant and equipment	52,065	(761)	(16,354)	-	472	35,422
Right-of-use assets	183	-	271	-	-	454
Development projects for sale	25,944	-	(6,501)	-	-	19,443
Unrealized intra-group profits	(9,598)	-	(40,866)	-	913	(49,551)
Receivables	218	-	225	-	-	443
Provisions	1,100	110	330	-	-	1,540
Defined benefit plans	11,173	-	10,843	4,171	(287)	25,900
Financial instruments	(10,095)	-	(89)	16,609	-	6,425
Share-based payment	35,790	-	9,393	-	-	45,183
Tax losses carried forward	445,010	(15)	43,319	-	(913)	487,401
Not recognized tax asset	(419,680)	11,329	207,655	(16,609)	-	(217,305)
Recognized deferred tax assets/liabilities	**(29,068)**	**-**	**24,712**	**4,171**	**185**	**-**

DKK thousand	January 1, 2023	Adjustment to previous year	Additions from Acquisition of businessess	Recognized in the income statement	Recognized in equity	Exchange rate adjustments on translating foreign operations	December 31, 2023
	2023						
Product rights	62,881	-	-	(112,955)	-	-	(50,074)
Acquired rights and development in progress	(2,659)	-	-	(108,445)	-	-	(111,104)
Property, plant and equipment	88,124	643	(33,546)	(1,223)	-	(1,933)	52,065
Right-of-use assets	287	-	-	(104)	-	-	183
Development projects for sale	32,446	-	-	(6,502)	-	-	25,944
Unrealized intra-group profits	(21,265)	-	-	11,025	-	642	(9,598)
Receivables	191	-	-	27	-	-	218
Provisions	-	-	-	1,100	-	-	1,100
Defined benefit plans	-	-	7,732	(1,428)	4,505	364	11,173
Financial instruments	(7,017)	-	-	-	(3,078)	-	(10,095)
Share-based payment	27,405	-	-	8,385	-	-	35,790
Tax losses carried forward	470,385	(11,703)	-	(13,030)	-	(642)	445,010
Not recognized tax asset	(650,778)	11,060	-	216,960	3,078	-	(419,680)
Recognized deferred tax assets/liabilities	**-**	**-**	**(25,814)**	**(6,190)**	**4,505**	**(1,569)**	**(29,068)**

Note 13

Tax for the year *(continued)*

Deferred tax
Deferred tax assets relate to temporary differences between the tax base and accounting carrying amount and tax losses carried forward.

Deferred tax assets arising from temporary deductible differences and tax losses carried forward are recognized to the extent they are expected to be offset against future taxable income.

Recognized tax losses carried forward relate to Bavarian Nordic A/S and the two Danish subsidiaries Aktieselskabet af 1. juni 2011 I and Aktieselskabet af 1. juni 2011 II regulated within Danish tax jurisdiction and Bavarian Nordic Berna GmbH regulated within the Swiss tax jurisdiction.

The tax value of non-recognized tax losses carried forward in Bavarian Nordic A/S and the two Danish subsidiaries amounts to DKK 482.9 million (DKK 445.0 million), whereas the tax value of non-recognized temporary deductible differences amounts to DKK -265.6 million (DKK -25.3 million). Tax rate used for Danish entities is 22.0%.

For Bavarian Nordic Berna GmbH, the tax value of non-recognized tax losses carried forward amounts to DKK 4.5 million (DKK 0 million), whereas the tax value of non-recognized temporary deductible differences amounts to DKK -4.5 million (DKK 0 million). Tax rate used for Swiss entities is 22.8%.

For the Group in total, the tax value of non-recognized tax losses carried forward amounts to DKK 487.4 million (DKK 445.0 million), whereas the tax value of non-recognized temporary deductible differences amounts to DKK -270.1 million (DKK -25.3 million), bringing the net non-recognized tax asset to DKK 217.3 million (DKK 419.7 million).

Danish joint taxed company's right to use the tax losses carried forward is not time-limited. Use of tax losses carried forward for the Swiss entity, Bavarian Nordic Berna GmbH, is limited to 7 years.

Pillar II
Following the net result for 2024 the Bavarian Nordic Group will become in scope of the Minimum Tax Act (Pillar II) from 2025, as adopted by the Danish Parliament on December 7, 2023. No additional tax costs is expected for the Bavarian Nordic Group, based on the current group structure. It will result in a not insignificant compliance task for the Bavarian Nordic Group if the group is unable to utilize the safe harbour rules.

Note 14

Earnings per share (EPS)

Accounting policies

Earnings per share is calculated as the profit or loss for the year compared to the weighted average of the issued shares in the financial year. The basis for the calculation of diluted earnings per share is the weighted-average number of ordinary shares in the financial year adjusted for the dilutive effects of warrants.

DKK thousand	2024	2023
Net result for the year	987,977	1,475,189
Earnings per share of DKK 10	12.6	19.2
Diluted earnings per share of DKK 10	12.6	19.2
The weighted average number of ordinary shares for the purpose of diluted earning per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:		
Weighted average number of ordinary shares	78,340,169	76,860,003
Weighted average number of treasury shares	(236,410)	(149,442)
Weighted average number of outstanding ordinary shares used in the calculation of basic earnings per share	**78,103,759**	**76,710,561**
Average dilutive effect of outstanding warrants under incentive schemes	-	-
Weighted average number of outstanding ordinary shares used in the calculation of diluted earnings per share	**78,103,759**	**76,710,561**
Outstanding warrants that may have an effect on the calculation of diluted earnings per share in the future.		
2024-program	1,156,783	-
2023-program	1,143,379	1,258,558
2022-program	914,266	992,310
2021-program	610,463	651,074
2020-program	811,014	1,105,219
2019-program	-	513,754
Outstanding warrants, cf. note 29	**4,635,905**	**4,520,915**

The average exercise price for outstanding warrants (DKK 234) are below the average share price of the Company for the year (189), therefore no dilution impact on the earnings per share.

Note 15

Intangible assets

Accounting policies

Intangible assets are measured at historic cost less accumulated amortization and impairment losses. Cost of acquired product rights are measured at cash consideration and present value of any deferred payments for those rights. Furthermore costs of acquired product rights include transaction costs that are directly attributable to the acqusition.

Internal development projects that meet the requirements for recognition as intangible assets are measured at direct cost relating to the development projects.

Amortization is provided on a straight-line basis over the useful economic lives of the assets.

The useful lives of acquired product rights are estimated to be 10-20 years and software is estimated to be 3-5 years.

Amortization of acquired product rights is recognized as part of cost of goods sold under production costs.

Impairment

The carrying amounts of intangible assets carried at cost or amortized cost are tested at least annually to determine whether there are indications of any impairment in excess of that expressed in normal amortization. If that is the case, the asset is written down to the recoverable amount, which is the higher of its fair value less costs to sell and its value in use. Impairment losses on intangible assets are recognized under the same line item as amortization of the assets.

For development projects in progress, the recoverable amount is assessed annually, regardless of whether any indications of impairment have been found.

Key accounting estimates

Product rights

When determining the amortization period for acquired product rights, Management need to make an assessment of expected useful economic life. In the assessment Management take among other things the following components into consideration: The maturity of the products acquired, development in the market the acquired products are targeting, the current competitors, clinical development of new competing products and entry barriers to the market due to advanced production technology. Straight-line amortization reflects the use and impairment of the product rights.

Management continuously updates the valuation model used when acquiring the product rights from GSK to assess the value creation expected from the acquisition. The latest update of the valuation model shows a value above the net present value of the purchase price, hence there is no indications of impairment.

Key accounting judgments

Management has made the following accounting judgments which significantly affect the amounts recognized in the consolidated financial statements:

Acquired rights and development in progress

Under the Group's accounting policies and in accordance with common industry practice, development costs are generally expensed in the year they occur. This approach is taken due to the uncertainty surrounding the future benefits of these costs until commercial approval is obtained.

Note 15

Intangible assets *(continued)*

DKK thousand	Product rights	Acquired rights and development in progress	Developed Production Process	Software	Other intangible assets in progress	Total
	2024					
Costs as of January 1, 2024	5,908,277	2,690,013	-	114,958	417,326	9,130,574
Additions	186,433	-	-	233	21,259	207,925
Transfer	-	-	374,857	17,902	(392,759)	-
Transfer to/from property, plant and equipment	-	-	-	(2,265)	(884)	(3,149)
Disposals	-	(1,403,264)	-	-	(26,224)	(1,429,488)
Exchange rate adjustments	-	33	-	66	(24)	75
Cost as of December 31, 2024	**6,094,710**	**1,286,782**	**374,857**	**130,894**	**18,694**	**7,905,937**
Amortization and impairment losses as of January 1, 2024	1,116,835	1,403,264	-	102,515	26,224	2,648,838
Amortization	317,449	-	31,238	8,120	-	356,807
Transfer	-	-	-	(1,231)	-	(1,231)
Disposals	-	(1,403,264)	-	-	(26,224)	(1,429,488)
Exchange rate adjustments	-	-	-	119	-	119
Amortization and impairment losses as of December 31, 2024	**1,434,284**	**-**	**31,238**	**109,523**	**-**	**1,575,045**
Carrying amount as of December 31, 2024	**4,660,426**	**1,286,782**	**343,619**	**21,371**	**18,694**	**6,330,892**
Geographical split of intangible assets – 2024						
Denmark						6,325,789
Germany						685
USA						1,838
Switzerland						2,580
Total intangible assets						**6,330,892**

Product rights
December 31, 2019 the Company acquired the product rights to two commercial products owned by GSK - Rabipur/RabAvert and Encepur.

The products have been on the market for more than 20 years. There is no need to further develop the products. Management assesses that it will require up to 10 years of clinical development for competitors to bring a new competing product to the market likewise the production process required to produce these products is highly complex. Based on these factors Management assesses that the acquired product rights should be amortized over 20 years.

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.

In May 2023, the Company concluded a Purchase and Sale Agreement with Emergent BioSolutions. The agreement included acquisition of product rights to two commercial travel vaccines - Vivotif and Vaxchora. Vivotif and Vaxchora were first licensed in the US in 1989 and 2016 respectively. Vaccines have historically shown to have a long lifespan due to stringent regulatory requirements, high research and development costs and a complex manufacturing process. Vaxchora

Note 15

Intangible assets *(continued)*

is targeting a market that has a relatively low market value, which further lowers the chance of competitors entering the market and taking significant market shares. Based on these factors Management assesses that the Vaxchora product right should be amortized over 20 years.

Vivotif was developed more than 30 years ago and the market is larger than for Vaxchora. Therefore, the risk of competition is also deemed higher, hence the amortization period is assessed to be 10 years.

The acquisition price for the two product rights consists of an upfront payment of DKK 312 million for Vivotif and DKK 137 million for Vaxchora.

The Purchase and Sale Agreement also includes an earnout payment starting at USD 30 million. The earnout payment relates to sale of Vivotif and Vaxchora. As per December 31, 2023 Management does not judge the sales milestone to be probable and therefore the earnout payment has not been recognized as either part of the project rights nor the deferred consideration.

Acquired rights and development in progress
The Purchase and Sale Agreement concluded with Emergent BioSolutions included acquisition of a late-stage vaccine candidate for Chikungunya virus. The initial acquisition price amounted to DKK 788 million. No further cost will be capitalized.

The agreement with Emergent BioSolutions also included milestone payments totaling USD 80 million related to submission and approval of Biologics License Application (BLA) to FDA and Marketing Authorization Application to EMA for the chikungunya development asset.

At initial recognition the net present value of probable future development milestone payments to Emergent BioSolutions Inc. amounted to DKK 499 million and was recognized as deferred consideration (note 24).

Developed production processes
Developed production processes consist of the the as-is technology transfer from GSK to Bavarian Nordic of the manufacturing process for Rabipur/RabAvert and Encepur. The Company has incurred material costs in terms of internal labour and consultancy to handle the technology transfer and has gained crucial knowledge about the manufacturing process. These costs are capitalized as an intangible asset. As per December 31, 2024 the capitalized costs amounts to DKK 344 million.

Intangible assets in progress
Other intable assets in progress relates to IT investments.

	2024		
DKK thousand	**Acquistion price**	**Carrying amount December 31, 2024**	**Remaining amortization period**
Rabipur/RabAvert	3,252,110	2,463,437	15 years
Encepur	2,393,023	1,811,007	15 years
Vivotif	312,208	259,759	8.5 years
Vaxchora	137,369	126,223	18.5 years
Total product rights	**6,094,710**	**4,660,426**	

	2023		
DKK thousand	**Acquistion price**	**Carrying amount December 31, 2023**	**Remaining amortization period**
Rabipur/RabAvert	3,140,250	2,512,200	16 years
Encepur	2,318,450	1,854,760	16 years
Vivotif	312,208	291,357	9.5 years
Vaxchora	137,369	133,125	19.5 years
Total product rights	**5,908,277**	**4,791,442**	

Note 15

Intangible assets *(continued)*

DKK thousand	Product rights	Acquired rights and development in progress	Software	Other intangible assets in progress	Total
			2023		
Costs as of January 1, 2023	5,458,700	1,013,484	106,094	274,490	6,852,768
Additions	-	389,751	3,034	143,978	536,758
Transfer	-	-	2,353	(2,353)	-
Additions from acquisition of businesses	449,577	1,286,778	4,207	1,212	1,741,779
Disposals	-	-	(1,227)	-	(1,227)
Exchange rate adjustments	-	-	497	(1)	496
Cost as of December 31, 2023	**5,908,277**	**2,690,013**	**114,958**	**417,326**	**9,130,574**
Amortization and impairment losses as of January 1, 2023	818,805	-	91,326	-	910,131
Amortization	298,030	-	12,028	-	310,058
Impairment losses	-	1,403,264	-	26,224	1,429,488
Disposals	-	-	(1,111)	-	(1,111)
Exchange rate adjustments	-	-	272	-	272
Amortization and impairment losses as of December 31, 2023	**1,116,835**	**1,403,264**	**102,515**	**26,224**	**2,648,838**
Carrying amount as of December 31, 2023	**4,791,442**	**1,286,749**	**12,443**	**391,102**	**6,481,736**
Geographical split of intangible assets – 2023					
Denmark					6,475,179
Germany					270
USA					2,005
Switzerland					4,282
Total intangible assets					**6,481,736**

Note 16

Property, plant and equipment

Accounting policies

Property, plant and equipment include land and buildings, production equipment, leasehold improvements, office and IT equipment and laboratory equipment and is measured at cost less accumulated depreciation and impairment losses.

Cost includes the costs directly attributable to the purchase of the asset, until the asset is ready for use. For assets constructed by the Group cost includes materials, components, third-party suppliers and labour.

Borrowing costs directly attributable to the construction of property, plant and equipment are included in cost. Other borrowing costs are recognized in the income statement.

Depreciation is charged over the expected economic lives of the assets, and the depreciation methods, expected lives and residual values are reassessed individually for the assets at the end of each financial year. Assets are depreciated on a straightline basis over their estimated useful lives as follows:

Buildings	10-20 years
Installations	5-15 years
Leasehold improvements	5 years
Office and IT equipment	3-5 years
Laboratory equipment	5-10 years
Production equipment	3-15 years

Management reviews the estimated useful lives of material property, plant and equipment at the end of each financial year.

