UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended September 30, 2015

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to .

Commission File No. 0-26770

NOVAVAX, INC.

(Exact name of registrant as specified in its charter)

Delaware	**22-2816046**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
20 Firstfield Road, Gaithersburg, MD	**20878**
(Address of principal executive offices)	(Zip code)

(240) 268-2000

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of the Registrant's Common Stock, $0.01 par value, was 269,858,393 as of October 31, 2015.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

NOVAVAX, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share information)

	September 30, 2015 (unaudited)	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 138,144	$ 32,335
Marketable securities	152,042	135,721
Restricted cash	—	297
Accounts receivable – billed	2,197	7,510
Account receivable – unbilled	2,137	3,100
Prepaid expenses and other current assets	15,582	9,195
Total current assets	310,102	188,158
Property and equipment, net	29,421	19,737
Intangible assets, net	11,005	12,577
Goodwill	53,062	54,612
Other non-current assets	1,044	918
Total assets	$ 404,634	$ 276,002
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 8,201	$ 12,908
Accrued expenses	13,270	19,397
Current portion of notes payable	493	603
Deferred rent	1,212	1,138
Other current liabilities	1,697	70
Total current liabilities	24,873	34,116
Deferred revenue	2,500	2,500
Non-current portion of notes payable	45	395
Deferred rent	7,106	7,734
Other non-current liabilities	3,094	1,639
Total liabilities	37,618	46,384
Commitments and contingences	—	—
Stockholders' equity:		
Preferred stock, $0.01 par value, 2,000,000 shares authorized; no shares issued and outstanding as of September 30, 2015 and December 31, 2014, respectively	—	—
Common stock, $0.01 par value, 600,000,000 shares authorized at September 30, 2015 and 300,000,000 shares authorized at December 31, 2014; 270,274,501 shares issued and 269,819,071 shares outstanding at September 30, 2015 and 239,287,294 shares issued and 238,831,864 shares outstanding at December 31, 2014	2,703	2,393
Additional paid-in capital	947,055	729,373
Accumulated deficit	(571,224)	(493,093)
Treasury stock, 455,430 shares, cost basis at both September 30, 2015 and December 31, 2014	(2,450)	(2,450)
Accumulated other comprehensive loss	(9,068)	(6,605)
Total stockholders' equity	367,016	229,618
Total liabilities and stockholders' equity	$ 404,634	$ 276,002

The accompanying notes are an integral part of these financial statements.

NOVAVAX, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share information)
(unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2015	2014	2015	2014
Revenue:				
Government contracts	$ 6,307	$ 7,504	$ 29,273	$ 20,217
Research and development collaborations	218	710	1,124	3,718
Total revenue	6,525	8,214	30,397	23,935
Costs and expenses:				
Cost of government contracts revenue	2,747	4,027	8,054	12,150
Research and development	27,917	19,219	78,686	48,940
General and administrative	9,060	4,757	21,991	14,871
Total costs and expenses	39,724	28,003	108,731	75,961
Loss from operations	(33,199)	(19,789)	(78,334)	(52,026)
Other income (expense):				
Investment income	194	128	450	160
Interest expense	(64)	(47)	(126)	(150)
Other expense	(51)	(19)	(121)	—
Realized gains on marketable securities	—	—	—	615
Net loss	$ (33,120)	$ (19,727)	$ (78,131)	$ (51,401)
Basic and diluted net loss per share	$ (0.12)	$ (0.08)	$ (0.30)	$ (0.23)
Basic and diluted weighted average number of common shares outstanding	269,554	238,304	259,703	221,578

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands)
(unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2015	2014	2015	2014
Net loss	$ (33,120)	$ (19,727)	$ (78,131)	$ (51,401)
Other comprehensive income (loss):				
Net unrealized gains (losses) on investments available-for-sale	48	(54)	95	(28)
Reclassification adjustment for gains included in net loss	—	—	—	(615)
Foreign currency translation adjustment	(406)	(2,764)	(2,558)	(4,307)
Other comprehensive loss	(358)	(2,818)	(2,463)	(4,950)
Comprehensive loss	$ (33,478)	$ (22,545)	$ (80,594)	$ (56,351)

The accompanying notes are an integral part of these financial statements.

NOVAVAX, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	For the Nine Months Ended September 30,	
	2015	**2014**
Operating Activities:		
Net loss	$ (78,131)	$ (51,401)
Reconciliation of net loss to net cash used in operating activities:		
Depreciation and amortization	4,347	2,995
Amortization of net premiums on marketable securities	955	106
Deferred rent	(554)	(302)
Non-cash stock-based compensation	9,278	4,583
Realized gains on marketable securities	—	(615)
Other	140	(13)
Changes in operating assets and liabilities:		
Restricted cash	297	1,417
Accounts receivable – billed	5,503	(999)
Accounts receivable – unbilled	963	755
Prepaid expenses and other assets	(6,536)	(3,348)
Accounts payable and accrued expenses	(7,706)	(164)
Deferred revenue	105	(260)
Net cash used in operating activities	(71,339)	(47,246)
Investing Activities:		
Capital expenditures	(13,648)	(4,877)
Proceeds from disposal of property and equipment	—	39
Proceeds from maturities of marketable securities	137,107	18,440
Purchases of marketable securities	(154,288)	(160,782)
Net cash used in investing activities	(30,829)	(147,180)
Financing Activities:		
Principal payments on capital leases	(49)	(58)
Principal payments on notes payable	(458)	(505)
Changes in restricted cash	(126)	(1)
Cash paid with the Novavax AB acquisition	—	(171)
Net proceeds from sales of common stock	204,275	107,896
Proceeds from the exercise of stock options and employee stock purchases	4,440	2,288
Net cash provided by financing activities	208,082	109,449
Effect of exchange rate on cash and cash equivalents	(105)	(21)
Net increase (decrease) in cash and cash equivalents	105,809	(84,998)
Cash and cash equivalents at beginning of period	32,335	119,471
Cash and cash equivalents at end of period	$ 138,144	$ 34,473
Supplemental disclosure of non-cash activities:		
Property and equipment purchases included in accounts payable and accrued expenses	$ 2,390	$ 999
Supplemental disclosure of cash flow information:		
Cash payments of interest	$ 79	$ 143

The accompanying notes are an integral part of these financial statements.

