

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 15, 2023

EMERGENT BIOSOLUTIONS INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-33137
(Commission File Number)

14-1902018
(IRS Employer
Identification No.)

**400 Professional Drive, Suite 400,
Gaithersburg, Maryland 20879**

(Address of principal executive offices, including zip code)

(240) 631-3200

(Registrant's telephone number, including area code)

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, Par Value \$0.001 per share	EBS	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On February 15, 2023, Emergent BioSolutions Inc. (“Emergent”), through its wholly owned subsidiaries Emergent International Inc. and Emergent Travel Health Inc. (collectively the “Company”) entered into a Purchase and Sale Agreement (the “Definitive Agreement”) with Bavarian Nordic (“Bavarian”) for the sale of the Company’s travel health business (the “Business”), including rights to Vivotif®, the licensed typhoid vaccine, Vaxchora®, the licensed cholera vaccine, the development-stage chikungunya vaccine candidate CHIKV VLP, the Company’s manufacturing site in Bern, Switzerland and certain of its development facilities in San Diego, California (collectively, the “Business Sale”). Approximately 280 current Company employees are expected to join Bavarian with the Business Sale transaction. Under the Definitive Agreement, Bavarian will pay a cash purchase price of \$270 million at closing, subject to customary adjustments for cash, indebtedness, working capital and transaction expenses of the business at closing, milestone payments of up to \$80 million related to the development of CHIKV VLP and receipt of marketing approval and authorization in the US and Europe, and earnout payments of up to \$30 million based on aggregate net sales of Vaxchora and Vivotif in calendar year 2026. All necessary approvals for the Business Sale have been obtained by Emergent and Bavarian Nordic.

The completion of the Business Sale is subject to certain customary closing conditions, including (1) the expiration or earlier termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (2) receipt of required clearances and approvals under Spain’s competition laws, (3) receipt of certain Swiss real property approvals, (4) no material adverse effect having occurred with respect to the Business, and (5) certain other customary conditions. There is no financing condition to the closing of the Business Sale.

The Company and Bavarian have made customary representations, warranties, and covenants in the Definitive Agreement. The Definitive Agreement also contains certain termination rights for the Company and Bavarian. Upon any termination of the Definitive Agreement, the Definitive Agreement will become void and have no effect, except that certain specified obligations of the Company and Bavarian will survive, including obligations concerning confidentiality and public announcements.

The Definitive Agreement also contemplates that at closing the Company and Bavarian will enter into a transition services agreement (the “Transition Services Agreement”). Under the Transition Services Agreement, and to ensure the orderly transition of the Business to Bavarian and to facilitate the Company’s uninterrupted operation of its remaining businesses through closing, the Company will provide to Bavarian certain transition services and Bavarian will provide certain transition services to the Company.

Credit Agreement Amendment

On February 14, 2023, the Company entered into a Consent, Limited Waiver, and Third Amendment to the Amended and Restated Credit Agreement (the “Credit Agreement Amendment”) among the Company, as borrower, certain subsidiaries of the Company, as guarantors, Wells Fargo Bank, National Association, as administrative agent (in such capacity, the “Administrative Agent”), and certain lenders party thereto. The Credit Agreement Amendment amends the Amended and Restated Credit Agreement, dated as of October 15, 2018 (the “Existing Credit Agreement”), among the Company, the lenders party thereto from time to time (the “Lenders”) and the Administrative Agent (as previously amended, restated, amended and restated, supplemented or otherwise modified, the “Existing Credit Agreement”) relating to the Company’s senior secured credit facilities consisting of a senior revolving credit facility (the “Revolving Credit Facility”) and senior term loan facility (the “Term Loan Facility,” and together with the Revolving Credit Facility, the “Senior Secured Credit Facilities”).

Pursuant to the Credit Agreement Amendment the requisite Lenders have consented to the consummation of the Business Sale substantially in accordance with the terms of the Definitive Agreement referenced in the Credit Agreement Amendment. The proceeds from the Business Sale shall be deposited into a cash collateral account with the Administrative Agent and shall, unless otherwise agreed to by the Borrower and the requisite Lenders, be used to repay the outstanding Term Loan Facility on the expiration of the Limited Waiver (as described below).