Impairment

The carrying amounts of property, plant and equipment carried at cost or amortized cost are tested annually to determine whether there are indications of any impairment in excess of that expressed in normal depreciation. If that is the case, the asset is written down to the recoverable amount, which is the higher of its fair value less costs to sell and its value in use. Impairment losses on property, plant and equipment are recognized under the same line item as depreciation of the assets.

Note 16

Property, plant and equipment *(continued)*

DKK thousand	Land and buildings	Leasehold improvement	Plant and machinery	Other fixtures and fittings, other plant and equipment	Assets under construction	Total
	2024					
Costs as of January 1, 2024	1,268,062	47,036	646,707	889,215	206,721	3,057,741
Additions	-	-	1,498	5,189	72,825	79,512
Transfer	11,127	1,516	71,763	34,526	(118,932)	-
Transfer from intangible assets	-	-	3,149	-	-	3,149
Disposals	-	(1,271)	(2,137)	(11,243)	(538)	(15,189)
Exchange rate adjustments	(5,144)	104	(1,305)	(1,415)	(416)	(8,176)
Cost as of December 31, 2024	**1,274,045**	**47,385**	**719,675**	**916,272**	**159,660**	**3,117,037**
Depreciation and impairment losses as of January 1,2024	281,049	21,989	234,033	193,155	-	730,226
Depreciation	54,136	7,394	67,637	92,301	-	221,468
Transfer	-	-	1,529	(1,529)	-	-
Transfer from intangible assets	-	-	1,231	-	-	1,231
Impairment losses	-	-	-	12,044	-	12,044
Disposals	-	(337)	(2,019)	(5,198)	-	(7,554)
Exchange rate adjustments	(146)	23	54	(877)	-	(946)
Depreciation and impairment losses as of December 31, 2024	**335,039**	**29,069**	**302,465**	**289,896**	**-**	**956,469**
Carrying amount as of December 31, 2024	**939,006**	**18,316**	**417,210**	**626,376**	**159,660**	**2,160,568**
Geographical split of property, plant and equipment – 2024						
Denmark						1,509,265
Germany						47,818
USA						18,283
Switzerland						585,202
Total property, plant and equipment						**2,160,568**

Mortgage loans of DKK 15.1 million are secured by mortgages totaling DKK 50.0 million on the property Bøgeskovvej 9/Hejreskovvej 10A, Kvistgaard. In addition, as of December 31, 2024, mortgage deeds for a total of DKK 75.0 million have been issued. The carrying amount of assets mortgaged in security of mortgage loans is DKK 1,356.2 million (land and buildings: DKK 939.0 million; plant and machinery: DKK 417.2 million

Note 16

Property, plant and equipment *(continued)*

DKK thousand	Land and buildings	Leasehold improvement	Plant and machinery	Other fixtures and fittings, other plant and equipment	Assets under construction	Total
	2023					
Costs as of January 1, 2023	858,543	40,237	514,369	626,036	196,130	2,235,315
Additions	13,387	2,838	20,600	8,864	96,836	142,525
Transfer	79,712	2,688	43,983	21,797	(148,180)	-
Additions from acquisition of businesses	300,131	1,234	86,336	234,826	58,926	681,453
Disposals	(178)	-	(27,101)	(11,603)	-	(38,882)
Exchange rate adjustments	16,467	39	8,520	9,295	3,009	37,330
Cost as of December 31, 2023	**1,268,062**	**47,036**	**646,707**	**889,215**	**206,721**	**3,057,741**
Depreciation and impairment losses as of January 1,2023	228,405	15,472	192,624	114,841	-	551,342
Depreciation	51,424	6,491	62,552	85,511	-	205,978
Disposals	-	-	(25,277)	(8,745)	-	(34,022)
Exchange rate adjustments	1,220	26	4,134	1,548	-	6,928
Depreciation and impairment losses as of December 31, 2023	**281,049**	**21,989**	**234,033**	**193,155**	**-**	**730,226**
Carrying amount as of December 31, 2023	**987,013**	**25,047**	**412,674**	**696,060**	**206,721**	**2,327,515**
Geographical split of property, plant and equipment – 2023						
Denmark						1,615,213
Germany						52,711
USA						40,006
Switzerland						619,587
Total property, plant and equipment						**2,327,517**

Mortgage loans of DKK 17.0 million are secured by mortgages totaling DKK 50.0 million on the property Bøgeskovvej 9/Hejreskovvej 10A, Kvistgaard. In addition, as of December 31, 2023, mortgage deeds for a total of DKK 75.0 million have been issued. The carrying amount of assets mortgaged in security of mortgage loans is DKK 1,399.7 million (land and buildings: DKK 987.0 million; plant and machinery: DKK 412.7 million).

Note 17

Right-of-use-assets

Accounting policies

The right-of-use assets comprise the initial measurement of the corresponding lease liability. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

All operating leases with a lease term of more than 12 months are recognized on the balance sheet as right-of-use-assets.

For leases with a lease term of less than 12 months the lease payments are recognized as an operating expense on a straight-line basis over the term of the lease.

The right-of-use-assets are measured at the present value of all future lease payments. When assessing the lease term, any extension or termination options are included in the assessment. The options are included in determining the lease term, if exercise is reasonably certain. When determining the discount rates used to calculate the net present value of future lease payments, an incremental country specific borrowing rate is used, based on a government bond plus the Group's credit margin, ranging from 4.8% to 6.93%. A single discount rate is used for a portfolio of lease assets with reasonable similar characteristics. Initial direct costs are not included in measurement of the right-of-use-assets. Non-lease components are not separated from lease components.

A maturity analysis for lease payments is described in note 22. Impact from change in lease terms, lease payments or modification of the lease contract is further described in note 27.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease. IAS 36 is applied to determine whether a right-of-use asset is impaired and any identified impairment losses are accounted for as described in note 15.

	2024			
DKK thousand	Rent facility	Car leasing	Equipment	Total
Right-of-use assets as of January 1, 2024	112,867	11,154	1,149	125,170
Additions	1,307	4,415	532	6,254
Modifications	20,441	(56)	(31)	20,354
Disposals	(15,488)	(4,373)	(307)	(20,168)
Depreciations	(36,665)	(6,805)	(629)	(44,099)
Impairment	(26,431)	-	-	(26,431)
Reversal depreciations	15,488	3,813	307	19,608
Exchange rate adjustments	1,177	34	-	1,211
Right-of-use assets as of December 31, 2024	**72,696**	**8,182**	**1,021**	**81,899**

	2023			
DKK thousand	Rent facility	Car leasing	Equipment	Total
Right-of-use assets as of January 1, 2023	58,467	8,392	574	67,433
Additions	2,551	8,767	-	11,318
Additions from acquisition of businesses	41,943	-	-	41,943
Modifications	47,096	210	993	48,299
Disposals	(7,109)	(2,216)	(409)	(9,734)
Depreciations	(30,862)	(5,800)	(419)	(37,081)
Reversal depreciations	675	1,798	409	2,882
Exchange rate adjustments	106	3	1	110
Right-of-use assets as of December 31, 2023	**112,867**	**11,154**	**1,149**	**125,170**

DKK thousand	2024	2023
Amounts included in the income statement		
Interest expense leases	4,737	3,074
Depreciation recognized on right-of-use assets	44,099	37,081
Impairment recognized on right-of-use assets	26,431	-

Note 18

Inventories

Accounting policies

Inventories are measured at the lower of cost less write-downs for obsolescence and net realisable value. The net realisable value is the estimated sales price in the ordinary course of business less relevant sales costs determined on the basis of marketability, obsolescence and changes in the expected sales price.

Raw materials are measured at cost based on the FIFO method. For raw materials, cost is determined as direct acquisition costs incurred.

The cost of work in progress and finished goods produced in-house are measured at standard cost and includes raw materials, consumables, external manufacturing services and direct payroll costs plus allocated indirect costs of production (production overheads).

Indirect costs of production include indirect materials and labour as well as maintenance of and depreciation on the machinery used in production processes, factory buildings and equipment used and cost of production administration and management.

Significant accounting estimates

Production overheads are measured on the basis of actual costs. The basis of the actual costs is reassessed regularly to ensure that they are adjusted for changes in the utilization of production capacity, production changes and other relevant factors. Biological living material is used, and the measurements and assumptions for the estimates made may be incomplete or inaccurate, and unexpected events or circumstances may occur, which may cause the actual outcomes to later deviate from these estimates. It may be necessary to change previous estimates as a result of changes in the assumptions on which the estimates were based or due to new information or subsequent events, for which certainty could not be achieved in the earlier estimates.

Estimates that are material to the financial reporting are made in the determination of any impairment of inventories as a result of 'out-of-specification' products, expiry of products and sales risk.

DKK thousand	2024	2023
Raw materials and supply materials	313,878	317,392
Work in progress	1,557,074	1,231,858
Manufactured goods and commodities	712,285	319,101
Write-down on inventory	(255,928)	(224,615)
Inventories	**2,327,309**	**1,643,736**
Write-down on inventory as of January 1	(224,615)	(162,419)
Additions from acquisition of businesses	-	(14,498)
Write-down for the year	(187,183)	(75,300)
Use of write-down	126,322	27,602
Reversal of write-down	29,548	-
Write-down on inventory as of December 31	**(255,928)**	**(224,615)**
Cost of goods sold amounts to, cf. note 4	1,580,276	1,608,263

The inventory value of Encepur and Rabipur/RabAvert products amounted to DKK 1,624.9 million (DKK 947.5 million), Jynneos/Imvamune/Imvanex amounted to DKK 302.6 million (DKK 286.8 million), Vivotif and Vaxchora amounted to DKK 93.9 million (DKK 67.1 million) and chikungunya amounted to DKK 68.4 million (DKK 0 million) as per December 31, 2024 incl. write-down.

Write-down for the year amounted to DKK 187.2 million (DKK 75.3 million) and mainly relates to write down of MVA-BN batches.

Use of write-down in 2024 of DKK 126.3 million (DKK 27.6 million) relates to scrap of expired finish products and finally failed batch productions.

As of December 31, 2024, the write down of PPQ batches for chikungunya has been reversed.

Note 19

Trade receivables

Accounting policies

Receivables are measured at initial recognition at fair value and subsequently at amortized value usually equal to the nominal value, net of impairment based on expected credit losses.

Loss allowance is calculated using the 'full lifetime expected credit losses' method, whereby the likelihood of non-fulfilment throughout the lifetime of the financial instrument is taken into consideration. A provision account is used for this purpose.

DKK thousand	2024	2023
Trade receivables from public preparedness business	877,588	1,660,604
Trade receivables from travel health business	297,975	110,832
Trade receivables from contract work	181	6,668
Trade receivables	**1,175,744**	**1,778,104**

Credit risk

Bavarian Nordic's customers are predominantly public authorities and renowned wholesalers and therefore the credit risk is very low. There are overdue receivables as of December 31, 2024 DKK 89 million (DKK 51 million). As of December 31, 2024 a loss allowance of DKK 3 million (DKK 3 million) has been recognized.

The Group has applied the simplified approach to measure the expected credit loss and a lifetime expected loss allowance for all trade receivables.The allowance is an estimate based on shared credit risk characteristics and the days past due. At the time of revenue recognition, Bavarian Nordic assesses the full lifetime expected credit losses. In addition, undue and due receivables are analyzed in an ongoing process. Based on the credit assessment, receivables analysis, historical experience and industry experience, it is estimated whether the receivables are recoverable or write-downs are needed. Bavarian Nordic monitor the credit exposure on all customers, both new and existing.

Bavarian Nordic recognizes a loss allowance for expected credit losses and writes off trade receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Subsequent recovery of amounts previously written down is credited against sales and distribution costs.

The payment conditions for the customers, including credit periods and any payment of interest in case of non-payment, vary, but are always based on industry practice in the relevant market. The average credit period is approximately 30 days for the public preparedness business, while the average credit period for the travel health business is 60 days.

The table details the risk profile for trade receivables.

Trade receivables

DKK thousand	Gross carrying amount	Loss allowance	Net carrying amount
2024			
Not past due date	1,089,771	-	1,089,771
Overdue by 0-3 months	42,299	-	42,299
Overdue by 3-6 months	41,204	(1,954)	39,250
Overdue by 6-12 months	5,465	(1,041)	4,424
Overdue by more than 12 months	-	-	-
Trade receivables	**1,178,739**	**(2,995)**	**1,175,744**
2023			
Not past due date	1,730,046	-	1,730,046
Overdue by 0-3 months	39,613	(191)	39,422
Overdue by 3-6 months	8,188	(539)	7,649
Overdue by 6-12 months	2,755	(1,768)	987
Overdue by more than 12 months	729	(729)	-
Trade receivables	**1,781,331**	**(3,227)**	**1,778,104**

Note 20

Other receivables

Accounting policies

Receivables are measured at initial recognition at fair value and subsequently at amortized value usually equal to the nominal value, net of impairment, to counter the loss after an individual assessment of risk of loss.

Derivative financial instruments are measured at fair value.

DKK thousand	2024	2023
Deposits	9,086	11,185
Receivable VAT and duties	38,910	46,585
Derivative financial instruments at fair value	698	45,887
Interest receivables	3,687	2,664
Other receivables	370	-
Other receivables	**52,751**	**106,321**
Classified as:		
Non-current assets	9,086	11,185
Current assets	43,665	95,136
Other receivables	**52,751**	**106,321**

Note 21

Prepayments

Accounting policies

Prepayments recognized under assets include costs paid in respect of subsequent financial years, including incurred costs related to technology transfer activities at CMO's, where the costs subsequently will be recognized as inventory in concurrence with purchase of production services from the CMO's. Prepayments are measured at cost.

DKK thousand	2024	2023
Prepayments to CMO's	73,986	4,556
Other prepayments	26,759	18,510
Prepayments	**100,745**	**23,066**
Classified as:		
Non-current assets	36,421	4,556
Current assets	64,324	18,510
Prepayments	**100,745**	**23,066**

As per December 31, 2024 the main part of the prepayments to CMO's related to the scale-up activities to prepare for production of drug product for commercial launch of Chikungunya. Costs related to the technology transfer activities are recognized as prepayments when costs incur and then recognized as inventory in concurrence with purchase of production services from the CMO's. As per December 31, 2024 DKK 36.4 million (DKK 4.6 million) has been recognized as non-current prepayments.

As per December 31, 2023 the main part of the the technology transfer of the production and packaging activities for Encepur and Rabipur/RabAvert takes place at CMO's (filing of Encepur, labelling and packing).

Note 22

Other liabilities

Accounting policies

Derivative financial instruments are measured at fair value.

Other financial liabilities are measured at initial recognition at fair value less any transaction costs. Subsequent other financial liabilities are measured at amortized cost using the effective interest method, whereby the difference between proceeds and the nominal value is recognized in the income statement as a financial expense over the period. Amortized cost usually equal to the nominal value.

DKK thousand	2024	2023
Financial instruments at fair value	29,902	-
Payable salaries, holiday accrual etc.	242,736	212,122
Gross to net deduction accrual	186,576	159,802
Other accrued costs	38,243	47,919
Other liabilities	**497,457**	**419,843**

Gross to net deduction accruals consist of a variety of sales deductions, including product returns as well as rebates and discounts to government agencies, wholesalers, health insurance companies, managed healthcare organizations and retail customers. The different components are further described in note 3.