NOVAVAX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2015
(unaudited)

Note 1 – Organization

Novavax, Inc. ("Novavax," and together with its wholly owned subsidiary "Novavax AB," the "Company") is a clinical-stage vaccine company focused on the discovery, development and commercialization of recombinant nanoparticle vaccines and adjuvants. The Company's product pipeline targets a variety of infectious diseases with vaccine candidates currently in clinical development for respiratory syncytial virus ("RSV"), seasonal influenza, pandemic influenza and Ebola virus ("EBOV"). The Company has additional preclinical stage programs in a variety of infectious diseases, including Middle East Respiratory Syndrome ("MERS").

Note 2 – Operations

The Company's vaccine candidates currently under development, some of which include adjuvants, will require significant additional research and development efforts that include extensive preclinical studies and clinical testing, and regulatory approval prior to commercial use.

As a clinical-stage vaccine company, the Company has primarily funded its operations from proceeds through the sale of its common stock in equity offerings and revenue under its contract with the Department of Health and Human Services, Biomedical Advanced Research and Development Authority ("HHS BARDA") and, to a lesser degree, revenue under its prior contract with PATH Vaccine Solutions ("PATH"). Management regularly reviews the Company's cash and cash equivalents and marketable securities relative to its operating budget and forecast to monitor the sufficiency of the Company's working capital, and anticipates continuing to draw upon available sources of capital to support its product development activities.

Note 3 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. The consolidated balance sheet as of September 30, 2015, the consolidated statements of operations and the consolidated statements of comprehensive loss for the three and nine months ended September 30, 2015 and 2014 and the consolidated statements of cash flows for the nine months ended September 30, 2015 and 2014 are unaudited, but include all adjustments (consisting of normal recurring adjustments) that the Company considers necessary for a fair presentation of the financial position, operating results, comprehensive loss and cash flows, respectively, for the periods presented. Although the Company believes that the disclosures in these consolidated financial statements are adequate to make the information presented not misleading, certain information and footnote information normally included in consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted as permitted under the rules and regulations of the United States Securities and Exchange Commission ("SEC").

The unaudited consolidated financial statements include the accounts of Novavax, Inc. and its wholly owned subsidiary, Novavax AB. All intercompany accounts and transactions have been eliminated in consolidation.

The accompanying consolidated financial statements are presented in U.S. dollars. The functional currency of Novavax AB, which is located in Sweden, is the local currency (Swedish Krona). The translation of assets and liabilities of Novavax AB to U.S. dollars is made at the exchange rate in effect at the consolidated balance sheet date, while equity accounts are translated at historical rates. The translation of the statement of operations data is made at the average exchange rate in effect for the period. The translation of operating cash flow data is made at the average exchange rate in effect for the period, and investing and financing cash flow data is translated at the exchange rate in effect at the date of the underlying transaction. Translation gains and losses are recognized as a component of accumulated other comprehensive loss in the accompanying consolidated balance sheets. The foreign currency translation adjustment balance included in accumulated other comprehensive loss was $9.1 million and $6.5 million at September 30, 2015 and December 31, 2014, respectively.

The accompanying unaudited consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2014. Results for this or any interim period are not necessarily indicative of results for any future interim period or for the entire year. The Company operates in one business segment.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ materially from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments with maturities of three months or less from the date of purchase. Cash and cash equivalents consist of the following at (in thousands):

	September 30, 2015	December 31, 2014
Cash	$ 5,682	$ 4,481
Money market funds	71,205	20,354
Government-backed security	28,000	7,500
Asset-backed securities	4,061	—
Corporate debt securities	29,196	—
Cash and cash equivalents	$ 138,144	$ 32,335

Cash equivalents are recorded at cost plus accrued interest, which approximate fair value due to their short-term nature.

Fair Value Measurements

The Company applies Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements and Disclosures*, for financial and non-financial assets and liabilities.

ASC 820 discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow) and the cost approach (cost to replace the service capacity of an asset or replacement cost). The statement utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

- Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

- Level 3: Unobservable inputs that reflect the reporting entity's own assumptions.

Marketable Securities

Marketable securities consist of commercial paper, asset-backed securities and corporate notes. Classification of marketable securities between current and non-current is dependent upon the maturity date at the balance sheet date taking into consideration the Company's ability and intent to hold the investment to maturity.

Interest and dividend income is recorded when earned and included in investment income in the consolidated statements of operations. Premiums and discounts, if any, on marketable securities are amortized or accreted to maturity and included in investment income in the consolidated statements of operations. The specific identification method is used in computing realized gains and losses on the sale of the Company's securities.