In addition, pursuant to the Credit Agreement Amendment the requisite Lenders have agreed to a limited waiver (the “Limited Waiver”) of any defaults or events of default that result from (a) any violation of the financial covenants set forth in the Existing Credit Agreement with respect to the fiscal quarters ending December 31, 2022 and March 31, 2023 and (b) any going concern qualification or exception contained in the audited financial statements for the fiscal year ending December 31, 2022. The Limited Waiver expires on the earlier to occur of (i) any other event of default and (ii) April 17, 2023. During the period of the Limited Waiver, the Company is working with lenders under the Existing Credit Agreement in connection with replacing the current credit facility before it matures with revised terms and conditions.

The foregoing descriptions of the terms and conditions of the Definitive Agreement, the Transition Services Agreement, and the Credit Agreement Amendment do not purport to be complete and are qualified in their entireties by reference to the full text of the

Definitive Agreement, the Transition Services Agreement, and the Credit Agreement Amendment, copies of which are expected to be filed as exhibits to Emergent's next Annual Report on Form 10-K.

Item 7.01 Regulation FD Disclosure.

On February 15, 2023, Emergent issued a press release announcing the entry into the Definitive Agreement. A copy of the release is furnished as Exhibit 99.1 hereto.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.*

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release issued by Emergent BioSolutions Inc. on February 15, 2023.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EMERGENT BIOSOLUTIONS INC.

Dated: February 15, 2023

By: /s/ RICHARD S. LINDAHL
Name: Richard S. Lindahl
Title: Executive Vice President, Chief Financial
Officer and Treasurer



Emergent BioSolutions Announces Sale of Travel Health Business to Bavarian Nordic for Up To \$380 Million

GAITHERSBURG, Md., February 15, 2023 – Emergent BioSolutions (NYSE: EBS) today announced that it has entered into an agreement to sell its travel health business to Bavarian Nordic (BVNRY) for a total value of up to \$380 million, including potential future milestone payments. Under the terms of the definitive agreement, Bavarian Nordic will acquire the rights to VIVOTIF®, indicated for the active immunization to prevent typhoid fever, and VAXCHORA®, indicated for the active immunization to prevent cholera, as well as the development-stage chikungunya vaccine candidate CHIKV VLP. Bavarian Nordic will also acquire Emergent’s manufacturing site in Bern, Switzerland, and development facilities in San Diego, California. Approximately 280 current Emergent employees are expected to join Bavarian Nordic as part of the transaction.

“This agreement enables these important vaccines to continue to get to patients and customers who need them while allowing us to further sharpen our focus on protecting and enhancing life through our core products and contract manufacturing services businesses,” said Robert G. Kramer, Emergent president and chief executive officer. “I want to thank our Emergent teammates who will be joining Bavarian Nordic for their dedication to developing and delivering these products that address global health needs.”

The sale of its travel health business builds on Emergent’s previously announced strategic prioritization of its medical countermeasure products, such as ACAM2000® (Smallpox (Vaccinia) Vaccine, Live), TEMBEXA® (brincidofovir), RSDL® (Reactive Skin Decontamination Lotion Kit), several anthrax products, and opioid overdose reversal medicine NARCAN® (naloxone HCl) Nasal Spray, and contract development and manufacturing services businesses. Together, these actions will improve profitability and position Emergent for steady, sustainable growth over the long term.

Emergent will further discuss this transaction during the conference call associated with the announcement of its fourth quarter and full year 2022 financial results scheduled for post-market close on February 27, 2023.

Transaction Details

Upon closing of the transaction, Bavarian Nordic will pay Emergent \$270 million in upfront cash consideration. Additionally, Bavarian Nordic will pay Emergent up to \$30 million in sales-based milestones associated with the commercial products and up to \$80 million in development-based milestones associated with the CHIKV VLP program. The transaction is expected to close in the second quarter of 2023, subject to regulatory clearance and customary closing conditions.

For Emergent BioSolutions, Wells Fargo Securities, LLC served as financial advisor, and Barnes & Thornburg LLP served as legal counsel for this transaction.