For a further description of financial instruments see note 23.

Note 23

Financial risks and financial instruments

Accounting policies

Derivative financial instruments
On initial recognition, derivative financial instruments are measured at the fair value on the settlement date.

Directly attributable costs related to the purchase or issuance of the individual financial instruments (transaction costs) are added to the fair value on initial recognition, unless the financial asset or the financial liability is measured at fair value with recognition of fair value adjustments in the income statement. Subsequently, they are measured at fair value at the balance sheet date based on the official exchange rates, market interest rates and other market data such as volatility adjusted for the special characteristics of each instrument.

The Company has designated certain derivative financial instruments as cash flow hedges as defined under IFRS 9 "Financial Instruments". Hedge accounting is classified as a cash flow hedge when the hedges of a particular risk is associated with the cash flows of highly probable forecast transactions.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as effective hedges of future transactions (cash flow hedges) are recognized as comprehensive income. The ineffective portion is recognized immediately in the income statement. When the hedged transactions are realized, cumulative changes are recognized in the income statement together with the hedged transaction or in respect of a non-financial item as part of the cost of the transactions in question.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognized as financials in the income statement as they occur.

Securities
Securities consist of highly liquid, listed bonds with high credit rating, which are measured at fair value on initial recognition and as of the balance sheet date. The Group's portfolio of securities is treated as "financial items at fair value through profit or loss", as the portfolio is accounted for and valued on the basis of the fair value in compliance with the Company's investment policy.

Both realized and unrealized value adjustments are recognized in the income statement under financials.

DKK thousand	2024	2023
Categories of financial instruments		
Trade receivables	1,175,744	1,778,104
Other receivables	52,053	60,434
Cash and cash equivalents	1,623,490	1,477,234
Financial assets measured at amortized cost	**2,851,287**	**3,315,772**
Securities	551,538	390,247
Financial assets measured at fair value through the income statement	**551,538**	**390,247**
Derivative financial instruments to hedge future cash flows (exchange rate)	-	44,784
Derivative financial instruments to hedge future cash flows (interest)	698	1,103
Financial assets used as hedging instruments	**698**	**45,887**
Deferred consideration	1,081,465	2,376,989
Debt to credit institutions	15,127	17,048
Lease liabilities	113,123	128,254
Prepayment from customers	131,408	-
Trade payables	1,045,134	954,142
Other liabilities	467,555	419,843
Financial liabilities measured at amortized cost	**2,853,812**	**3,896,276**
Derivative financial instruments to hedge future cash flows (exchange rate)	29,902	-
Financial liabilities used as hedging instruments	**29,902**	**-**

Note 23

Financial risks and financial instruments *(continued)*

Policy for managing financial risks
Through its operations, investments and financing the Group is exposed to fluctuations in exchange rates and interest rates. These risks are managed centrally in the Parent Company, which manages the Group´s liquidity. The Group pursues a treasury policy approved by the Board of Directors. The policy operates with a low risk profile, so that exchange rate risks, interest rate risks and credit risks arise only in commercial relations. The Group therefore does not undertake any active speculation in financial risk.

The Group´s capital structure is regularly assessed by the Board of Directors relative to the Group´s cash flow position and cash flow budgets.

Market risks
Market risk is the risk that changes in market prices will affect the Group's profit or the value of its holdings of financial instruments. Bavarian Nordic is exposed to various market risks with the main risks being exchange rate risks, interest rate risks and cash risks. All market risks are managed in accordance with the treasury policy approved by the Audit Committee.

Interest rate risk
It is the Group's policy to hedge interest rate risks on loans obtained with floating rate and a maturity of more than five years. Hedging will then consist of interest rate swaps that convert floating rate loans to fixed rate loans. Management determines the economic relationship between the hedged item and the hedging instrument to ensure a high hedge effectiveness.

The interest rate risk involved in placing cash funds and investing in securities is managed on the basis of duration, preferably via a low portfolio duration and pari settlement of securities in order to minimize value adjustment risks.

Exchange rate risks
The Group's exchange rate exposure is primarily to USD and EUR. The exchange rate exposure to USD is hedged to the greatest possible extent by matching incoming and outgoing payments denominated in USD, looking at maximum one year ahead. Regular assessments are made of whether the remaining net position should be hedged by currency forward contracts or currency option contracts.

The exposure to EUR for operating and financing activities are not hedged as management believes that fluctuations in EUR are limited due to the Danish fixed-rate policy which is expected to be maintained and that matching of incoming and outgoing payments denominated in EUR reduces the net exposure significantly. Thus the fluctuations in EUR do not have a significant impact on financial performance. Given the magnitude of payable milestones denominated in EUR, management has chosen to hedge the EUR exposure on this part of the Group's investment activities.

Exchange rate risks on recognized financial assets and liabilities

DKK thousand	Cash and cash equivalents, securities	Receivables	Liabilities	Net position
2024				
USD	334,980	619,176	(1,218,425)	(264,269)
EUR	208,849	660,007	(1,530,566)	(661,710)
CHF	8,473	39,541	(206,248)	(158,234)
2023				
USD	205,315	1,334,432	(945,701)	594,046
EUR	149,934	455,057	(2,679,716)	(2,074,725)
CHF	10,281	4,649	(181,627)	(166,697)

Sensitivity analysis on exchange rates

DKK thousand	Likely change in exchange rate	Hypothetical change in equity	Hypothetical change in net result
2024			
Change if higher USD-rate than actual rate	8%	30,868	29,544
Change if higher EUR-rate than actual rate	2%	(12,725)	(18,385)
Change if higher CHF-rate than actual rate	9%	54,515	(17,809)
2023			
Change if higher USD-rate than actual rate	15%	110,532	118,270
Change if higher EUR-rate than actual rate	1%	(19,347)	(21,505)
Change if higher CHF-rate than actual rate	5%	29,518	(8,117)

Note 23

Financial risks and financial instruments *(continued)*

The sensitivity analysis shows the net effect it would have had on equity and profit for the year if the year-end exchange rates of USD, EUR and CHF had been 8%, 2% or 9%, respectively (USD, EUR and CHF had been 15%, 1% or 5%, respectively), higher than the actual exchange rates. A corresponding decrease in the actual exchange rates would have had an opposite (positive/negative) effect on net result and equity. The percentages used year-end 2024 for USD and CHF are based on the historical maximal currency rate spread in 2024. The percentage used for EUR is based on the maximum spread in the ERM II framework.

Derivative financial instruments not designated as hedge accounting
Currency forward contracts and currency option contracts which are not designated as hedge accounting are classified as financial assets/liabilities measured at fair value with value adjustments recognized through the income statement.

There were no open currency contracts as of December 31, 2024 or as per December 31, 2023 not designated as hedge accounting.

Hedging of expected future cash flows
The Company has concluded currency forward contracts to sell USD 264 million (sell USD 210 million) and to buy EUR 180 million (buy EUR 290 million) to hedge net USD cash position during 2025 and EUR milestone payments in 2025.

Cash flow hedge – forward currency contracts

DKK thousand		Forward price	Contract amount based on agreed rates	Fair value as of December 31	Fair value adjustment recognized in other comprehensive income
2024					
Forward currency contracts (USD/DKK)	Sell USD	6.76 - 7.07	1,832,534	(37,980)	(77,165)
Forward currency contracts (DKK/EUR)	Buy EUR	7.40 - 7.41	1,333,378	8,078	2,479
				(29,902)	**(74,686)**
2023					
Forward currency contracts (USD/DKK)	Sell USD	6.90 - 6.94	1,454,570	39,184	9,159
Forward currency contracts (DKK/EUR)	Buy EUR	7.41 - 7.42	2,150,674	5,600	5,600
				44,784	**14,759**

Cash flow hedge – interest rate swap

DKK thousand	Contract amount based on agreed rates	Fair value as of December 31	Fair value adjustment recognized in other comprehensive income
2024			
Interest rate swap			
DKK - fixed rate 0.9625% p.a. (expiry 2031)	14,880	698	(405)
		698	**(405)**
2023			
Interest rate swap			
DKK - fixed rate 0.9625% p.a. (expiry 2031)	17,041	1,103	(766)
		1,103	**(766)**

These concluded currency forward contracts are deemed to be effective hedges of future transaction (cash flow hedges) and thus treated as hedge accounting.

In 2016 the Company refinanced the old mortgage loans (fixed rate) and obtained a new mortgage loan with floating rate. The Company also concluded an interest rate swap to convert the floating rate loan to a fixed rate loan. The interest rate swap has the same maturity date and nominal amount as the mortgage loan to secure high effectiveness of the hedge.

Cash risks
The Group´s bank deposits are placed in deposit accounts without restrictions. The Group's cash and cash equivalents totaled DKK 1,623.5 million as of December 31, 2024 (DKK 1,477.2 million).

The Group's fixed rate bond portfolio expires as shown below. Amounts are stated excluding interest.

Note 23

Financial risks and financial instruments *(continued)*

DKK thousand	2024 Fair value as of December 31	2024 Effective interest	2023 Fair value as of December 31	2023 Effective interest
Bond portfolio				
Within 0-2 years	399,833	2.5%	230,192	3.6%
Within 3-5 years	-	-	-	-
After 5 years	151,705	2.8%	160,055	3.2%
Total	**551,538**	**2.6%**	**390,247**	**3.5%**

Fluctuations in interest rate levels affect the Group's bond portfolio. A change in the interest rate level by 1 percentage point relative to the interest rate level on the balance sheet date will have an impact of DKK 11.5 million on the Group´s net result and equity (DKK 13.0 million).

The bond position with a duration of more than 5 years is a result of previous year's investment strategy. The Group is in process of adapting the bond portfolio to the amended investment strategy with the aim of reducing the duration of the portfolio.

Maturity of financial liabilities

	2024				
	Undiscounted contractual cash flow				
DKK thousand	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total	Carrying amount
Deferred consideration	1,104,708	-	-	1,104,708	1,081,465
Credit institutions	2,588	10,162	4,345	17,095	15,127
Lease liabilities	39,602	80,357	-	119,959	113,123
Prepayment from customers	131,408			131,408	131,408
Trade payables	1,045,134	-	-	1,045,134	1,045,134
Other liabilities	467,555	-	-	467,555	467,555
Non-derivative financial liabilities	**2,790,995**	**90,519**	**4,345**	**2,885,859**	**2,853,812**
Derivative financial liabilities	**29,902**	**-**	**-**	**29,902**	**29,902**

The outstanding deferred consideration as of December 31, 2024 is expected to be fully paid in first half of 2025, see note 24 for further description.

	2023				
	Undiscounted contractual cash flow				
DKK thousand	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total	Carrying amount
Deferred consideration	1,394,805	1,082,525	-	2,477,330	2,376,989
Credit institutions	2,720	10,698	7,167	20,586	17,048
Lease liabilities	45,679	93,568	166	139,413	128,254
Trade payables	954,143	-	-	954,143	954,143
Other liabilities	445,181	-	-	445,181	445,181
Non-derivative financial liabilities	**2,842,528**	**1,186,791**	**7,333**	**4,036,652**	**3,921,615**
Derivative financial liabilities	**-**	**-**	**-**	**-**	**-**

Note 23

Financial risks and financial instruments *(continued)*

Financial liabilities due within one year of DKK 2,821 million (DKK 2,843 million) are expected to be settled with short term assets recognized as of December 31, 2024, consisting of cash and cash equivalents, securities together with trade receivables and other receivables to a total of DKK 3,394 million (DKK 3,706 million).

The financial liabilities due after one year of DKK 95 million (DKK 1,194 million) are expected to be settled with the excess short term assets of DKK 573 million (DKK 863 million) in conjunction with expected cash flow from future operations.

To further mitigate potential liquidity fluctuations, the Group obtained access to a Revolving Credit Facility of DKK 1,000 million in 2023. The facility was undrawn as of December 31, 2024.

The Group has a credit facility of DKK 20 million (DKK 20 million) at Nordea. As of December 31, 2024, DKK 0.3 million (DKK 0.3 million) of the credit facility is utilized for bank guarantees.

With respect to the Group´s debt to credit institutions, a change in the applicable interest rate by 1 percentage point would have had an impact on the Group's net result and equity of DKK 0.1 million (DKK 0.2 million).

Debt to credit institutions is a mortgage loan of DKK 15.1 million (DKK 17.1 million), further described in note 25.

Credit risks
The primary credit risk relates to trade receivables. The Company assesses the expected credit losses also considering changes in the macro environment that might impose an increased risk of losses. The Group´s customers are predominantly public authorities and renowned pharmaceutical companies and wholesalers, and the credit risk on the Group's receivables is therefore considered to be very low. A loss allowance of DKK 2,995 thousand (DKK 3,227 thousand) has been recognized as of December 31, 2024, cf. note 19.

To manage credit risk regarding financial counterparties, Bavarian Nordic only enters into derivative financial contracts, repurchase contracts and money market deposits with financial counterparties possessing a satisfactory long-term credit rating from at least two out of the three selected ratings agencies: Standard and Poor´s, Moody´s and Fitch.

Cash and cash equivalents are not deemed to be subject to any special credit risk as they are deposited with Nordea and Danske Bank. The bond portfolio is invested in either Danish government bonds, Danish mortgage bonds or bonds issued by Danish banks with high ratings.

Managing capital structure
The Group's definition of capital encompasses equity together with net interest-bearing debt. The 2023 addition of net interest-bearing debt to the capital definition, did accommodate the introduction of external capital as a resource for the Group in accordance with the conclusion of a committed Revolving Credit Facility in 2023, see further below.

As of December 31, 2024 (December 31, 2023) net interest-bearing debt consists of deferred consideration, cf. note 24, debt to credit institutions, cf. note 25, lease liabilities, cf. note 27 with subtraction of cash and cash equivalents together with securities, that in total forms a net receivable of DKK 965 million (net debt DKK 655 million).

Total equity as of December 31, 2024, amounted to DKK 11,409 million (DKK 10,340 million).

The Group obtained in 2023 access to a committed Revolving Credit Facility (RCF) of DKK 1,000 million with Nordea and Danske Bank as joint lenders. The facility was undrawn as of December 31, 2024 (undrawn as of December 31, 2023). As an integrated part of the RCF agreement, the Group is subject to covenant requirements consisting of a net interest-bearing debt to EBITDA ratio. The Group regularly secures that compliance with the covenant is met.

Management regularly assesses whether the Group´s capital structure best serves the interests of the Group and its shareholders. The overall goal is to ensure that the Group has a capital structure which supports its long-term strategy and growth target. In supporting this goal and to maintain the capital structure, the Group can issue new shares, return capital to shareholders, sell assets to reduce debt or increase the groups debt obligations, including taking on bank debt and by way of deferred consideration, provided financial covenants are respected.

Securities (level 1)
The portfolio of publicly traded government bonds, publicly traded mortgage bonds and bank bonds is valued at listed prices and price quotas.

Derivative financial instruments (level 2)
Currency forward contracts, currency option contracts and interest swap contracts are valued according to generally accepted valuation methods based on relevant observable swap curves and exchange rates.