The Company classifies its marketable securities with readily determinable fair values as "available-for-sale." Investments in securities that are classified as available-for-sale are measured at fair market value in the consolidated balance sheets, and unrealized holding gains and losses on marketable securities are reported as a separate component of stockholders' equity until realized. Marketable securities are evaluated periodically to determine whether a decline in value is "other-than-temporary." The term "other-than-temporary" is not intended to indicate a permanent decline in value. Rather, it means that the prospects for a near term recovery of value are not necessarily favorable, or that there is a lack of evidence to support fair values equal to, or greater than, the carrying value of the security. Management reviews criteria, such as the magnitude and duration of the decline, as well as the Company's ability to hold the securities until market recovery, to predict whether the loss in value is other-than-temporary. If a decline in value is determined to be other-than-temporary, the value of the security is reduced and the impairment is recorded as other income, net in the consolidated statements of operations.

Restricted Cash

The Company's current restricted cash at December 31, 2014 includes payments received under the prior PATH agreement (See Note 9) until such time as the Company has paid for the outside services performed under the agreement, which occurred during the nine months ended September 30, 2015. In addition, the Company's non-current restricted cash with respect to its manufacturing, laboratory and office spaces in Gaithersburg, Maryland functions as collateral for letters of credit, which serve as security deposits for the duration of the leases. At September 30, 2015 and December 31, 2014, non-current restricted cash is $0.9 million and $0.8 million, respectively, and is recorded as other non-current assets on the consolidated balance sheets.

Revenue Recognition

The Company performs research and development for U.S. Government agencies and other collaborators under cost reimbursable and fixed price contracts, including license and clinical development agreements. The Company recognizes revenue under research contracts when a contract has been executed, the contract price is fixed or determinable, delivery of services or products has occurred and collection of the contract price is reasonably assured. Payments received in advance of work performed are recorded as deferred revenue and losses on contracts, if any, are recognized in the period in which they become known.

Under cost reimbursable contracts, the Company is reimbursed and recognizes revenue as allowable costs are incurred plus a portion of the fixed-fee earned. The Company considers fixed-fees under cost reimbursable contracts to be earned in proportion to the allowable costs incurred in performance of the work as compared to total estimated contract costs, with such costs incurred representing a reasonable measurement of the proportional performance of the work completed. Under its HHS BARDA contract, certain activities must be pre-approved by HHS BARDA in order for their costs to be deemed allowable direct costs. Direct costs incurred under cost reimbursable contracts are recorded as cost of government contracts revenue. The Company's HHS BARDA contract provides the U.S. government the ability to terminate the contract for convenience or to terminate for default if the Company fails to meet its obligations as set forth in the statement of work. The Company believes that if the government were to terminate the HHS BARDA contract for convenience, the costs incurred through the effective date of such termination and any settlement costs resulting from such termination would be allowable costs. Payments to the Company under cost reimbursable contracts with agencies of the U.S. Government, such as the HHS BARDA contract, are provisional payments subject to adjustment upon annual audit by the government. An audit of fiscal year 2013 has been initiated, but has not been completed as of the date of this filing. Management believes that revenue for periods not yet audited has been recorded in amounts that are expected to be realized upon final audit and settlement. When the final determination of the allowable costs for any year has been made, revenue and billings may be adjusted accordingly in the period that the adjustments are known and collection is probable.

The Company's collaborative research and development agreements may include an upfront payment, payments for research and development services, milestone payments and royalties. Agreements with multiple deliverables are evaluated to determine if the deliverables can be divided into more than one unit of accounting. A deliverable can generally be considered a separate unit of accounting if both of the following criteria are met: (1) the delivered item(s) has value to the customer on a stand-alone basis; and (2) if the arrangement includes a general right of return relative to the delivered item(s), delivery or performance of the undelivered item(s) is considered probable and substantially in control of the Company. Deliverables that cannot be divided into separate units are combined and treated as one unit of accounting. Consideration received is allocated among the separate units of accounting based on the relative selling price method. Deliverables under these arrangements typically include rights to intellectual property, research and development services and involvement by the parties in steering committees. Historically, deliverables under the Company's collaborative research and development agreements have been deemed to have no stand-alone value and as a result have been treated as a single unit of accounting. In addition, the Company analyzes its contracts and collaborative agreements to determine whether the payments received should be recorded as revenue or as a reduction to research and development expenses. In reaching this determination, management considers a number of factors, including whether the Company is principal under the arrangement, and whether the arrangement is significant to, and part of, the Company's core operations. Historically, payments received under its contracts and collaborative agreements have been recognized as revenue since the Company acts as a principal in the arrangement and the activities are core to its operations.

When the performance under a fixed price contract can be reasonably estimated, revenue for fixed price contracts is recognized under the proportional performance method and earned in proportion to the contract costs incurred in performance of the work as compared to total estimated contract costs. Costs incurred under fixed price contracts represent a reasonable measurement of proportional performance of the work. Direct costs incurred under collaborative research and development agreements are recorded as research and development expenses. If the performance under a fixed price contract cannot be reasonably estimated, the Company recognizes the revenue on a straight-line basis over the contract term.

Revenue associated with upfront payments under arrangements is recognized over the contract term or when all obligations associated with the upfront payment have been satisfied.

Revenue from the achievement of research and development milestones, if deemed substantive, is recognized as revenue when the milestones are achieved and the milestone payments are due and collectible. If not deemed substantive, the Company would recognize such milestone as revenue upon its achievement on a straight-line basis over the remaining expected term of the research and development period. Milestones are considered substantive if all of the following conditions are met: (1) the milestone is non-refundable; (2) there is substantive uncertainty of achievement of the milestone at the inception of the arrangement; (3) substantive effort is involved to achieve the milestone and such achievement relates to past performance; and (4) the amount of the milestone appears reasonable in relation to the effort expended and all of the deliverables and payment terms in the arrangement.