About Emergent BioSolutions

At Emergent, our mission is to protect and enhance life. For over 20 years, we've been at work defending people from things we hope will never happen—so we are prepared just in case they ever do. We provide solutions for complex and urgent public health threats through a portfolio of vaccines and therapeutics that we develop and manufacture for governments and consumers. We also offer a range of integrated contract development and manufacturing services for pharmaceutical and biotechnology customers. To learn more about how we plan to protect or enhance 1 billion lives by 2030, visit our [website](#) and follow us on [LinkedIn](#), [Twitter](#), and [Instagram](#).

About VIVOTIF® (Typhoid Vaccine Live Oral Ty21a)

VIVOTIF is a live attenuated vaccine for oral administration indicated for immunization of adults and children greater than 6 years of age against disease caused by *Salmonella typhi*. VIVOTIF is licensed in the U.S. and in other key markets, including Europe. The vaccine is marketed in Germany under the name Typhoral® L.

Not all recipients of VIVOTIF will be fully protected against typhoid fever. Vaccinated individuals should continue to take personal precautions against exposure to typhoid organisms. VIVOTIF is not to be taken during an acute gastrointestinal illness. The most common adverse effects reported during prior clinical trials include abdominal pain, nausea, diarrhea and vomiting.

Please see full [U.S. Prescribing Information](#) for VIVOTIF.

About VAXCHORA® (Cholera Vaccine, Live, Oral)

VAXCHORA is a single-dose, live attenuated vaccine for oral administration. VAXCHORA is indicated for the active immunization against disease caused by *Vibrio cholerae* serogroup O1 for prevention of cholera among travelers aged 2–64 years to an area with active cholera transmission. VAXCHORA is licensed in the U.S., Europe and Great Britain.

The effectiveness of VAXCHORA has not been established in persons living in cholera-affected areas or in persons who have pre-existing immunity due to previous exposure to *V. cholerae* or receipt of a cholera vaccine. VAXCHORA has not been shown to protect against disease caused by *V. cholerae* serogroup O139 or other non-O1 serogroups. VAXCHORA is contraindicated in persons who have a history of severe allergic reaction to any ingredient of VAXCHORA or to a previous dose of any cholera vaccine. The most common adverse reactions include tiredness, headache, abdominal pain, nausea/vomiting, lack of appetite and diarrhea.

Please see full [U.S. Prescribing Information](#) for VAXCHORA.

About CHIKV VLP

In 2022, Emergent announced two-year persistence data from its Phase 2 safety and immunogenicity study of CHIKV VLP in 415 healthy adults. The CHIKV VLP vaccine candidate continued to demonstrate a favorable safety profile. Two years post-vaccination, SNA responses were 19 times higher than pre-vaccination titers following a single adjuvanted 40 µg dose of the CHIKV VLP vaccine candidate, supporting the persistence of the immune response. All subjects in the single-dose regimen remained seropositive at their one-year and two-year visits. The vaccine candidate was well-tolerated and no significant vaccine-related safety concerns were identified. The majority of solicited adverse events were mild or moderate in severity and the most frequent was local injection site pain.

SAFE HARBOR STATEMENT

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements, other than statements of historical fact, including statements regarding the potential benefits of the transaction to Emergent, Emergent's strategic prioritization of its medical countermeasure products, the parties' ability to consummate the transactions contemplated under the agreement, the parties' ability to meet expectations regarding the conditions, timing and completion of the transactions contemplated under the agreement, and any other statements containing the words "believes," "expects," "anticipates," "intends," "plans," "estimates" and similar expressions, are forward-looking statements. These forward-looking statements are based on Emergent's current intentions, beliefs and expectations regarding future events. Emergent cannot guarantee that any forward-looking statement will be accurate. The reader should realize that, if underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could differ materially from expectations. The reader is, therefore, cautioned not to place undue reliance on any forward-looking statement. Any forward-looking statement speaks only as of the date of this press release, and, except as required by law, Emergent does not undertake to update any forward-looking statement to reflect new information, events or circumstances.

There are a number of important factors that could cause actual results to differ materially from those indicated by such forward-looking statements. The reader should consider this cautionary statement, as well as the risk factors identified in Emergent's periodic reports filed with the SEC, when evaluating the forward-looking statements contained herein.

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