Note 23

Financial risks and financial instruments *(continued)*

Fair value hierarchy for financial instruments measured at fair value	2024		
DKK thousand	**Level 1**	**Level 2**	**Total**
Securities	551,538	-	551,538
Financial assets measured at fair value through the income statement	**551,538**	**-**	**551,538**
Derivative financial instruments to hedge future cash flow (currency)	-	(29,902)	(29,902)
Derivative financial instruments to hedge future cash flow (interest)	-	698	698
Financial assets/liabilities used as hedging instruments	**-**	**(29,204)**	**(29,204)**

	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**

Note 24

Deferred consideration

Accounting policies

Deferred consideration including contingent milestone payments is recognized when its payment is probable and it can be measured reliably and is at initial recognition measured at fair value which equals the present value of future deferred payments. Subsequently, the deferred consideration is measured at amortized cost. This means that the difference between the present value of the consideration and the nominal amounts due is recognized in the income statement as a financial expense over the period until expected payment date using the effective interest method.

The expected phasing of future payments and the probability of contingent payments are assessed on each reporting date and the impact is recognized as a financial item.

DKK thousand	**Due within 1 year**	**Due between 1 and 5 year**	**Due after 5 years**	**Total**
2024				
Deferred consideration, product rights	731,520	-	-	731,520
Deferred consideration, development project	349,945	-	-	349,945
Total	**1,081,465**	**-**	**-**	**1,081,465**
2023				
Deferred consideration, product rights	1,163,599	709,635	-	1,873,234
Deferred consideration, development project	196,534	307,221	-	503,755
Total	**1,360,133**	**1,016,856**	**-**	**2,376,989**

Product rights
The Asset Purchase Agreement with GSK includes milestone payments relating to transfer and registration of marketing authorizations, technology transfer of different steps of the production and packaging activities as well as a milestone payment when all services agreed to be rendered by GSK have been completed. In total EUR 470 million. The Asset Purchase Agreement with GSK also includes a sales milestone of EUR 25 million, which previos year wasn't assessed to be probable and therefore the sales milestone was not recognized as either part of the product rights (note 15) nor the deferred consideration. Due to stronger than expected sales performance the sales milestone was reached in July 2024 and the milestone of EUR 25 million became payable. Following the completion of the technology transfer of the bulk production for both Encepur and Rabipur/RabAvert two milestones were

Note 24

Deffered consideration *(continued)*

reached. One has been paid during the year, whereas the other was invoiced in December 2024 and paid in January 2025, EUR 80 million. At end of 2024 only one technology transfer milestone and the completion milestone are outstanding, in total DKK 100 million. Payments are expected to be payable in first half of 2025. The cash flow from payment of deferred consideration will be recognized as cash flow from investment activities.

The carrying amount is measured using a discount rate of 4% per annum. The discount rate was determined at intial recognition based on an interest rate on a similar loan of the same size and maturity as the contingent milestone payments and the Company's credit rating as of December 31, 2019.

The fair value of the deferred consideration as per December 31, 2024 amounts to DKK 725 million (DKK 1,839 million), measured using the updated discount rate of 5.97% (6.25%). The discount rate has been determined based on the same components as described above.

Development project
The Purchase and Sale Agreement concluded with Emergent BioSolutions includes milestone payments relating to submission and approval of Biologics License Application (BLA) to FDA and Marketing Authorization Application to EMA for the chikungunya development asset. In total USD 80 million.

At initial recognition the net present value of probable future development milestone payments to Emergent BioSolutions amounted to DKK 499 million and was recognized as deferred consideration.

During 2024 two milestones were reached and paid, in total USD 30 million. The remaining two milestones, totalling USD 50 million, are expected to become payable in first half of 2025. The cash flow from payment of deferred consideration will be recognized as cash flow from investment activities.

The carrying amount are measured using a discount rate of 6% per annum. The discount rate was determined at intial recognition based on an interest rate on a similar loan of the same size and maturity as the contingent milestone payments and the Company's credit rating as of May 15, 2023.

The fair value of the deferred consideration as per December 31, 2024 amounts to DKK 350 million (DKK 502 million), measured using the updated discount rate of 5.97% (6.25%). The discount rate has been determined based on the same components as described above.

The Purchase and Sale Agreement concluded with Emergent BioSolutions in May 2023 includes an earnout payment starting at USD 30 million. The earnout payment relates to sale of Vivotif and Vaxchora. As per December 31, 2024 Management does not judge the sales milestone to be probable and therefore the earnout payment has not been recognized as either part of the project rights (note 15) nor the deferred consideration.

Note 25

Debt to credit institutions

Accounting policies

Loans are measured at the time of borrowing at fair value less any transaction costs. Subsequently, debt is measured at amortized cost. This means that the difference between the proceeds of the loan and the amount to be repaid is recognized in the income statement over the term of the loan as a financial expense using the effective interest method.

DKK thousand	Due within 1 year	Due between 1 and 5 year	Due after 5 years	Total
2024				
Mortgage[1]	2,074	8,869	4,184	15,127
Total	**2,074**	**8,869**	**4,184**	**15,127**
2023				
Mortgage[1]	1,913	8,470	6,665	17,048
Total	**1,913**	**8,470**	**6,665**	**17,048**

1 Floating interest - swapped to fixed interest of 0.9625% - expiry 2031

The fair value of the debt to credit institutions amounts to DKK 15.1 million (DKK 17.0 million). The fair value of mortgage debt is based on the market value of the underlying bonds set by the bank (level 2).

The tables detail changes in the Group's liabilities arising from financing activities, both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flow as cash flows from financing activities.

Note 25

Debt to credit institutions *(continued)*

Cash flow from financing activities

DKK thousand	January 1, 2024	Cash movement	Non-cash movement	December 31, 2024
2024				
Mortgage	17,048	(1,921)	-	15,127
Lease liabilities	128,254	(41,639)	26,508	113,123
Total liabilities from financing activities	**145,302**	**(43,560)**	**26,508**	**128,250**

DKK thousand	January 1, 2023	Cash movement	Non-cash movement	December 31, 2023
2023				
Mortgage	18,930	(1,882)	-	17,048
Security lending (repo transactions)	1,103,661	(1,103,661)	-	-
Prepayment and loan from Government	566,420	240,000	(806,420)	-
Lease liabilities	70,321	(34,270)	92,203	128,254
Total liabilities from financing activities	**1,759,332**	**(899,813)**	**(714,217)**	**145,302**

Note 26

Retirement benefit obligations

Accounting policies

In defined contribution plans, the Group makes regular payments of fixed contributions to independent pension funds and insurance companies. The Group is under no obligation to pay additional contributions. Costs for defined contribution plans are recognized in the income statement as the Group assumes an obligation to make the payment.

In defined benefit plans, the Group is under an obligation to pay a defined benefit on retirement. The actuarially calculated present value less the fair value of any plan assets is recognised in the balance sheet under retirement benefit obligations. The total service costs of the year plus calculated interest based on actuarial estimates and financial assumptions at the beginning of the year are recognized in the income statement. The difference between the forecast development in plan assets and liabilities and the realized values at the end of the year is called actuarial gains or losses and is recognized in other comprehensive income. In connection with a change in benefits regarding the employees' employment with the Group to date, there will be a change in the actuarial calculation of the net present value, which is taken directly to the income statement.

Defined contribution plans
The Group offers pension plans to all employees in Denmark and abroad. Most of the pension plans are defined contribution plans, expect for the pension plan in Bavarian Nordic Berna GmbH, see below. The Group funds the plans through regular payments of premiums to independent insurance companies responsible for the pension obligations towards the beneficiaries. Once the pension contributions for defined contribution plans have been made, the Group has no further obligation towards current or former employees. Contributions to defined contribution plans are recognized in the income statement when paid.

Defined benefit plans
The pension plan in Bavarian Nordic Berna GmbH is part of a collective foundation in which other plans of non-related employers also participate, and the different plans all participate in the various risks relating to the foundation.

Defined benefit liabilities are recognized in the balance sheet and in the income statement as indicated below.

Employees from Bavarian Nordic Switzerland AG have been transferred to Bavarian Nordic Berna GmbH in August 2024 and are included in the new pension plan as from December 31, 2024. The previous pension plan in Bavarian Nordic Switzerland AG was recognized as a contribution benefit plan and therefore no pension obligation was recognized. The net assets under the Bavarian Nordic Berna GmbH pension plan have been adjusted to include the transferred employees.

Note 26

Retirement benefit obligations *(continued)*

DKK thousand	2024	2023
Defined contribution plans	84,966	66,935
Defined benefit plans	31,205	1,116
Cost of pension plans recognized in income statement	**116,171**	**68,051**
Current service cost	12,749	11,817
Past service cost	17,186	(12,023)
Administration expenses	309	298
Net interest expenses	961	1,024
Cost of defined benefit plans recognized in income statement	**31,205**	**1,116**
Actuarial gains/losses on pension obligations	(89,584)	(34,324)
Actuarial gains/losses on plan assets	72,194	1,769
Actuarial gains/losses on defined benefit plans recognized in other comprehensive income	**(17,390)**	**(32,555)**
Plan assets as of January 1	221,024	-
Additions from acquisition of businesses	-	206,938
Exchange adjustments	(3,492)	10,648
Actual rate of interest	3,006	4,542
Actuarial gains/losses on plan assets	72,194	1,769
Administration expenses paid	(309)	(298)
Employer contributions	14,182	11,808
Employee contributions	9,358	7,117
Benefit paid out	29,582	(21,500)
Other restructuring events	41,936	-
Plan assets as of December 31	**387,481**	**221,024**

DKK thousand	2024	2023
Specification of present value of defined benefit obligation		
Present value of defined benefit liability as of January 1	301,756	-
Additions from acquisition of businesses	-	262,925
Exchange adjustments	(5,048)	13,529
Current service costs	12,749	11,817
Past service costs[1]	17,186	(12,023)
Calculated interest on liability	3,967	5,566
Actuarial gains/losses, financial assumptions	17,250	34,186
Actuarial gains/losses, demographic assumptions	-	(213)
Actuarial gains/losses, experience	72,334	352
Employee contributions	9,358	7,117
Benefit paid out	29,582	(21,500)
Other restructuring events	41,936	-
Present value of defined benefit liability as of December 31	**501,070**	**301,756**
Fair value of plan assets as of December 31	(387,481)	(221,024)
Net liability of defined benefit plans as of December 31	**113,589**	**80,732**
Net liability of defined benefit plans as of January 1	80,732	-
Additions from acquisition of businesses	-	55,987
Expenditure for the year	31,205	1,116
Actuarial gains/losses on pension obligation	89,584	34,325
Exchange adjustment	(1,556)	2,881
Actuarial gains/losses on plan assets	(72,194)	(1,769)
Payments received	(14,182)	(11,808)
Net liability of defined benefit plans as of December 31	**113,589**	**80,732**

[1] A reduction in the conversion factors (rate at which the accumulated account balance is converted to an annual pension at retirement) was announced by the Swiss pension provider Servisa in 2023. The impact of this change was calculated as if the change happened as of December 31, 2023, and led to a reduction of CHF 1.5 million in the defined benefit liability.

Note 26

Retirement benefit obligations *(continued)*

DKK thousand	2024	2023
Percentage of plan assets invested in asset category		
Equity	33.5%	31.0%
Bonds	25.5%	28.4%
Property	13.6%	16.0%
Other	27.4%	24.6%
Actuarial assumptions applied at the balance sheet date (expressed as an average)		
Discount rate	1.00%	1.35%
Future rate of salary increases	1.80%	1.75%
Inflation	1.10%	1.25%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65 as follows:

Life expectancies		
Retiring aged 65 at the end of the reporting period		
Male	22.1	22.0
Female	23.9	23.8
Retiring aged 65, 20 years after the end of the reporting period		
Male	24.1	24.0
Female	25.8	25.7

The contributions to the plan for 2025 are expected in the same level as in 2024.

The below sensitivity analysis shows the change in one of the actuarial assumptions, while other assumptions are kept constant. In practice, this is unlikely to occur as changes in some of the assumptions may be correlated.

Percentage increase/decrease in the gross liability resulting from a change in a single actuarial assumption.

DKK thousand	2024	2023
	+0.5%-point	+0.5%-point
Discount rate	-7.7%	-8.2%
	+1 year	+1 year
Life expectancy	1.7%	1.5%

Note 27

Lease liabilities

Accounting policies

The lease liability is initially measured at the present value of the future lease payments (see further in note 17), discounted by using an incremental country specific borrowing rate ranging from 4.8% to 6.93% applying only a single discount rate for a portfolio of lease assets with reasonable similar characteristics.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using the effective interest method and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured and corresponding adjustments are made to the related right-of-use-asset whenever:

- The lease term has changed, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate.
- A lease contract is modified and the lease modification is not accounted for as a seperate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

DKK thousand	2024	2023
Non-current	73,653	83,621
Current	39,470	44,633
Lease liabilities	**113,123**	**128,254**

DKK thousand	Due within 1 year	Due between 1 and 5 year	Due after 5 years	Total
2024				
Lease liabilities	39,470	73,653	-	113,123
Total	**39,470**	**73,653**	**-**	**113,123**
2023				
Lease liabilities	44,633	83,621	-	128,254
Total	**44,633**	**83,621**	**-**	**128,254**

Note 28

Prepayment from customers

Accounting policies

Prepayments are recognized under liabilities and will be recognized in the income statement as the delivery of paid products takes place.

DKK thousand	2024	2023
Prepayment from customers as of January 1	-	-
Prepayments received during the year	131,408	-
Prepayment from customers as of December 31	**131,408**	**-**

As of December 31, 2024, the majority of prepayments from customers were received from BARDA. Additionally, prepayments were also received for a chikungunya clinical study.

The recognition of revenue is described in note 3.

Note 29

Share-based payment

Accounting policies

Share-based incentive plans in which employees can only opt to buy shares in the Company (warrants) are measured at the equity instruments' fair value at the grant date and recognized in the income statement over the vesting period. The balancing item is recognized directly in equity. The fair value on the date of grant is determined using the Black-Scholes model.

Restricted stock units and performance restricted stock units are measured at fair value at grant date.

For Executive Management cash bonus converted to restricted stock units, the number of restricted stock units are calculated by dividing the allocated cash bonus amount by the share price of the Company at grant date. As the cash bonus has already been accrued and expensed in the income statement, the grant of restricted stock units has no additional impact on the income statement. The accrued liability for the converted cash bonus is reclassified to equity. Matching shares are measured at the same fair value as the initial restricted stock units and expensed over the three year vesting period. The balancing item is recognized directly in equity.

Performance restricted stock units granted to Executive Management as part of their long-term incentive scheme are expensed over the three year vesting period with the balancing item recognized directly in equity. Vesting is subject to achievement of certain Key Performance Indicators ("KPIs") as determined by the Board of Directors.

Restricted stock units granted as sign-on bonus for members of the Executive Management and restricted stock units granted to the Board of Directors are expensed at grant date with the balancing item recognized directly in equity.

Incentive plans
In order to motivate and retain key employees and encourage the achievement of common goals for employees, management and shareholders, the Company has established incentive plans by way of warrant programs and restricted stock units programs, the latter only for members of the Executive Management and Board of Directors.

Warrants
The Board of Directors has been granting warrants to the Company´s management and selected employees of the Company and its subsidiaries.