Net Loss per Share

Net loss per share is computed using the weighted average number of shares of common stock outstanding. All outstanding stock options and unvested restricted stock awards totaling 23,159,206 and 17,018,180 at September 30, 2015 and 2014, respectively, are excluded from the computation, as their effect is antidilutive.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09"), which supersedes nearly all existing revenue recognition guidance under Topic 605, *Revenue Recognition*. The new standard requires a company to recognize revenue when it transfers goods and services to customers in an amount that reflects the consideration that the company expects to receive for those goods or services. ASU 2014-09 defines a five-step process that includes identifying the contract with the customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the performance obligations in the contract and recognizing revenue when (or as) the entity satisfies the performance obligations. In July 2015, the FASB approved a one-year deferral of the effective date of the new standard to 2018 for public companies, with an option that would permit companies to adopt the new standard as early as the original effective date of 2017. Early adoption prior to the original effective date is not permitted. The Company is evaluating the potential impact that ASU 2014-09 will have on its consolidated financial position and results of operations.

Note 4 – Fair Value Measurements

The following table represents the Company's fair value hierarchy for its financial assets and liabilities measured at fair value on a recurring basis (in thousands):

	Fair Value at September 30, 2015			Fair Value at December 31, 2014		
Assets	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Money market funds	$ 71,205	$ —	$ —	$ 20,354	$ —	$ —
Government-backed security	—	28,000	—	—	7,500	—
Asset-backed securities	—	17,501	—	—	46,624	—
Corporate debt securities	—	167,798	—	—	89,097	—
Total cash equivalents and marketable securities	$ 71,205	$ 213,299	$ —	$ 20,354	$ 143,221	$ —

During the nine months ended September 30, 2015, the Company did not have any transfers between levels.

The amounts in the Company's consolidated balance sheet for accounts receivable – billed, accounts receivable – unbilled and accounts payable approximate fair value due to their short-term nature. Based on borrowing rates available to the Company, the fair value of capital lease and notes payable approximates their carrying value. The Company's milestone payment due to Wyeth (See Note 11) approximates its fair value at September 30, 2015, as the liability has been calculated based on an anticipated future payment date discounted at borrowing rates available to the Company.

Note 5 – Marketable Securities

Marketable securities classified as available-for-sale as of September 30, 2015 and December 31, 2014 were comprised of (in thousands):

	September 30, 2015				December 31, 2014			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Asset-backed securities	$ 13,441	$ —	$ (1)	$ 13,440	$ 46,660	$ —	$ (36)	$ 46,624
Corporate debt securities	138,569	47	(14)	138,602	89,126	8	(37)	89,097
Total	$ 152,010	$ 47	$ (15)	$ 152,042	$ 135,786	$ 8	$ (73)	$ 135,721

Marketable Securities – Unrealized Losses

The Company owned 51 available-for-sale securities as of September 30, 2015. Of these 51 securities, 27 had combined unrealized losses of less than $0.1 million as of September 30, 2015. The Company did not have any investments in a loss position for greater than 12 months as of September 30, 2015. The Company has evaluated its marketable securities and has determined that none of these investments has an other-than-temporary impairment, as it has no intent to sell securities with unrealized losses and it is not more likely than not that the Company will be required to sell any securities with unrealized losses, given the Company's current and anticipated financial position.

Note 6 – Goodwill and Other Intangible Assets

Goodwill

The change in the carrying amounts of goodwill for the nine months ended September 30, 2015 was as follows (in thousands):

	Amount
Balance at December 31, 2014	$ 54,612
Currency translation adjustments	(1,550)
Balance at September 30, 2015	$ 53,062

Identifiable Intangible Assets

Purchased intangible assets consisted of the following as of September 30, 2015 and December 31, 2014 (in thousands):

	September 30, 2015			December 31, 2014		
	Gross Carrying Amount	Accumulated Amortization	Intangible Assets, Net	Gross Carrying Amount	Accumulated Amortization	Intangible Assets, Net
Finite-lived intangible assets:						
Proprietary adjuvant technology	$ 8,857	$ (959)	$ 7,898	$ 9,565	$ (678)	$ 8,887
Collaboration agreements	3,999	(892)	3,107	4,319	(629)	3,690
Total identifiable intangible assets	$ 12,856	$ (1,851)	$ 11,005	$ 13,884	$ (1,307)	$ 12,577

Amortization expense for the nine months ended September 30, 2015 and 2014 was $0.6 million and $0.8 million, respectively.

Estimated amortization expense for existing intangible assets for the remainder of 2015 and for each of the five succeeding years ending December 31 will be as follows (in thousands):

Year	Amount
2015 (remainder)	$ 214
2016	854
2017	854
2018	854
2019	854
2020	729

Note 7 – Stockholders' Equity

On June 18, 2015, the Company's stockholders of record as of April 20, 2015 approved the amendment to the Company's Amended and Restated Certificate of Incorporation (the "Charter Amendment") to increase the total number of shares of common stock that the Company is authorized to issue from 300,000,000 shares to 600,000,000 shares.

In March 2015, the Company completed a public offering of 27,758,620 shares of its common stock, including 3,620,689 shares of common stock that were issued upon the exercise in full of the option to purchase additional shares granted to the underwriters, at a price of $7.25 per share resulting in proceeds, net of offering costs of $11.6 million, of approximately $190 million.

