



16 December 2011

Bavarian Nordic introduces incentive programme for all employees

Kvistgård, Denmark, December 16, 2011 - Bavarian Nordic A/S (OMX: BAVA) announced today that the Company, in accordance with a board decision of today, introduces a three year incentive programme in January 2012 for all employees in the Bavarian Nordic Group. The programme is a cash bonus programme based on so-called phantom shares (bonus programme based on the Company's shares). This means that each employee in the programme will be entitled to exercise a number of phantom shares when the programme expires in 2015 and, thus, receive a cash bonus calculated from the increase in the Company's share price. The incentive programme will not have dilutive effect on the shareholders.

With effect from 1 January 2012 every month each employee is awarded up to six phantom shares per month of employment until 31 December 2014 and can during the term of the programme receive a maximum of 216 phantom shares. New employees will participate in the programme after 3 months employment. The exercise price is DKK 45.3 and has been established as the average share price ("closing price") for the Company's share in a period of 15 business days prior to today added a 15 % premium. However, the exercise price must at least comprise a price equivalent to the Company's closing price yesterday. At the time of exercise each employee in the programme will receive a cash bonus per phantom share equivalent to DKK 1 per share point the Company's share price exceeds the exercise price. The cash bonus is subject to taxation.

The exercise period starts 19 January 2015 and ends 1 February 2015 (both dates inclusive). Exercise of phantom shares is subject to the Company's share price exceeding the exercise price by at least 10 per cent at the time of exercise in 2015.

Based on the current number of employees in the Group, this 3 year incentive programme will comprise up to 96,768 phantom shares, of which the President & CEO will receive up to 216 phantom shares and other members of executive management will receive up to a total of 648 phantom shares. The average present value of each phantom share equals DKK 9.4 calculated on the basis of the Black-Scholes model with a risk-free interest rate of 0.3 per cent and on the historical volatility of the shares. The calculation is based on a market value of the share of DKK 40.7 per share.

Asger Aamund
Chairman of the Board

Contact

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About Bavarian Nordic

Bavarian Nordic is a vaccine-focused biotechnology company developing and producing novel vaccines for the treatment and prevention of life-threatening diseases with a large unmet medical need. The company's pipeline targets cancer and infectious diseases, and includes ten development programs. In oncology, the company's lead program is PROSTVAC[®], a therapeutic vaccine candidate for advanced prostate cancer that is the subject of an ongoing pivotal Phase 3 trial and is being developed under a collaboration agreement with the National Cancer Institute. In clinical Phase 1 and Phase 2 trials, PROSTVAC[®] has been tested in nearly 600 patients. In infectious diseases, the company's lead program is IMVAMUNE[®], a third-generation smallpox vaccine candidate that is being developed and supplied for emergency use to the U.S. Strategic National Stockpile under a contract with the U.S. Government. For more information, visit www.bavarian-nordic.com

Forward-looking statements

This announcement includes "forward-looking statements" that involve risks, uncertainties and other factors, many of which are outside of our control that could cause actual results to differ materially from the results discussed in the forward-looking statements. Forward-looking statements include statements concerning our plans, objectives, goals, future events, performance and/or other information that is not historical information. We undertake no obligation to publicly update or revise forward-looking statements to reflect subsequent events or circumstances after the date made, except as required by law.