The warrants are granted in accordance with the authorizations given to the Board of Directors by the shareholders. The Board of Directors has fixed the terms of and the size of the grants of warrants, taking into account authorizations from the shareholders, the Group's guidelines for incentive pay, an assessment of expectations of the recipient´s work efforts and contribution to the Group´s growth, as well as the need to motivate and retain the recipient. Grant takes place on the date of establishment of the program. Exercise of warrants is by default subject to continuing employment with the Group. The warrants granted are subject to the provisions of the Danish Public Companies Act regarding termination of employees prior to their exercise of warrants in the case of recipients who are subject to the act.

For warrants granted to Executive Management in December 2022 and onwards, vesting is subject to achievement of certain Key Performance Indicators ("KPIs") as determined by the Board of Directors. Number of granted warrants are adjusted on an annual basis based on performance. The recognized costs are adjusted accordingly.

Note 29

Share-based payment *(continued)*

Warrant overview – 2024	Outstanding as of January 1	Additions	Exercised	Annulled	Terminated	Outstanding as of December 31	Can be exercised as of December 31	Average exercise price (DKK)
November 2019	513,754	-	(488,446)	(12,164)	(13,144)	-	-	146
January 2020	7,039	-	(7,039)	-	-	-	-	156
November 2020	1,098,180	-	(261,538)	(25,628)	-	811,014	811,014	207
November 2021	651,074	-	-	(40,611)	-	610,463	-	353
April 2022	81,872	-	-	-	-	81,872	-	190
December 2022	910,438	-	-	(78,044)	-	832,394	-	225/271
December 2023	1,258,558	-	-	(115,179)	-	1,143,379	-	172/192
December 2024	-	1,156,783	-	-	-	1,156,783	-	199/223
Total	**4,520,915**	**1,156,783**	**(757,023)**	**(271,626)**	**(13,144)**	**4,635,905**	**811,014**	

Warrant overview – 2024	Outstanding as of January 1	Additions	Exercised	Annulled	Terminated	Transferred	Outstanding as of December 31
Corporate Management	669,064	80,839	(141,771)	-	-	-	608,132
Other Executive Management	484,041	37,435	(7,039)	-	-	(129,050)	385,387
Other employees	2,916,601	1,038,509	(404,904)	(271,626)	(2,916)	(176,975)	3,098,689
Resigned employees	451,209	-	(203,309)	-	(10,228)	306,025	543,697
Total	**4,520,915**	**1,156,783**	**(757,023)**	**(271,626)**	**(13,144)**	**-**	**4,635,905**
Weighted average exercise price (DKK)	**226**	**221**	**167**	**223**	**147**	**-**	**234**
Weighted average share price at exercise (DKK)			**241**				
Number of warrants which can be exercised as of December 31, 2024							811,014
at a weighted average exercise price of DKK							207

Note 29

Share-based payment *(continued)*

Warrant overview – 2023	Outstanding as of January 1	Additions	Exercised	Annulled	Terminated	Transferred	Outstanding as of December 31
Corporate Management	725,932	83,921	(140,789)	-	-	-	669,064
Other Executive Management	429,550	77,491	(23,000)	-	-	-	484,041
Other employees	1,982,127	1,097,146	(100,020)	(42,799)	(19,853)	-	2,916,601
Resigned employees	514,398	-	(51,810)	-	(11,379)	-	451,209
Total	**3,652,007**	**1,258,558**	**(315,619)**	**(42,799)**	**(31,232)**	**-**	**4,520,915**
Weighted average exercise price (DKK)	**231**	**189**	**144**	**252**	**142**	**-**	**226**
Weighted average share price at exercise (DKK)			**179**				
Number of warrants which can be exercised as of December 31, 2023							520,793
at a weighted average exercise price of DKK							142

Recognized costs in 2024 DKK 57.0 million compared to DKK 48.0 million in 2023.

Specification of parameters for Black-Scholes model	Nov. 2020	Nov. 2021	Apr. 2022	Dec. 2022[3]	Dec. 2023[3]	Dec. 2024[3]
Average share price	179.84	307.20	171.35	224.70	172.40	198.90
Average exercise price at grant	206.82	353.06	190.11	270.91	191.58	223.33
Average exercise price at grant – Executive Management				224.70	172.40	198.90
Applied volatility rate[2]	39.8%	41.8%	42.3%	46.6%	53.3%	57.7%
Expected life (years)	3.0	3.0	3.0	3.0	3.0	3.0
Expected dividend per share	-	-	-	-	-	-
Risk-free interest rate p.a.	-0.66%	-0.53%	0.39%	2.04%	2.55%	1.65%
Fair value per share at grant[1]	41	76	47	64	62	75
Fair value per share at grant – Executive Management[1]				78	68	82

1 Fair value of each warrant at grant date applying the Black-Scholes model
2 The applied volatility is based on the volatility for a peer group.
3 The December 2022, December 2023 and December 2024 program have two set of exercise conditions. Executive Management can subscribe future shares at a exercise price of DKK 224.70/172.40/198.90 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 270.91/191.58/223.33 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%.

Note 29

Share-based payment *(continued)*

Exercise periods	Can be exercised wholly or partly in a period of 14 days commencing from the day of publication of:			
December 2024	Annual Report 2027 Annual Report 2028	Interim Report Q1 2028 Interim Report Q1 2029	Interim Report Q2 2028 Interim Report Q2 2029	Interim Report Q3 2028 Interim Report Q3 2029
December 2023	Annual Report 2026 Annual Report 2027	Interim Report Q1 2027 Interim Report Q1 2028	Interim Report Q2 2027 Interim Report Q2 2028	Interim Report Q3 2027 Interim Report Q3 2028
December 2022	Annual Report 2025 Annual Report 2026	Interim Report Q1 2026 Interim Report Q1 2027	Interim Report Q2 2026 Interim Report Q2 2027	Interim Report Q3 2026 Interim Report Q3 2027
April 2022	Interim Report Q2 2025 Interim Report Q2 2026	Interim Report Q3 2025 Interim Report Q3 2026	Annual Report 2025 Annual Report 2026	Interim Report Q1 2026 Interim Report Q1 2027
November 2021	Annual Report 2024 Annual Report 2025	Interim Report Q1 2025 Interim Report Q1 2026	Interim Report Q2 2025 Interim Report Q2 2026	Interim Report Q3 2025 Interim Report Q3 2026
November 2020	Annual Report 2023 Annual Report 2024	Interim Report Q1 2024 Interim Report Q1 2025	Interim Report Q2 2024 Interim Report Q2 2025	Interim Report Q3 2024 Interim Report Q3 2025

Note 29

Share-based payment *(continued)*

Phantom shares
In 2020, the Company established a three-year phantom share program for all employees of the Group except for management and other employees receiving warrants. The employees received up to five phantom shares per month free of charge during the period from January 1, 2021 to December 31, 2023. Each employee who was a full-time employee during the entire term of the plan was eligible to receive a maximum of 180 phantom shares.

On expiry of the program, the employees could exercise the phantom shares granted to them and thus be entitled to a cash bonus calculated on the basis of the increase in the price of the Company´s shares. The exercise was conditional on the price of the Company´s shares being at least DKK 5 higher than the exercise price at the time of exercise.

The program expired in January 2024 with no exercise as the program was out-of-money.

2021-2023 phantom share program

DKK thousand	2024	2023	2022	2021
Outstanding as of January 1	113,125	79,132	37,996	-
Granted during the year	-	33,993	41,136	37,996
Expired during the year	(113,125)	-	-	-
Outstanding phantom shares as of December 31	**-**	**113,125**	**79,132**	**37,996**
Liability in DKK thousand as of December 31	**-**	**-**	**3,732**	**3,589**
Specification of parameters for Black-Scholes model				
Share price December 31		177	213	269
Average share exercise price		203	203	203
Expected volatility rate		-	47%	42%
Expected life (years)		-	1.0	2.0
Expected dividend per share		-	-	-
Risk-free interest rate p.a.		-	3.46%	0.11%

The expected volatility is based on the volatility for a peer group.

Recognized costs in 2024 DKK 0 million compared to a net income of DKK 3.2 million in 2023.

Restricted stock units
In March 2024, the Board of Directors decided to postpone the payment of half of the achieved cash bonus for members of the Executive Management for 3 years, converting the postponed bonus of DKK 9.5 million into 58,034 unconditional restricted stock units using the share price of the Company at grant date (DKK 163). The Board of Directors decided to grant additional restricted stock units free of charge on expiry of a 3 years period (so-called "matching shares") upon the recipient still being employed in March 2027. One matching share is granted for each two acquired restricted stock units. The maximum number of matching shares is 29,015. The initial granted restricted stock units and the potential matching shares total 87,049 shares.

At the annual general meeting in April 2024, the Board of Directors were granted a total of 13,637 unconditional restricted stock units corresponding to 50% of the annual fixed fee of DKK 2.1 million (excl. committee fee). The restricted stock units will be delivered after 3 years in May 2027.

In May 2024, the Company bought back 162,288 of its own shares to meet the obligation to deliver up to 162,288 shares to the members of the Executive Management and the Board of Directors in March 2028.

Note 29

Share-based payment *(continued)*

Outstanding restricted stock units

	2024					
	Outstanding as of January 1	**Granted during the year**	**Released during the year**	**Outstanding as of December 31**	**Value at grant date (DKK)**	**Vesting date**
Executive Management:						
Performance restricted stock units 2024	-	46,700	-	46,700	194	Mar. 2028
Conversion of cash bonus for 2023	-	58,034	-	58,034	163	Mar. 2027
Matching shares - bonus 2023	-	29,015	-	29,015	163	Mar. 2027
Performance restricted stock units 2023	61,602	-	-	61,602	167	Mar. 2027
Conversion of cash bonus for 2022	22,429	-	-	22,429	227	Mar. 2026
Matching shares - bonus 2022	11,213	-	-	11,213	227	Mar. 2026
Conversion of cash bonus for 2021	22,578	-	-	22,578	163	Mar. 2025
Matching shares - bonus 2021	11,288	-	-	11,288	163	Mar. 2025
CEO retention plan	17,109	-	-	17,109	156	May 2025
Matching shares - CEO retention plan	8,554	-	-	8,554	156	May 2025
Sign-on bonus COO	4,446	-	-	4,446	165	May 2025
Matching shares - sign-on COO	2,223	-	-	2,223	165	May 2025
Conversion of cash bonus for 2020	16,413	-	(16,413)	-	222	Mar. 2024
Matching shares - bonus 2020	8,207	-	(8,207)	-	222	Mar. 2024
Executive Management	**186,062**	**133,749**	**(24,620)**	**295,191**		
Board of Directors:						
Fee 2024	-	13,637	-	13,637	152	May 2027
Fee 2023	10,640	-	-	10,640	194	May 2026
Fee 2022	11,467	-	-	11,467	153	May 2025
Fee 2021	7,127	-	(7,127)	-	273	Apr. 2024
Board of Directors	**29,234**	**13,637**	**(7,127)**	**35,744**		
Total	**215,296**	**147,386**	**(31,747)**	**330,935**		

The grant of the initial restricted stock units to the Executive Management related to conversion of cash bonus (58,034 shares) had no impact on the income statement for 2024, as the corresponding cash bonus (DKK 9.5 million) was accrued in 2023, though the amount has been reclassified from "Salary and wages" to "Share-based payment" in the staff cost note (note 8). The obligation related to the matching shares amount to DKK 4.7 million measured at the same fair value as the initial restricted stock units (DKK 163). The obligation will be expensed over the three-year vesting period.

The grant of performance restricted stock units to the Executive Management (46,700 shares) will be expensed over the three-year vesting period.

During 2024, DKK 19.6 million (DKK 8.6 million) has been expensed and recognized as share-based payment related to Executive Management.

The grant of restricted stock units to the Board of Directors (13,637 shares - DKK 2.1 million) were fully expensed at grant.

Note 29

Share-based payment *(continued)*

Outstanding restricted stock units	2023					
	Outstanding as of January 1	Granted during the year	Released during the year	Outstanding as of December 31	Value at grant date (DKK)	Vesting date
Executive Management:						
Performance restricted stock units 2023	-	61,602	-	61,602	167	Mar. 2027
Conversion of cash bonus for 2022	-	22,429	-	22,429	227	Mar. 2026
Matching shares - bonus 2022	-	11,213	-	11,213	227	Mar. 2026
Conversion of cash bonus for 2021	22,578	-	-	22,578	163	Mar. 2025
Matching shares - bonus 2021	11,288	-	-	11,288	163	Mar. 2025
CEO retention plan	17,109	-	-	17,109	156	May 2025
Matching shares - CEO retention plan	8,554	-	-	8,554	156	May 2025
Sign-on bonus COO	4,446	-	-	4,446	165	May 2025
Matching shares - sign-on COO	2,223	-	-	2,223	165	May 2025
Conversion of cash bonus for 2020	16,413	-	-	16,413	222	Mar. 2024
Matching shares - bonus 2020	8,207	-	-	8,207	222	Mar. 2024
Conversion of cash bonus for 2019	11,003	-	(11,003)	-	240	Mar. 2023
Matching shares - bonus 2019	5,500	-	(5,500)	-	240	Mar. 2023
Sign-on bonus CMO	8,651	-	(8,651)	-	149	May 2023
Matching shares - sign-on CMO	4,325	-	(4,325)	-	149	May 2023
Executive Management	**120,297**	**95,244**	**(29,479)**	**186,062**		
Board of Directors:						
Fee 2023	-	10,640	-	10,640	153	May 2026
Fee 2022	11,467	-	-	11,467	153	May 2025
Fee 2021	7,127	-	-	7,127	273	Apr. 2024
Fee 2020	7,111	-	(7,111)	-	190	Jun. 2023
Board of Directors	**25,705**	**10,640**	**(7,111)**	**29,234**		
Total	**146,002**	**105,884**	**(36,590)**	**215,296**		

Note 29

Share-based payment *(continued)*

Total share-based payments
Below a specification of all share-based payments expensed in 2024 and 2023. The amounts reconcile to note 8.

DKK thousand	2024	2023
Warrants	56,958	47,989
Restricted stock units	21,707	10,653
Share-based payment recognized directly in equity	**78,665**	**58,642**
Phantom share program	7	(3,165)
Share-based payment recognized as a liability (change during the year)	7	(3,165)
Total share-based payment expensed, cf. note 8	**78,672**	**55,477**
Non-cash adjustment in cash flow statement	**78,672**	**55,477**

Note 30

Acquisition of businesses

On February 15, 2023, Bavarian Nordic A/S entered into an agreement with Emergent BioSolutions to acquire two marketed travel vaccines, Vivotif® for the prevention of typhoid fever and Vaxchora® against cholera as well as a Phase 3 vaccine candidate for the prevention of chikungunya virus. The acquisition further included a Swiss-based biologics manufacturing facility, US-based research and development facilities related to the development of the chikungunya vaccine, and EU/US-based commercial operations with a specialty sales-force. The acquisition included four subsidiaries, the main being the manufacturing facility in Switzerland. The US-based activities were carved-out from Emergent BioSolutions and were integrated into Bavarian Nordic's current US entity.

The transaction closed on May 15, 2023. The consideration included an upfront payment of USD 270 million and up to USD 110 million in future conditional milestone payments. Additionally, USD 4 million were added to the cash payment to Emergent BioSolutions which included estimated adjustments for net working capital, debt, and other customary closing adjustments. The actual working capital adjustment led to a post-closing payment of USD 0.6 million.