In 2012, the Company entered into an At Market Issuance Sales Agreement ("Sales Agreement"), under which the Board of Directors of the Company (the "Board") approved the Company's sale of up to an aggregate of $50 million in gross proceeds of its common stock. These shares of common stock were offered pursuant to a shelf registration statement filed with the SEC in March 2013, which replaced the previous shelf registration statement filed in 2010. The Board's standing Finance Committee (the "Committee") assisted with its responsibilities to monitor, provide advice to the Company's senior management and approve all capital raising activities. In doing so, the Committee set the amount of shares to be sold, the period of time during which such sales may occur and the minimum sales price per share. During the nine months ended September 30, 2015, the Company sold 1.4 million shares at an average sales price of $10.63 per share, resulting in $14.6 million in net proceeds. The Sales Agreement has now been fully utilized.

Note 8 – Stock-Based Compensation

Stock Options

The Amended and Restated 2005 Stock Incentive Plan ("2005 Plan") expired in February 2015 and no new awards may be made under such plan, although outstanding awards will continue in accordance with their terms. The Board adopted the 2015 Stock Incentive Plan ("2015 Plan") in March 2015 and, consistent with historical practice, granted annual and new equity awards prior to the Company's annual meeting of stockholders in June 2015 under the 2015 Plan; however, these awards were contingent upon stockholder approval of both the 2015 Plan and the Company's Charter Amendment (See Note 7), both of which were approved at the Company's annual meeting of stockholders in June 2015. Under the 2015 Plan, equity awards may be granted to officers, directors, employees and consultants of and advisors to the Company and any present or future subsidiary. The 2015 Plan authorizes the issuance of up to 25,000,000 shares of common stock under equity awards granted under the plan. All such shares authorized for issuance under the 2015 Plan have been reserved. The 2015 Plan will expire on March 4, 2025.

The 2015 Plan permits and the 2005 Plan permitted the grant of stock options (including incentive stock options), restricted stock, stock appreciation rights, and restricted stock units. In addition, under the 2015 Plan, unrestricted stock, stock units and performance awards may be granted. Stock options and stock appreciation rights generally have a maximum term of 10 years and may be or were granted with an exercise price that is no less than 100% of the fair market value of the Company's common stock at the time of grant. Grants of stock options are generally subject to vesting over periods ranging from six months to four years.

Stock Options Awards

The following is a summary of option activity under the 2015 Plan, 2005 Plan and the 1995 Stock Option Plan ("1995 Plan") for the nine months ended September 30, 2015:

	2015 Plan		2005 Plan		1995 Plan	
	Stock Options	Weighted-Average Exercise Price	Stock Options	Weighted-Average Exercise Price	Stock Options	Weighted-Average Exercise Price
Outstanding at January 1, 2015	—	$ —	16,928,098	$ 3.24	35,000	$ 2.21
Granted	7,661,441	$ 9.02	22,500	$ 6.70	—	$ —
Exercised	—	$ —	(1,159,395)	$ 2.30	(35,000)	$ 2.21
Canceled	(102,188)	$ 9.00	(191,250)	$ 3.71	—	$ —
Outstanding at September 30, 2015	7,559,253	$ 9.02	15,599,953	$ 3.30	—	$ —
Shares exercisable at September 30, 2015	240,000	$ 8.94	8,275,828	$ 2.53	—	$ —
Shares available for grant at September 30, 2015	17,440,747					

As discussed in the "*Stock Options*" section above, prior to the Company's annual meeting of stockholders in June 2015, the Company granted 7,014,441 stock options with a weighted-average exercise price of $8.94 under the 2015 Plan. Since the 2015 Plan and the Charter Amendment were approved at the Company's annual meeting of stockholders in June 2015, the Company began to record stock-based compensation expense for these awards at that time.

The fair value of stock options granted under the 2015 Plan and 2005 Plan was estimated at the date of grant or the date upon which the 2015 Plan was approved by the Company's stockholders for stock options granted prior to that time using the Black-Scholes option-pricing model with the following assumptions:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Weighted-average Black-Scholes fair value of stock options granted	$4.70	$1.92	$4.43	$2.41
Risk-free interest rate	1.32%-1.39%	1.43%-1.51%	1.19%-2.13%	1.24%-2.22%
Dividend yield	0%	0%	0%	0%
Volatility	54.93%-57.17%	52.75%-54.25%	53.58%-68.39%	52.47%-67.93%
Expected term (in years)	4.27-4.60	4.10-4.27	3.98-7.34	4.04-6.96
Expected forfeiture rate	14.18%-16.33%	14.18%-16.33%	0%-16.33%	0%-23.15%

The total aggregate intrinsic value and weighted-average remaining contractual term of stock options outstanding under the 2015 Plan and 2005 Plan as of September 30, 2015 was approximately $58.8 million and 7.9 years, respectively. The total aggregate intrinsic value and weighted-average remaining contractual term of stock options exercisable under the 2015 Plan and 2005 Plan as of September 30, 2015 was approximately $37.5 million and 6.5 years, respectively. The aggregate intrinsic value represents the total intrinsic value (the difference between the Company's closing stock price on the last trading day of the period and the exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders had all option holders exercised their options on September 30, 2015. This amount is subject to change based on changes to the closing price of the Company's common stock. The aggregate intrinsic value of options exercised and vesting of restricted stock awards for the nine months ended September 30, 2015 and 2014 was $9.0 million and $1.8 million, respectively.

