

Novavax Investor Relations

GAITHERSBURG, Md., Jan. 25, 2016 (GLOBE NEWSWIRE) -- Novavax, Inc. (Nasdaq:NVAX), a clinical-stage vaccine company focused on the discovery, development and commercialization of recombinant nanoparticle vaccines and adjuvants, today announced the pricing of \$300 million aggregate principal amount of convertible senior unsecured notes that will mature on February 1, 2023 (the Notes). The Notes are being offered and sold only to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended. Novavax has also granted the initial purchasers of the Notes an option to purchase up to an additional \$30 million aggregate principal amount of the Notes, solely to cover over-allotments. The offering was upsized from the previously announced size of \$200 million.

Citigroup and J.P. Morgan are acting as joint book-running managers of the offering. Piper Jaffray and Guggenheim Securities are acting as Co-Lead Managers.

The Notes will bear cash interest at a rate of 3.75%, payable on February 1 and August 1 of each year, beginning on August 1, 2016. The Notes will not be redeemable prior to maturity and will be convertible into shares of Novavax common stock. The initial conversion rate for the Notes is 146.8213 shares of Novavax' common stock per \$1,000 principal amount of the Notes, which is equivalent to an initial conversion price of approximately \$6.81 per share of Novavax' common stock, representing an approximately 22.5% conversion premium based on the last reported sale price of Novavax' common stock of \$5.56 per share on January 25, 2016.

Novavax estimates that the net proceeds of the offering will be approximately \$291 million (or approximately \$320 million if the initial purchasers' over-allotment option is exercised in full), after deducting the initial purchasers' discounts and commissions, but prior to deducting estimated offering expenses. Novavax intends to use the net proceeds from the offering for the advancement of its clinical-stage vaccine candidates, including its recently initiated pivotal Phase 3 clinical trials of its RSV F Vaccine in older adults and pregnant women, as well as its other clinical and preclinical research programs, and general corporate purposes, which may include working capital, product development, manufacturing and process development expenditures, capital expenditures, acquisitions and other strategic purposes. Novavax also intends to use a portion of the net proceeds from the offering to pay the cost of certain capped call transactions (described below).

In connection with the pricing of the Notes, Novavax also entered into privately negotiated capped call transactions with certain financial institutions (the option counterparties). The capped call transactions are expected generally to reduce the potential dilution upon conversion of the Notes in the event that the market price per share of Novavax' common stock, as measured under the terms of the capped call transactions, is greater than the strike price of the capped call transactions, which initially corresponds to the conversion price of the Notes, and is subject to anti-dilution adjustments generally similar to those applicable to the conversion rate of the Notes. The cap price of the capped call transactions will initially be \$9.73 per share, which represents a premium of approximately 75% based on the last reported sale price of Novavax' common stock of \$5.56 per share on January 25, 2016, and is subject to certain adjustments under the terms of the capped call transactions. If, however, the market price per share of Novavax' common stock, as measured under the terms of the capped call transactions, exceeds the cap price of the capped call transactions, there would nevertheless be dilution upon conversion of the Notes to the extent that such market price exceeds the cap price of the capped call transactions. If the initial purchasers of the Notes exercise their over-allotment option, Novavax expects to enter into additional capped call transactions with the option counterparties.

Novavax expects that, in connection with the capped call transactions, the option counterparties or their respective affiliates will enter into various hedging transactions, including (without limitation) derivative transactions with respect to Novavax' common stock and/or to purchase Novavax' common stock concurrently with or shortly after the pricing of the Notes. This activity could impact the market price of Novavax' common stock or the Notes at that time, and could result in a higher effective conversion price for the Notes. In addition, the option counterparties and/or their respective affiliates may, from time to time, modify their hedge positions by entering into or unwinding various hedging positions, including (without limitation) derivative transactions with respect to Novavax' common stock and/or by purchasing or selling Novavax' common stock or other securities of Novavax in secondary market transactions. This activity could also impact the market price of Novavax' common stock or the Notes, which could affect the value of the shares that a holder of Notes receives upon conversion of the Notes.

The offer and sale of the Notes are not being registered under the Securities Act, or any state securities laws. The Notes may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the Securities Act and any applicable state securities laws.

This news release does not constitute an offer to sell or a solicitation of an offer to buy the securities described

herein, nor shall there be any sale of these securities, in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the laws of such jurisdiction.

About Novavax

Novavax, Inc. (Nasdaq:NVAX) is a clinical-stage vaccine company committed to delivering novel products to prevent a broad range of infectious diseases. Its recombinant nanoparticles and Matrix-M™ adjuvant technology are the foundation for groundbreaking innovation that improves global health through safe and effective vaccines.

Forward-Looking Statements

This press release contains forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements, including, but not limited to, statements regarding the estimated net proceeds of the offering and Novavax' anticipated use of proceeds. Each forward-looking statement is subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such statement. Applicable risks and uncertainties include, but are not limited to, those related to whether or not Novavax will be able to consummate the offering and the capped call transactions on the timeline or with the terms anticipated, if at all, the conduct, timing and potential results from Novavax' clinical-trials and other preclinical studies, Novavax' plans for and potential timing of regulatory filings, the expected timing and content of regulatory actions, Novavax' plans regarding partnering activities and business development initiatives, and the timing and success of Novavax' commercialization, if any, of its product candidates. In addition, Novavax' management retains broad discretion with respect to the allocation of the net proceeds of this offering. Applicable risks also include those that are listed under the heading "Risk Factors" and elsewhere in Novavax' Annual Report on Form 10-K for the fiscal year ended December 31, 2014, in addition to the risk factors that are included from time to time in Novavax' subsequent SEC filings. Novavax undertakes no obligation to update these forward-looking statements to reflect events or circumstances occurring after this press release. Except as otherwise noted, these forward-looking statements speak only as of the date of this press release. All forward-looking statements are qualified in their entirety by this cautionary statement.

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