Details of the acquisition
The purchase price was allocated to the acquired net asset, see further below. The transaction was not subject to recognition of goodwill.

Transaction costs of DKK 64 million were included in administration costs in the income statement for 2023.

Bavarian Nordic is conditioned to pay Emergent BioSolutions upon the achievement of milestones related to the successful development of the chikungunya vaccine (USD 80 million) and sales performance of the marketed vaccines (USD 30 million). Based on regulatory plans and expectations for future submission and approval of applications related to the chikungunya-vaccine all development milestones were assumed probable. The net present value of the probable milestone payments, DKK 499 million, was recognized as part of the "Acquired rights and development in progress" (further addition to the asset) and a corresponding liability was recognized as deferred consideration. The sales milestone of USD 30 million related to future sale of Vivotif® and Vaxchora® was not considered probable.

The acquisition in total contributed with DKK 142.6 million and DKK 399 million to revenue and EBITDA, respectively in 2023.

Note 30

Acquisition of businesses *(continued)*

The acquisition has been included in the Consolidated Financial Statements of Bavarian Nordic as of the date of acquisition May 15, 2023. Bavarian Nordic has made the following provisional calculation of the fair value of the acquired net assets at the time of the acquisition:

DKK thousand	**Total acquisition in 2023**
Product rights	449,577
Development asset	1,286,778
Other intangible assets	5,419
Property, plant and equipment	681,453
Right-of-use assets	41,943
Inventories	126,933
Receivables	20,503
Prepayments	39,899
Cash	66,531
Deferred tax assets (liabilities), net	(25,814)
Retirement benefit obligations	(55,988)
Trade payables	(136,686)
Leasing liabilities	(41,943)
Other payables	(61,189)
Total acquisition price	**2,397,416**
Contingent consideration	**(499,312)**
Consideration transferred	**1,898,104**
Cash acquired	(66,531)
Cash used for acquisition of business	**1,831,573**
Number of employees	280

Accounting policies

The purchase price for the acquisition comprises of identifiable assets and liabilities and contingent liabilities assumed measured at fair value at the date of acquisition by applying relevant valuation methods. Acquisition-related costs are expensed as incurred. Cost of acquired product rights are measured at cash consideration and present value of any probable deferred milestone payments for those rights. A corresponding deferred consideration is recognized at initial recognition. Subsequently, the deferred consideration is measured at amortized cost.

Note 31

Impact from write-down of ABNCoV2

Following the Phase 3 results announced in August 2023, where ABNCoV2 demonstrated a reduced level of neutralizing antibodies against a circulating variant, the asset no longer represented a commercial opportunity for Bavarian Nordic as the regulators, EMA and FDA, could not accept a submission for licensure. Therefore, Management decided to fully write-down all assets and liabilities related to the development program as per December 31, 2023.

	2023		
DKK thousand	**Income statement including write-down**	**ABNCoV2 write-down**	**Income statement excluding write-down**
Revenue	7,062,340	-	7,062,340
Production costs	2,459,294	-	2,459,294
Gross Profit	**4,603,046**	**-**	**4,603,046**
Sales and distribution costs	331,579	-	331,579
Research and development costs	2,228,080	557,683	1,670,397
Administrative costs	540,848	-	540,848
Total operating costs	**3,100,507**	**557,683**	**2,542,824**
Income before interest and tax (EBIT)	**1,502,539**	**(557,683)**	**2,060,222**
EBITDA	**2,614,543**	**-**	**2,614,543**
Net result for the year	**1,475,189**	**(557,683)**	**2,032,872**

	2023		
DKK thousand	**Financial position including write-down**	**ABNCoV2 write-down**	**Financial position excluding write-down**
Intangible assets	6,481,736	1,429,488	7,911,224
Property, plant and equipment	2,327,515	-	2,327,515
Right-of-use assets	125,170	-	125,170
Financial assets	15,741	235,711	251,452
Total non-current assets	**8,950,162**	**1,665,199**	**10,615,361**
Inventories	1,643,736	-	1,643,736
Receivables	1,891,834	220,840	2,112,674
Securities, cash and cash equivalents	1,867,481	-	1,867,481
Total current assets	**5,403,051**	**220,840**	**5,623,891**
Total assets	**14,353,213**	**1,886,039**	**16,239,252**
Equity	10,339,932	557,683	10,897,615
Deferred consideration	2,376,989	521,936	2,898,925
Other non-current liabilities	208,556	806,420	1,014,976
Other current liabilities	1,427,736	-	1,427,736
Total equity and liabilities	**14,353,213**	**1,886,039**	**16,239,252**

Note 31

Impact from write-down of ABNCoV2 *(continued)*

Write-down of ABNCoV2 development program
The net write-down of ABNCoV2 development program amounted to DKK 558 million and consisted of the following components:

- ***Intangible assets DKK 1,429 million:*** Included the upfront payment to AdaptVac of DKK 33 million, the net present value of probable future sales/development milestones DKK 596 million, capitalized development costs for running Phase 2 study and Phase 3 study DKK 774 million and DKK 26 million in capitalized scale-up activities in Kvistgaard.
- ***Financial assets DKK 236 million:*** Incurred cost for scale-up activities at the CMO for preparation for commercial launch.
- ***Receivables DKK 221 million:*** Commercial batches produced at CMO as part of the process qualification process.
- ***Deferred consideration DKK 522 million:*** As part of the ABNCoV2 write-down the previous recognized deferred consideration of DKK 596 million was reduced to DKK 74 million, reflecting the most likely milestone scenario.
- ***Other non-current liabilities DKK 806 million:*** The obtained funding from Danish Ministry of Health was reclassified from an obligation to a grant received. The amount included DKK 6 million in amortized cost.

Note 32

Contingent liabilities and other contractual obligations

DKK thousand	2024	2023
Collaborative agreements		
Contractual obligations with research (CRO) and manufacturing (CMO) partners.		
- Due within 1 year	139,183	44,080

Earnout to Emergent
The Purchase and Sale Agreement concluded with Emergent BioSolutions in May 2023 includes an earnout payment starting at USD 30 million. The earnout payment relates to sale of Vivotif and Vaxchora. As per December 31, 2023 Management does not judge the sales milestone to be probable and therefore the earnout payment has not been recognized as either part of the project rights (note 15) nor the deferred consideration (note 24).

License agreements National Cancer Institute
The Group has license agreements with the National Cancer Institute (NCI) and Public Health Service (PHS) in the U.S. for PROSTVAC, CV301 and BN-Brachyury, respectively. The agreements include contingent liabilities for the Group to pay performance-based royalties, if and when certain milestone events are achieved. Further, the agreements include potential contingent liabilities for the Group to pay additional sublicensing royalties on the fair market value of consideration received, if and when the Group grants such sublicenses. Payments considered remote are not included in the amounts above.

Company mortgage
The Company has by letter of indemnity granted Nordea a floating charge on unsecured claims arising from the sale of goods and services and stocks of raw materials, intermediate products and finished products, DKK 150 million (DKK 150 million). The floating charge secures the operating credit line of DKK 20 million and the line for trading in financial instruments, DKK 50 million (DKK 50 million).

Lawsuits
Based on management's assessment the Group is not involved in any lawsuits or arbitration cases which could have a material impact on the Group's financial position or results of operations.

Note 33

Related party transactions

The Group Management and Board of Directors of Bavarian Nordic A/S are considered related parties.

Besides the remuneration of the Board of Directors and the Executive Management, cf. note 8, and the share-based payments, cf. note 29, there are no transactions with related parties.

Transactions with subsidiaries are eliminated in the consolidated financial statements, in accordance with the accounting policies.

Note 34

Significant events after the balance sheet date

On January 31, 2025, the Company completed a share buy-back program, which was announced and initiated on January 9, 2025. As planned, the Company repurchased shares of approximately DKK 150 million with the purpose of adjusting the capital structure.

On February 14, 2025, the U.S. Food and Drug Administration (FDA) approved VIMKUNYA™, the first virus-like particle single-dose chikungunya vaccine in the US for persons 12 years of age and older. Upon approval, Bavarian Nordic received a Priority Review Voucher, which the Company intends to monetize when appropriate.

On February 25, 2025, the Company announced a strategic partnership with Biological E. Limited, initially signing a contract manufacturing agreement with the aim to provide capacity for the future supply of chikungunya vaccines to endemic low- and middle-income countries.

On February 28, 2025, the Company received marketing authorization in Europe for VIMKUNYA® for persons 12 years of age and older. This followed a positive opinion from the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) on January 31, 2025.

Except as noted above, there have been no significant events between December 31, 2024 and the date of approval of these financial statements that would require a change to or additional disclosure in the financial statements.

Note 35

Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and Corporate Management and authorized for issue on March 5, 2025.

Financial statements – Parent Company

Contents

Financial statements

Notes

Income statement

For the years ended December 31, 2024 and 2023

DKK thousand	Note	2024	2023
Revenue	2	5,684,020	6,932,388
Production costs	4,5	2,886,066	2,473,002
Gross profit		**2,797,954**	**4,459,386**
Sales and distribution costs	4	333,482	295,202
Research and development costs	3,4,5	967,885	2,286,844
Administrative costs	4,5,6	529,951	550,961
Total operating costs		**1,831,318**	**3,133,007**
Income before interest and tax (EBIT)		**966,636**	**1,326,379**
Income from investments in subsidiaries	13	(13,432)	84,703
Financial income	7	150,167	159,998
Financial expenses	8	138,625	141,415
Income before company tax		**964,746**	**1,429,665**
Tax on income for the year	9	-	(10,972)
Net result for the year	21	**964,746**	**1,440,637**

	Note
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Statement of financial position – Assets

December 31, 2024 and 2023

DKK thousand	Note	2024	2023
Non-current assets			
Product rights		4,660,426	4,791,442
Acquired rights and development in progress		1,286,782	1,286,782
Developed production processes		343,619	-
Software		18,875	7,881
Other intangible assets in progress		16,188	389,073
Intangible assets	10	**6,325,890**	**6,475,178**
Land and buildings		630,561	664,357
Leasehold improvements		2,230	1,316
Plant and machinery		337,442	324,881
Other fixtures and fittings, other plant and equipment		436,841	452,163
Assets under construction		102,191	172,496
Property, plant and equipment	11	**1,509,265**	**1,615,213**
Right-of-use assets	12	**45,289**	**55,791**
Investments in subsidiaries	13	814,897	841,145
Other receivables		280	512
Other financial non-current assets		6,850	8,021
Financial assets		**822,027**	**849,678**
Total non-current assets		**8,702,471**	**8,995,860**

DKK thousand	Note	2024	2023
Current assets			
Inventories	14	**2,117,790**	**1,527,397**
Trade receivables		881,960	1,699,601
Receivables from subsidiaries		356,853	89,779
Other receivables		33,140	92,817
Prepayments		93,512	11,437
Receivables		**1,365,465**	**1,893,634**
Securities		551,538	390,247
Cash and cash equivalents		1,519,200	1,421,677
Securities, cash and cash equivalents		**2,070,738**	**1,811,924**
Total current assets		**5,553,993**	**5,232,955**
Total assets		**14,256,464**	**14,228,815**

Statement of financial position – Equity and liabilities

December 31, 2024 and 2023

DKK thousand	Note	2024	2023
Equity			
Share capital		788,548	780,978
Treasury shares		(2,843)	(1,537)
Retained earnings		10,434,216	9,351,470
Reserve for development costs		18,471	6,491
Other reserves		169,363	202,266
Equity		**11,407,755**	**10,339,668**
Liabilities			
Deferred consideration		-	1,016,856
Credit institutions		13,045	15,135
Lease liabilities	15	32,658	43,167
Non-current liabilities		**45,703**	**1,075,158**
Deferred consideration		1,081,465	1,360,133
Credit institutions		2,074	1,913
Lease liabilities	15	14,694	13,455
Prepayment from customers	16	131,408	-
Trade payables		878,551	829,059
Payables to subsidiaries		421,312	357,713
Other liabilities	17	273,502	251,716
Current liabilities		**2,803,006**	**2,813,989**
Total liabilities		**2,848,709**	**3,889,147**
Total equity and liabilities		**14,256,464**	**14,228,815**

	Note
Notes with reference to the consolidated financial statements	
Trade receivables	19
Prepayments	21
Financial risks and financial instruments	23
Deferred consideration for product rights	24
Debt to credit institutions	25
Prepayment from customers	28
Share-based payment	29

Statement of changes in equity

December 31, 2024

DKK thousand	Share capital	Treasury shares	Retained earnings	Reserve for development costs	Other reserves	Equity
Equity as of January 1, 2024	**780,978**	**(1,537)**	**9,351,470**	**6,491**	**202,266**	**10,339,668**
Net result for the year	-	-	964,746	-	-	964,746
Exchange rate adjustments	-	-	(13,988)	-	-	(13,988)
Change in fair value of financial instruments entered into to hedge future cash flows	-	-	-	-	(75,090)	(75,090)
Share-based payment	-	-	-	-	78,665	78,665
Warrant program exercised	7,570	-	147,806	-	(28,582)	126,794
Warrant program expired	-	-	474	-	(474)	-
Warrant recharged	-	-	14,531	-	-	14,531
Costs related to issue of new shares	-	-	(112)	-	-	(112)
Purchase of treasury shares	-	(1,623)	(25,836)	-	-	(27,459)
Transfer regarding restricted stock units	-	317	7,105	-	(7,422)	-
Reserve for development costs	-	-	(11,980)	11,980	-	-
Equity as of December 31, 2024	**788,548**	**(2,843)**	**10,434,216**	**18,471**	**169,363**	**11,407,755**

Transactions on the share capital and rules on changing Articles of Associations, see statement of changes in Group equity.

Other reserves consist of costs for share-based payments and hedging reserves.

Note 1

Material accounting policies and key accounting estimates and judgments

Accounting policies

The financial statements of the Parent Company Bavarian Nordic A/S have been prepared in accordance with the Danish Financial Statements Act (Class D).

The financial statements are presented in Danish kroner (DKK), which also is the functional currency of the Parent Company. The accounting policies are unchanged from previous year.

Changes in accounting policies
The accounting policies are unchanged from last year.

Supplementary accounting policies for the Parent Company
Accounting policies for investments in subsidiaries are described in note 13.

Pursuant to the schedule requirements of the Danish Financial Statements Act, entries recognized in the statement of comprehensive income in the consolidated financial statements are recognized directly in the statement of changes in equity in the Parent Company's financial statements.

Warrant recharged to subsidiaries is treated as the Parent Company's issuance of equity in exchange for cash.

The recharge is subsequently recognized in the income statement under the cost plus agreements with the subsidiaries. Income tax effects relating to warrant recharged is recognized in the income statement.

As allowed under section 86 (4) of the Danish Financial Statements Act, no cash flow statement has been prepared for the Parent Company, as it is included in the consolidated cash flow statement.

Note 2

Revenue

Accounting policies and significant accounting estimates

See consolidated financial statements note 3.

DKK thousand	2024	2023
Travel health		
Rabipur/RabAvert	1,322,648	993,714
Encepur	511,258	417,371
Vivotif	87,943	147,542
Vaxchora	46,228	38,537
Other product sale	187,089	149,736
	2,155,166	**1,746,900**
Public preparedness		
Mpox/smallpox vaccine sale	3,305,435	5,027,009
Sale of goods	**5,460,601**	**6,773,909**
Milestone Payments	-	-
Contract work	223,419	158,479
Sale of services	**223,419**	**158,479**
Revenue	**5,684,020**	**6,932,388**
Total revenue includes:		
Fair value adjustment concerning financial instruments entered into to hedge revenue	5,486	5,016

For further disclosures see the consolidated financial statements note 3.