Employee Stock Purchase Plan

In April 2013, the Company adopted an Employee Stock Purchase Plan (the "ESPP"), which authorized an aggregate of 2,000,000 shares of common stock to be purchased, which will increase 5% on each anniversary of its adoption up to a maximum of 3,000,000 shares. The ESPP allows employees to purchase shares of common stock of the Company at each purchase date through payroll deductions of up to a maximum of 15% of their compensation, at 85% of the lesser of the market price of the shares at the time of purchase or the market price on the beginning date of an option period (or, if later, the date during the option period when the employee was first eligible to participate). At September 30, 2015, there were 1,090,010 shares available for issuance under the ESPP.

The ESPP is considered compensatory for financial reporting purposes. As such, the fair value of ESPP shares was estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Range of Black-Scholes fair values of ESPP shares granted	$1.20-$3.38	$0.97-$2.08	$1.06-$3.38	$0.78-$2.08
Risk-free interest rate	0.07%-0.35%	0.05%-0.24%	0.05%-0.35%	0.04%-0.24%
Dividend yield	0%	0%	0%	0%
Volatility	40.79%-64.24%	51.10%-67.57%	40.79%-64.24%	50.80%-67.57%
Expected term (in years)	0.5-2.0	0.5-1.5	0.5-2.0	0.5-1.5
Expected forfeiture rate	5%	5%	5%	5%

Restricted Stock Awards

The following is a summary of restricted stock awards activity for the nine months ended September 30, 2015:

	Number of Shares	Per Share Weighted-Average Grant-Date Fair Value
Outstanding and Unvested at January 1, 2015	15,000	$ 4.48
Restricted stock granted	—	$ —
Restricted stock vested	(15,000)	$ 4.48
Restricted stock forfeited	—	$ —
Outstanding and Unvested at September 30, 2015	—	$ —

The Company recorded all stock-based compensation expense in the consolidated statements of operations as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Research and development	$ 2,240	$ 780	$ 4,361	$ 1,955
General and administrative	2,525	911	4,917	2,628
Total stock-based compensation expense	$ 4,765	$ 1,691	$ 9,278	$ 4,583

As of September 30, 2015, there was approximately $33.7 million of total unrecognized compensation expense (net of estimated forfeitures) related to unvested stock options and ESPP. This unrecognized non-cash compensation expense is expected to be recognized over a weighted-average period of 1.5 years, and will be allocated between research and development and general and administrative expenses accordingly. This estimate does not include the impact of other possible stock-based awards that may be made during future periods.

Note 9 – U.S. Government Agreement, Joint Venture and Collaborations

HHS BARDA Contract for Recombinant Influenza Vaccines

HHS BARDA initially awarded the Company a contract in 2011, which funds the development of both the Company's seasonal and pandemic influenza virus-like particle ("VLP") vaccine candidates. The contract with HHS BARDA is a cost-plus-fixed-fee contract, which reimburses the Company for allowable direct contract costs incurred plus allowable indirect costs and a fixed-fee earned in the ongoing clinical development and product scale-up of its multivalent seasonal and monovalent pandemic H7N9 influenza VLP vaccine candidates. In September 2014, HHS BARDA exercised and initiated a two-year option to the contract, which included scope to support development activities leading up to planned Phase 3 clinical studies, added $70 million of funding on top of the remainder of the $97 million base period funding, and extended the contract until September 2016. In June 2015, the contract was amended to increase the funding by $7.7 million to allow for the recovery of additional costs under the contract relating to the settlement of indirect rates for fiscal years 2011 and 2012. This additional amount was received and recorded as revenue in the three months ended June 30, 2015. During the three and nine months ended September 30, 2015, the Company recognized revenue of $6.3 million and $29.3 million, respectively, and has recognized approximately $107 million in revenue since the inception of the contract. Billings under the contract are based on approved provisional indirect billing rates, which permit recovery of fringe benefits, overhead and general and administrative expenses. These indirect rates are subject to audit by HHS BARDA on an annual basis. An audit of fiscal year 2013 has been initiated, but has not been completed as of the date of this filing. Management believes that revenue for periods not yet audited has been recorded in amounts that are expected to be realized upon final audit and settlement. When the final determination of the allowable costs for any year has been made, revenue and billings may be adjusted accordingly in the period that the adjustments are known and collection is probable.

In 2012, HHS BARDA withheld payment on the outside costs of the Company's Phase 2 clinical trial of its seasonal quadrivalent influenza VLP vaccine candidate in Australia ("205 Trial"). Such outside costs were recorded as expenses in the period incurred as a cost of government contracts revenue and the Company did not record revenue relating to such outside costs prior to the first quarter of 2015 because collection of the amount was not reasonably assured. In late 2014, the U.S. Food and Drug Administration, Center for Biologics Evaluation and Research ("FDA") accepted the data from the 205 Trial as part of the Company's investigational new drug ("IND") application for its seasonal quadrivalent influenza VLP vaccine candidate. In the first quarter of 2015, HHS BARDA approved the reimbursement of the 205 Trial costs, and the Company recorded revenue of $3.1 million as collection of the amount became reasonably assured during the period. The Company also collected this amount in 2015.

CPLB Joint Venture

In 2009, the Company formed a joint venture with Cadila Pharmaceuticals Limited ("Cadila") named CPL Biologicals Private Limited ("CPLB") to develop and manufacture vaccines, biological therapeutics and diagnostics in India. CPLB is owned 20% by the Company and 80% by Cadila. The Company accounts for its investment in CPLB using the equity method. Because CPLB's activities and operations are controlled and funded by Cadila, the Company accounts for its investment using the equity method. Since the carrying value of the Company's initial investment was nominal and there is no guarantee or commitment to provide future funding, the Company has not recorded nor expects to record losses related to this investment in the foreseeable future.