Note 3

Research and development costs

Accounting policies

See consolidated financial statements note 6.

DKK thousand	2024	2023
Research and development costs incurred this year	1,120,251	1,856,001
Of which:		
Contract costs recognized as production costs	(152,366)	(126,840)
Impairment loss of ABNCoV2 development program	-	557,683
Research and development costs recognized in the income statement	**967,885**	**2,286,844**
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**

For impact from write-down of ABNCoV2 see description in note 31 in the consolidated financial statements.

Note 4

Staff costs

Accounting policies

See consolidated financial statements note 8.

DKK thousand	2024	2023
Wages and salaries	694,317	580,149
Contribution based pension	59,192	49,897
Social security expenses	5,247	5,942
Other staff expenses	53,817	42,963
Share-based payment	78,672	55,702
Staff costs	**891,245**	**734,653**
Staff expenses are distributed as follows:		
Production costs	579,931	457,306
Sales and distribution costs	22,006	17,065
Research and development costs	56,248	50,315
Administrative costs	233,060	187,423
Capitalized salaries	-	22,544
Staff costs	**891,245**	**734,653**
Average number of employees converted to full-time	891	762
Number of employees as of December 31 converted to full-time	956	815

Note 4

Staff costs *(continued)*

DKK thousand	2024	2023
Staff costs include the following costs:		
Board of Directors:		
Remuneration	6,490	6,345
Share-based payment	2,070	2,070
Remuneration to Board of Directors	**8,560**	**8,415**
Executive Management:		
Salary	13,227	11,330
Paid bonus	9,884	2,484
Other employee benefits	797	705
Contribution based pension	1,832	1,574
Share-based payment	17,100	13,443
Corporate Management	**42,840**	**29,536**
Salary	6,520	5,843
Paid bonus	2,249	1,074
Other employee benefits	156	154
Contribution based pension	864	776
Share-based payment	8,829	5,116
Salary and benefits in notice period	6,671	-
Other Executive Management	**25,289**	**12,963**
Remuneration to Executive Management	**68,129**	**42,499**
Total management remuneration	**76,689**	**50,914**

CEO and President of the Company Paul Chaplin and CFO Henrik Juuel constitute the Corporate Management in the Parent Company.

COO Russell Thirsk and CPO Anu Kerns constitute the Company's member of the Other Executive Management. Anu Kerns will resign beginning of 2025. Salary and benefits in the notice period have been accrued.

Incentive programs for management and other employees are disclosed in the consolidated financial statements note 29.

The CEO's contract of employment contains standard terms for members of the management of Danish listed companies, including the extended period of notice that both parties are required to give. For the Company, the notice is maximum 18 months. In the event of a change of control, the term of notice for the Company may be extended to maximum 24 months.

Note 5

Depreciation, amortization and impairment losses

DKK thousand	2024	2023
Depreciation and amortization included in:		
Production costs	485,294	426,707
Research and development costs	2,443	2,442
Administrative costs	22,206	24,444
Depreciation and amortization	**509,943**	**453,593**
Hereof profit ()/loss from disposed fixed assets	(80)	-
Impairment losses included in:		
Research and development costs	-	557,683
Impairment losses	**-**	**557,683**

For further disclosures see the consolidated financial statements note 9.

Note 6

Fees to auditor appointed at the annual general meeting

DKK thousand	2024	2023
Audit of financials statements	2,045	3,616
Other assurance services	1,800	268
Other services	60	653
Fees	**3,905**	**4,537**

Note 7

Financial income

Accounting policies

See consolidated financial statements note 11.

DKK thousand	2024	2023
Financial income from bank and deposit contracts	48,097	38,383
Financial income from subsidiaries	3,516	49,045
Financial income from securities	27,359	14,340
Fair value adjustments on securities	7,831	30,777
Adjustment of deferred consideration due to change in estimated timing of payments	-	13,759
Currency adjustment deferred consideration	-	2,563
Net gain on derivative financial instruments at fair value in the income statement	-	11,131
Net foreign exchange gains	63,364	-
Financial income	**150,167**	**159,998**

Note 8

Financial expenses

Accounting policies

See consolidated financial statements note 12.

DKK thousand	2024	2023
Interest expenses on debt	2,919	1,019
Financial expenses to subsidiaries	22,418	10,078
Unwinding of the discount related to deferred consideration	72,682	101,961
Adjustment of deferred consideration due to change in estimated timing of payments	7,090	-
Currency adjustment deferred consideration	24,899	-
Financial expenses, other	8,617	11,469
Net foreign exchange losses	-	16,888
Financial expenses	**138,625**	**141,415**

Note 9

Tax for the year

Accounting policies

See consolidated financial statements note 13.

DKK thousand	2024	2023
Tax recognized in the income statement		
Current tax on profit for the year	-	-
Current tax on profit for previous years	-	(10,972)
Currrent tax	**-**	**(10,972)**
Tax for the year recognized in the income statement	**-**	**(10,972)**
Tax on income for the year is explained as follows:		
Income before company tax	964,746	1,429,665
Calculated tax (22.0%) on income before company tax	212,244	314,526
Tax effect on:		
Income from investments in subsidiaries	2,955	(18,635)
Income()/expenses that are not taxable/deductible for tax purposes	4,755	13,853
Deduction for interest and currency adjustments related to debt foregiveness	-	(60,009)
Special tax credit	(12,321)	(32,788)
Current tax on profit for previous years	-	(10,972)
Change in non-recognized tax asset	(207,633)	(216,947)
Tax on income for the year	**-**	**(10,972)**
Tax recognized in equity	**-**	**-**
Tax for the year recognized in equity	**-**	**-**

'Income()/expenses that are not taxable/deductible for tax purposes' are primarily deduction limitations on 'Management salaries'.

'Special tax credit' primarily relates to the 8% step up deduction on research and development costs according to Section 8B of the Danish Tax Assessment Act.

Deferred tax

Recognized deferred tax assets relate to temporary differences between valuations for accounting and taxation purposes and tax losses carried forward.

DKK thousand	January 1, 2024	Adjustment to previous year	Recognized in the income statement	Recognized in equity	December 31, 2024
Product rights	(50,074)	(977)	(126,909)	-	(177,960)
Acquired rights and development in progress	(111,104)	(9,686)	(56,605)	-	(177,395)
Property, plant and equipment	92,307	(762)	(25,688)	-	65,857
Right-of-use-asset	183	-	271	-	454
Development projects for sale	25,944	-	(6,501)	-	19,443
Receivables	218	-	225	-	443
Provisions	1,100	110	330	-	1,540
Financial instruments	(10,095)	-	(89)	16,609	6,425
Share-based payment	35,790	-	9,393	-	45,183
Tax losses carried forward	435,319	(4)	(2,060)	-	433,255
Not recognized tax asset	(419,588)	11,319	207,633	(16,609)	(217,245)
Recognized deferred tax assets	**-**	**-**	**-**	**-**	**-**

For further disclosures see the consolidated financial statements note 13.

Note 10

Intangible assets

Accounting policies

See consolidated financial statements note 15.

	2024					
DKK thousand	Product rights	Acquired rights and development in progress	Developed Production Process	Software	Other intangible assets in progress	Total
Costs as of January 1, 2024	5,908,277	2,690,046	-	105,580	415,297	9,119,200
Additions	186,433	-	-	-	20,402	206,835
Transfer	-	-	374,857	17,546	(392,403)	-
Transfer to/from property, plant and equipment	-	-	-	-	(884)	(884)
Disposal	-	(1,403,264)	-	-	(26,224)	(1,429,488)
Cost as of December 31, 2024	**6,094,710**	**1,286,782**	**374,857**	**123,126**	**16,188**	**7,895,663**
Amortization as of January 1, 2024	1,116,835	1,403,264	-	97,699	26,224	2,644,022
Amortization	317,449	-	31,238	6,552	-	355,239
Disposals	-	(1,403,264)	-	-	(26,224)	(1,429,488)
Amortization as of December 31, 2024	**1,434,284**	**-**	**31,238**	**104,251**	**-**	**1,569,773**
Carrying amount as of December 31, 2024	**4,660,426**	**1,286,782**	**343,619**	**18,875**	**16,188**	**6,325,890**
Carrying amount as of December 31, 2023	**4,791,442**	**1,286,782**	**-**	**7,881**	**389,073**	**6,475,178**

Note 11

Property, plant and equipment

Accounting policies
See consolidated financial statements note 16.

	2024					
DKK thousand	Land and buildings	Leasehold improvement	Plant and machinery	Other fixtures and fittings, other plant and equipment	Assets under construction	Total
Costs as of January 1, 2024	934,911	4,819	562,531	562,585	172,496	2,237,342
Additions	-	-	-	-	51,008	51,008
Transfer	10,773	1,516	63,008	30,321	(105,618)	-
Transfer to/from intangible assets	-	-	884	-	-	884
Disposals	-	-	(1,517)	-	(15,695)	(17,212)
Cost as of December 31, 2024	**945,684**	**6,335**	**624,906**	**592,906**	**102,191**	**2,272,022**
Depreciation and impairment losses as of January 1, 2024	270,554	3,503	237,650	110,422	-	622,129
Depreciation	44,569	602	51,331	45,643	-	142,145
Disposals	-	-	(1,517)	-	-	(1,517)
Depreciation and impairment losses as of December 31, 2024	**315,123**	**4,105**	**287,464**	**156,065**	**-**	**762,757**
Carrying amount as of December 31, 2024	**630,561**	**2,230**	**337,442**	**436,841**	**102,191**	**1,509,265**
Carrying amount as of December 31, 2023	**664,357**	**1,316**	**324,881**	**452,163**	**172,496**	**1,615,213**

For collateral see the consolidated financial statements note 16.

Note 12

Right-of-use-assets

Accounting policies

See consolidated financial statements note 17.

	2024			
DKK thousand	**Rent facility**	**Car leasing**	**Equipment**	**Total**
Right-of-use assets as of January 1, 2024	53,162	1,525	1,104	55,791
Additions	1,307	639	532	2,478
Modifications	(255)	(56)	(30)	(341)
Disposals	(3,407)	(97)	-	(3,504)
Depreciations	(11,186)	(870)	(583)	(12,639)
Reversal depreciations	3,407	97	-	3,504
Right-of-use assets as of December 31, 2024	**43,028**	**1,238**	**1,023**	**45,289**

	2023			
DKK thousand	**Rent facility**	**Car leasing**	**Equipment**	**Total**
Right-of-use assets as of January 1, 2023	16,587	1,898	468	18,953
Additions	432	402	-	834
Modifications	46,484	210	993	47,687
Disposals	(90)	(1,798)	(409)	(2,297)
Depreciations	(10,341)	(985)	(357)	(11,683)
Reversal depreciations	90	1,798	409	2,297
Right-of-use assets as of December 31, 2023	**53,162**	**1,525**	**1,104**	**55,791**

DKK thousand	**2024**	**2023**
Amounts included in the income statement		
Interest expense leases	2,551	553
Depreciation recognized on right-of-use assets	12,639	11,683

Note 13

Investment in subsidiaries

Accounting policies

Investments in subsidiaries are recognized and measured under the equity method. This means that, in the balance sheet, investments are measured at the pro rata share of the subsidiaries' equity plus or less unamortized positive, or negative, goodwill and plus or less unrealized intra-group profits or losses.

Subsidiaries with a negative equity value are measured at zero value, and any receivables from these subsidiaries are written down by the Company's share of such negative equity if it is deemed irrecoverable. If the negative equity exceeds the amount receivable, the remaining amount is recognized under provisions if the Company has a legal or constructive obligation to cover the liabilities of the relevant subsidiary.

Upon distribution of profit or loss, net revaluation of investments in subsidiaries is transferred to the net revaluation reserve according to the equity method under equity, if the net revaluation is positive. If the net revaluation is negative, it is recognized in retained earnings in equity.

Goodwill is calculated as the difference between cost of the investments and the fair value of the assets and liabilities acquired which have been measured at fair value at the date of acquisition. The amortization period for goodwill is usually five years.

Investments in subsidiaries are written down to the lower of recoverable amount and carrying amount.

Income from investments in subsidiaries' contains pro rata share of subsidiaries profits or losses after elimination of unrealized intra-group profits and losses.

Note 13

Investment in subsidiaries *(continued)*

DKK thousand	2024
Costs as of January 1, 2024	1,251,275
Additions	1,493
Cost as of December 31, 2024	**1,252,768**
Net revaluation as of January 1, 2024	(410,130)
Net share of profit/loss for the year	164,170
Change in unrealized intra-group profits	(177,602)
Exchange rate adjustments	(14,309)
Net revaluation as of December 31, 2024	**(437,871)**
Carrying amount as of December 31, 2024	**814,897**
Carrying amount as of December 31, 2023	**841,145**

Company summary	Domicile	Ownership	Voting rights
Subsidiaries			
Bavarian Nordic GmbH	Germany	100%	100%
Bavarian Nordic, Inc.	USA	100%	100%
Bavarian Nordic Switzerland AG	Switzerland	100%	100%
Bavarian Nordic Berna GmbH	Switzerland	100%	100%
Bavarian Nordic Italy S.r.l.	Italy	100%	100%
Bavarian Nordic Spain SLU	Spain	100%	100%
Bavarian Nordic Portugal, Lda.	Portugal	100%	100%
Bavarian Nordic Canada Inc.	Canada	100%	100%
Bavarian Nordic Sweden AB	Sweden	100%	100%
Bavarian Nordic UK Ltd.	UK	100%	100%
Bavarian Nordic Belgium BV	Belgium	100%	100%
Bavarian Nordic France	France	100%	100%
Aktieselskabet af 1. juni 2011 I	Denmark	100%	100%
Aktieselskabet af 1. juni 2011 II	Denmark	100%	100%

Note 14

Inventories

Accounting policies and significant accounting estimates

See consolidated financial statements note 18.

DKK thousand	2024	2023
Raw materials and supply materials	257,297	295,918
Work in progress	1,482,162	1,185,796
Manufactured goods and commodities	607,978	223,112
Write-down on inventory	(229,647)	(177,429)
Inventories	**2,117,790**	**1,527,397**
Write-down on inventory as of January 1	(177,429)	(162,419)
Additions from acquisition of businesses	-	(460)
Write-down for the year	(160,902)	(42,152)
Use of write-down	80,024	27,602
Reversal of write-down	28,660	-
Write-down on inventory as of December 31	**(229,647)**	**(177,429)**
Cost of goods sold amounts to	1,614,214	1,622,326

For further details regarding development in inventory values see consolidated financial statements note 18.

Note 15

Lease liabilities

Accounting policies

See consolidated financial statements note 27.

DKK thousand	2024	2023
Non-current	32,658	43,167
Current	14,694	13,455
Lease liabilities	**47,352**	**56,622**

DKK thousand	Due within 1 year	Due between 1 and 5 year	Due after 5 years	Total
2024				
Lease liabilities	14,694	32,658	-	47,352
2023				
Lease liabilities	13,455	43,167	-	56,622

Note 16

Prepayment from customers

Accounting policies

See consolidated financial statements note 28.

DKK thousand	2024	2023
Prepayment from customers as of January 1	-	-
Recognized as income during the year	131,408	-
Prepayment from customers as of December 31	**131,408**	**-**

Note 17

Other liabilities

Accounting policies

See consolidated financial statements note 22.

DKK thousand	2024	2023
Derivative financial instruments at fair value in the income statement	29,902	-
Payable salaries, holiday accrual etc.	122,093	104,632
Gross to net deduction accrual	85,965	111,762
Other accrued costs	35,542	35,322
Other liabilities	**273,502**	**251,716**

For further details of derivative financial instruments, see consolidated financial statements note 23. The phantom share programs are disclosed in the consolidated financial statements note 29.

Note 18

Contingent liabilities and other contractual obligations

DKK thousand	2024	2023
Collaborative agreements		
Contractual obligations with research partners for long-term research projects.		
- Due within 1 year	139,183	44,080

Earnout to Emergent
The Purchase and Sale Agreement concluded with Emergent BioSolution Inc. in May 2023 includes an earnout payment starting at USD 30 million. The earnout payment relates to sale of Vivotif and Vaxchora. As per December 31, 2024 Management does not judge the sales milestone to be probable and therefore the earnout payment has not been recognized as either part of the project rights nor the deferred consideration.

Joint taxation
The Company is jointly taxed with all Danish subsidiaries. As the administration company the Company stands surety with the other companies in the joint taxation of Danish corporate taxes and also withholding taxes on dividends, interest and royalties. Corporation taxes and withholding taxes payable in the joint taxation pool was DKK 0 as of December 31, 2024. Any adjustments of the taxable joint taxation income or taxes withheld at source may have the effect that the Company's liability increases.

Company mortgage and lawsuits
See the consolidated financial statements note 32.

Note 19

Mortgages and collateral

DKK thousand	2024	2023
Guarantees for subsidiaries		
The Parent Company stands surety for a credit facility to a subsidiary of a maximum of	3,767	3,651
The Parent Company stands surety for letter of credit to subsidiaries of a maximum of	2,342	2,341

Mortgages
See description regarding property, plant and equipment in note 16 in the consolidated financial statements.

Note 20

Related party transactions

The Corporate Management and Board of Directors of Bavarian Nordic A/S are considered related parties as they have significant influence over the Company.

Main intercompany transactions:
Bavarian Nordic GmbH provides research and development services and regional commercial services to Bavarian Nordic A/S.

Bavarian Nordic, Inc. distributes and sells Jynneos, RabAvert, Vivotif and Vaxchora in the US on behalf of Bavarian Nordic A/S. This is done under a Distribution Agreement.

Bavarian Nordic, Inc. provides research and development services to Bavarian Nordic A/S.

Bavarian Nordic, Inc. also provides services to Bavarian Nordic A/S in terms of commercial affair work towards the U.S. Government, with the purpose of ensuring an efficient communication and service to U.S. authorities, in order to maintain existing contracts and explore new product/contract opportunities on the U.S. market.

Bavarian Nordic Switzerland AG distributes and sells Encepur and Rabipur in Switzerland on behalf of Bavarian Nordic A/S. This is done under a Distribution Agreement.

Bavarian Nordic Switzerland AG provides research and development services and global commercial services to Bavarian Nordic A/S.

Bavarian Nordic Sweden AB provides regional commercial services to Bavarian Nordic A/S.

Bavarian Nordic Canada Inc. provides research and development services and regional commercial services to Bavarian Nordic A/S.

Bavarian Nordic Berna GmbH, distributes and sells Vivotif in Switzerland on behalf of Bavarian Nordic A/S. This is done under a Distribution Agreement.

Bavarian Nordic Berna GmbH, Manufactures and sells Vivotif and Vaxchora to Bavarian Nordic A/S. This is done under a Contract Manufacturing Agreement.

Bavarian Nordic Berna GmbH provides research and development services and global commercial services to Bavarian Nordic A/S.

Bavarian Nordic Spain SLU, distributes and sells Vivotif and Vaxchora in Spain on behalf of Bavarian Nordic A/S. This is done under a Distribution Agreement.

Bavarian Nordic Italy S.r.l., distributes and sells Rabipur, Vivotif and Vaxchora in Italy on behalf of Bavarian Nordic A/S. This is done under a Distribution Agreement.

Bavarian Nordic Portugal, LDA, distributes and sells Vivotif and Vaxchora in Portugal on behalf of Bavarian Nordic A/S. This is done under a Distribution Agreement.

Bavarian Nordic UK Ltd. provides regional commercial services to Bavarian Nordic A/S.

Bavarian Nordic Belgium BV provides research and development services and global commercial services to Bavarian Nordic A/S.

Bavarian Nordic France SAS provides regional commercial services to Bavarian Nordic A/S.

All services except for the distribution agreements are delivered under cost plus agreements and on arms length conditions.

The distribution agreements are honored according to OECD's guidelines for a Limited Risk Distributor.

Apart from intra-group transactions mentioned above and the remuneration of the Board of Directors and Corporate Management, cf. note 8 and note 29 in the consolidated financial statements, there are no transactions with related parties.

Note 21

Proposed appropriation of net profit/(loss)

DKK thousand	2024	2023
Retained earnings	964,746	1,440,637
Total	**964,746**	**1,440,637**

Note 22

Significant events after the balance sheet date

See description in note 34 in the consolidated financial statements.

Statement by the Board of Directors and Executive Management on the Annual Report

The Board of Directors and the Executive Management have today considered and approved the Annual Report of Bavarian Nordic A/S for the financial year January 1, 2024 - December 31, 2024.

The consolidated financial statements are presented in accordance with IFRS Accounting Standards as endorsed by the EU. The parent financial statements are presented in accordance with the Danish Financial Statements Act. Furthermore, the Annual Report is prepared in accordance with Danish disclosure requirements for listed companies.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent company's financial position at December 31, 2024, as well as of the results of their operations and cash flows for the financial year January 1, 2024 - December 31, 2024.

In our opinion, the management commentary contains a fair review of the development of the Group's and the Parent company's business and financial matters, the results for the year and of the Parent company's financial position and the financial position as a whole of the entities included in the consolidated financial statements, together with a description of the principal risks and uncertainties that the Group and the Parent company face.

The Sustainability statement is prepared in accordance with the European Sustainability Reporting Standards (ESRS) as required by the Danish Financial Statements Act, as well as article 8 in the EU Taxonomy regulation.

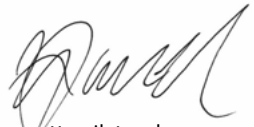
In our opinion, the Annual Report of Bavarian Nordic A/S for the financial year January 1, 2024 to December 31, 2024 identified as bava-2024-12-31-en.zip is prepared, in all material respects, in accordance with the ESEF Regulation.

We recommend the Annual Report for adoption at the Annual General Meeting.

Hellerup, March 5, 2025

Executive Management

Paul John Chaplin
President and CEO



Henrik Juuel
Executive Vice President and CFO

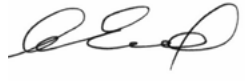
Board of Directors

Luc Debruyne
Chairman of the Board

Anders Gersel Pedersen
Deputy Chairman

Montse Montaner

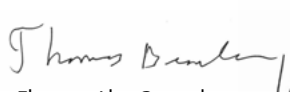
Frank A.G.M. Verwiel



Anne Louise Eberhard

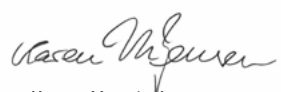
Johan van Hoof

Heidi Hunter



Thomas Alex Bennekov
Employee-elected

Anja Gjøl
Employee-elected



Karen Merete Jensen
Employee-elected

Linette Munksgaard Andersen
Employee-elected

Independent auditor's limited assurance report on sustainability statement

To the shareholders of Bavarian Nordic A/S

Limited assurance conclusion
We have conducted a limited assurance engagement on the sustainability statement of Bavarian Nordic A/S (the "Group") included in the Management's Review (the "sustainability statement"), page 40 – 111, for the financial year 1 January – 31 December 2024.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the sustainability statement is not prepared, in all material respects, in accordance with the Danish Financial Statements Act paragraph 99 a, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the management to identify the information reported in the sustainability statement (the "Process") is in accordance with the description set out in subsection "The double materiality assessment process" within the "General" section of the sustainability statement; and
- compliance of the disclosures in subsection "EU Taxonomy" within the "Environmental" section of the sustainability statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for conclusion
We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)") and the additional requirements applicable in Denmark.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the *Auditor's responsibilities for the assurance engagement section of our report*.

Our independence and quality management
We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

KPMG Statsautoriseret Revisionspartnerselskab applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other matter
The comparative information included in the sustainability statement of the Group was not subject to an assurance engagement on sustainability information prepared in accordance with the Danish Financial Statements Act section 99 a. Our conclusion is not modified in respect of this matter.

Inherent limitations in preparing the sustainability statement
In reporting forward-looking information in accordance with ESRS, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the

Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Management's responsibilities for the sustainability statement

Management is responsible for designing and implementing a process to identify the information reported in the sustainability statement in accordance with the ESRS and for disclosing this Process as part of the subsection "The double materiality assessment process" within the "General" section of the sustainability statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the sustainability statement, in accordance with the Danish Financial Statements Act paragraph 99 a, including:

- compliance with the ESRS;
- preparing the disclosures in subsection "EU Taxonomy" within the "Environmental" section of the sustainability statement, in compliance with Article 8 of the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the sustainability statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Auditor's responsibilities for the assurance engagement

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the sustainability statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Process include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS, and
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in the subsection "The double materiality assessment process" within the "General" section of the sustainability statement.

Our other responsibilities in respect of the sustainability statement include:

- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to disclosures in the sustainability statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed
A limited assurance engagement involves performing procedures to obtain evidence about the sustainability statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the sustainability statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by performing inquiries to understand the sources of the information used by management; and reviewing the Group's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in the subsection "The double materiality assessment process" within the "General" section of the sustainability statement.

In conducting our limited assurance engagement, with respect to the sustainability statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its sustainability statement including the consolidation processes by obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the sustainability statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Evaluated whether material information identified by the Process is included in the sustainability statement;
- Evaluated whether the structure and the presentation of the sustainability statement are in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected information in the sustainability statement;
- Performed substantive assurance procedures on selected information in the sustainability statement;
- Evaluated methods, assumptions and data for developing material estimates and forward-looking information and how these methods were applied;
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the sustainability statement; *and*
- Where applicable, compared selected disclosures in the sustainability statement with the corresponding disclosures in the financial statements and Management's Review;

Copenhagen, 5 March 2025

KPMG
Statsautoriseret Revisionspartnerselskab
CVR-nr. 25 57 81 89

Sara Carstensen
State Authorised Public Accountant
mne34191

Simon Vinberg Andersen
State Authorised Public Accountant
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Independent auditor's report

To the shareholders of Bavarian Nordic A/S

Report on the audit of the Consolidated Financial Statements and Parent Company Financial Statements

Opinion
In our opinion, the consolidated financial statements and the Parent Company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2024 and of the results of the Group's and Parent Company's operations and cash flows for the financial year 1 January – 31 December 2024. The consolidated financial statements are prepared in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act, and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

Our opinion is consistent with our long-form audit report to the Board or Directors and the Audit Committee.

Audited financial statements
Bavarian Nordic A/S' consolidated financial statements and parent company financial statements for the financial year 1 January – 31 December 2024 comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and notes, including summary of material accounting policy information, for the Group as well as for the Parent Company (the financial statements). The consolidated financial statements are prepared in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act, and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark.

Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We declare, to the best of our knowledge and belief, that we have not provided any prohibited non-audit services, as referred to in Article 5(1) of the Regulation (EU) 537/2014 and that we remained independent in conducting the audit.

We were appointed auditors of Bavarian Nordic A/S for the first time on 16 April 2024 for the financial year 2024.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the 2024 financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in the forming of our opinion thereon. We do not provide a separate opinion on these matters.

Statement on the Management's review
Management is responsible for the Management's review.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition Refer to note 3 in the consolidated financial statements. The Group recognizes revenue under various contracts including agreements with governmental institutions. Specifically, the Group has arrangements with Biomedical Advanced Research and Development Authority (BARDA) an institution under the U.S. Department of Health and Human Services to sell drug substance batches. The respective contracts include complexities such as long-term supply agreements, discounts, and rebates, and returns policies, which require management to exercise significant judgment. Especially the determination of the timing of revenue recognition and the determination of variable considerations are complex, with the latter also requiring Management to make assumptions.	For the purposes of our audit, the procedures we carried out included the following: We obtained an understanding of the related business processes and assessed design and implementation of the respective controls. We evaluated the appropriateness of the Group's accounting for revenue recognition, estimating sales rebates and chargebacks, including provisions related to contractual discounts, returns, and other variable considerations. We evaluated the principles applied by management, to determine whether they are compliant with the requirements of the applicable financial reporting framework. We tested the timing of revenue recognition and the amounts determined for the variable considerations, assessing their consistency with contractual terms, and supporting documentation. We assessed the reasonableness of the recorded accruals for variable considerations at the reporting date by looking at historical trends, current inventory levels, and contractual terms. We evaluated the related presentation and disclosures.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required by the Danish Financial Statements Act. This does not include the requirements in paragraph 99a related to the sustainability statement covered by the separate auditor's limited assurance report hereon.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act except for the requirements in paragraph 99a related to the sustainability statement, cf. above. We did not identify any material misstatement of the Management's review.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it

exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements and the Parent Company financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determined that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on compliance with the ESEF Regulation

As part of our audit of the Consolidated Financial Statements and Parent Company Financial Statements of Bavarian Nordic A/S we performed procedures to express an opinion on whether the annual report of Bavarian Nordic A/S for the financial year 1 January – 31 December 2024 with the file name bava-2024-12-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;

- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for financial information required to be tagged using judgement where necessary;

- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human readable format; and

- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the Annual Report of Bavarian Nordic A/S for the financial year January 1, 2024 to December 31, 2024 identified as bava-2024-12-31-en.zip is prepared, in all material respects, in accordance with the ESEF Regulation.

Copenhagen, 5 March 2025

KPMG
Statsautoriseret Revisionspartnerselskab
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Forward-looking statement

This annual report contains forward looking statements. The words “believe”, “expect”, “anticipate”, “intend” and “plan” and similar expressions identify forward looking statements. Actual results or performance may differ materially from any future results or performance expressed or implied by such statements. The important factors that could cause our actual results or performance to differ materially include, among others, risks associated with product discovery and development, uncertainties related to the outcome and conduct of clinical trials including unforeseen safety issues, uncertainties related to product manufacturing, the lack of market acceptance of our products, our inability to manage growth, the competitive environment in relation to our business area and markets, our inability to attract and retain suitably qualified personnel, the unenforceability or lack of protection of our patents and proprietary rights, our relationships with affiliated entities, changes and developments in technology which may render our products obsolete, and other factors. For a further discussion of these risks, please refer to the section “Risk Management” in this Annual Report. Bavarian Nordic does not undertake any obligation to update or revise forward looking statements in this Annual Report nor to confirm such statements in relation to actual results, unless required by law.

Design and production: Noted

BAVARIAN NORDIC