LG Life Sciences, Ltd. ("LGLS") License Agreement

In 2011, the Company entered into a license agreement with LGLS that allows LGLS to use the Company's technology to develop and commercially sell influenza vaccines exclusively in South Korea and non-exclusively in certain other specified countries. At its own cost, LGLS is responsible for funding both its clinical development of the influenza VLP vaccines and a manufacturing facility to produce such vaccines in South Korea. Under the license agreement, the Company is obligated to provide LGLS with information and materials related to the manufacture of the licensed products, provide on-going project management and regulatory support and conduct clinical trials of its influenza vaccines in order to obtain FDA approval in the U.S. The term of the license agreement is expected to terminate in 2027. Payments to the Company under the license agreement include an upfront payment of $2.5 million, reimbursements of certain development and product costs, payments related to the achievement of certain milestones and royalty payments in the high single digits from LGLS's future commercial sales of influenza VLP vaccines. The upfront payment has been deferred and recorded in deferred revenue in the consolidated balance sheets and will be recognized when the previously mentioned obligations in the agreement are satisfied, which may not occur until the end of the term of the agreement. Payments for milestones under the agreement will be recognized on a straight-line basis over the remaining term of the research and development period upon achievement of such milestone. Any royalties under the agreement will be recognized as earned.

Bill & Melinda Gates Foundation ("BMGF") Grant Agreement

In support of the Company's development of its respiratory syncytial virus fusion (F) protein nanoparticle vaccine candidate ("RSV F Vaccine") for infants via maternal immunization, in September 2015, the Company entered into an agreement ("Grant Agreement") with BMGF, under which it was awarded a grant totaling up to $89.1 million (the "Grant"). The Grant will support development activities, including the Company's global Phase 3 clinical trial in pregnant women in their third trimester, product licensing efforts and WHO prequalification of the RSV F Vaccine. The Company concurrently entered into a Global Access Commitments Agreement ("GACA") with BMGF as a part of the Grant Agreement. Under the terms of the GACA, among other things, the Company agreed to make the RSV F Vaccine available and accessible at affordable pricing to people in certain low and middle income countries. Unless earlier terminated by BMGF, the GACA will continue in effect until the latter of 15 years from its effective date, or 10 years after the first sale of a product under defined circumstances. The term of the GACA may be extended in certain circumstances, by a period of up to five additional years. Payments received under the Grant Agreement are anticipated to be recognized in the period in which the research activities are performed. Payments received in advance that are related to future performance are deferred and recognized as revenue when the research activities are performed. Cash payments received under the Grant are restricted as to their use until expenditures contemplated in the Grant are incurred. The Company didn't recognize any revenue under the Grant Agreement in the three months ended September 30, 2015.

PATH Vaccine Solutions ("PATH") Clinical Development Agreement

In 2012, the Company entered into a clinical development agreement with PATH to develop its RSV F Vaccine for infants via maternal immunization in certain low-resource countries. Under the terms of the PATH agreement, which expired in April 2015, the Company was awarded $6.8 million by PATH to partially support Phase 2 clinical trials in women of childbearing age, reproductive toxicology studies and the development of a Phase 3 clinical trial strategy. The Company recognized revenue of $0.5 million in the nine months ended September 30, 2015 and has recognized $6.8 million in revenue since the inception of the agreement. Revenue under this arrangement was being recognized under the proportional performance method and earned in proportion to the contract costs incurred in performance of the work as compared to total estimated contract costs. Costs incurred under this agreement represent a reasonable measurement of proportional performance of the services being performed.

Note 10 – Master Services Agreement with Cadila

The Company and Cadila entered into a master services agreement pursuant to which the Company may request services from Cadila in the areas of biologics research, preclinical development, clinical development, process development, manufacturing scale-up and general manufacturing related services in India. In July 2011, and subsequently in March 2013, March 2014 and February 2015, the master services agreement was amended to extend the term by one year for which services can be provided by Cadila under this agreement. Under the revised terms, if, by March 31, 2016, the amount of services provided by Cadila is less than $7.5 million, the Company will pay Cadila the portion of the shortfall amount that is less than or equal to $2.0 million. Through September 30, 2015, the Company has purchased $7.2 million in services from Cadila pursuant to this agreement, which includes services provided, since the beginning of 2013, by CPLB to the Company on behalf of Cadila pursuant to an October 2013 amendment authorizing such CPLB services. During the nine months ended September 30, 2015, the Company purchased $1.5 million in services from Cadila pursuant to this agreement, all of which were provided by CPLB on behalf of Cadila. As of September 30, 2015, the Company's remaining obligation to Cadila under the master services agreement is $0.3 million. The Company has recognized as an expense the entire amount of purchases to date related to CPLB as the Company has not recorded any equity income (loss) of CPLB (see Note 9).

Note 11 – License agreement with Wyeth Holding Corporation

In 2007, the Company entered into an agreement to license certain rights from Wyeth Holding Corporation, a subsidiary of Pfizer Inc. ("Wyeth"). The Wyeth license is a non-exclusive, worldwide license to a family of patents and patent applications covering VLP technology for use in human vaccines in certain fields, with expected patent expiration in early 2022. The Wyeth license provides for the Company to make an upfront payment (previously made), ongoing annual license fees, sublicense payments, milestone payments on certain development and commercialization activities and royalties on any product sales. Except in certain circumstances in which the Company continuously markets multiple products in a country within the same vaccine program, the milestone payments are one-time only payments applicable to each related vaccine program. At present, the Company's seasonal influenza VLP vaccine program (including CPLB's seasonal influenza program) and its pandemic influenza VLP vaccine program are the only two programs to which the Wyeth license applies. The license may be terminated by Wyeth only for cause and may be terminated by the Company only after it has provided ninety (90) days' notice that the Company has absolutely and finally ceased activity, including through any affiliate or sublicense, related to the manufacturing, development, marketing or sale of products covered by the license. In September 2015, the Company entered into an amendment to the license agreement with Wyeth. Among other things, the amendment restructures the $3 million milestone payment ("Milestone") owed as a result of CPLB's initiation of a Phase 3 clinical trial for its recombinant trivalent seasonal VLP influenza vaccine candidate in 2014. Under the amendment, the milestone payment, which may increase slightly over time, shall be due in connection with the initiation of a Phase 3 clinical trial for the initial seasonal influenza VLP vaccine candidate being developed outside India, but in any case no later than December 31, 2017. The amendment also restructures the final milestone payment to apply to the initial seasonal influenza VLP vaccine candidate being developed outside India. Thus, the aggregate milestone payments for a seasonal influenza VLP vaccine candidate developed and commercialized is increased from $14 million to up to $15 million. In connection with the execution of the amendment, the Company agreed to pay a one-time only, upfront payment to Wyeth. The amendment also increases annual license maintenance fees associated with VLP vaccine candidates from $0.2 million to $0.3 million per year. Payments under the agreement to Wyeth as of September 30, 2015 aggregated $7.3 million. The Milestone was accrued for on the consolidated balance sheet in other current liabilities at December 31, 2014. As a result of the September 2015 amendment discussed above, the Milestone payment is not expected to occur within the next 12 months. Therefore, the Milestone has been accrued for, on a discounted basis calculated based on its anticipated future payment date, in other non-current liabilities at September 30, 2015. The milestone was recorded as a research and development expense in the third quarter of 2014.

Note 12 – Facility Lease

In August 2015, the Company amended the lease for its new facility located in Gaithersburg, Maryland to increase the amount of space leased by the Company to now include the entire facility. The lease has a term expiring in 2026, unless terminated early by the Company in 2023. The lease contains provisions for future rent increases and periods in which rent payments are reduced (abated). Also, the lease obligates the Company to pay building operating costs. Under the terms of the amended lease, the landlord shall provide the Company with a tenant improvement allowance of approximately $3.9 million.

Future minimum rental commitments under non-cancelable leases are as follows (in thousands) as of September 30, 2015:

Year	Amount
2015 (remainder)	$ 1,351
2016	5,656
2017	4,458
2018	4,291
2019	4,309
Thereafter	18,457
Total minimum lease payments	$ 38,522

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Any statements in the discussion below and elsewhere in this Quarterly Report, about expectations, beliefs, plans, objectives, assumptions or future events or performance of Novavax, Inc. ("Novavax", and together with its wholly owned subsidiary Novavax AB, the "Company," "we" or "us") are not historical facts and are forward-looking statements. Such forward-looking statements include, without limitation, statements with respect to our capabilities, goals, expectations regarding future revenue and expense levels; potential market sizes and demand for our product candidates; the efficacy, safety and intended utilization of our product candidates; the development of our clinical-stage product candidates and our recombinant vaccine and adjuvant technologies; the development of our preclinical product candidates; the conduct, timing and potential results from clinical trials and other preclinical studies; plans for and potential timing of regulatory filings; the expected timing and content of regulatory actions; reimbursement by Department of Health and Human Services, Biomedical Advanced Research and Development Authority ("HHS BARDA"); payments under our license with Wyeth Holding Corporation, a subsidiary of Pfizer Inc. ("Wyeth"); payments by the Bill & Melinda Gates Foundation ("BMGF"); our available cash resources and the availability of financing generally, plans regarding partnering activities, business development initiatives and the adoption of stock incentive plans, and other factors referenced herein. You generally can identify these forward-looking statements by the use of words or phrases such as "believe," "may," "could," "will," "would," "possible," "can," "estimate," "continue," "ongoing," "consider," "anticipate," "intend," "seek," "plan," "project," "expect," "should," "would," or "assume" or the negative of these terms, or other comparable terminology, although not all forward-looking statements contain these words.

Accordingly, these statements involve estimates, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied in them. Any or all of our forward-looking statements in this Quarterly Report may turn out to be inaccurate or materially different than actual results.

Because the risk factors discussed in this Quarterly Report and identified in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, and other risk factors of which we are not aware, could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made by or on behalf of us, you should not place undue reliance on any such forward-looking statements. These statements are subject to risks and uncertainties, known and unknown, which could cause actual results and developments to differ materially from those expressed or implied in such statements. We have included important factors in the cautionary statements included in this Quarterly Report, particularly those identified in Part II, Item 1A "Risk Factors," and in Part I, Item 1A "Risk Factors" of our Annual Report on Form 10-K, that we believe could cause actual results or events to differ materially from the forward-looking statements that we make. These and other risks may also be detailed and modified or updated in our reports and other documents filed with the Securities and Exchange Commission ("SEC") from time to time. You are encouraged to read these filings as they are made.

Although we believe that the expectations reflected in our forward-looking statements are reasonable, we cannot guarantee future results, events, levels of activity, performance or achievement. Further, any forward-looking statements speak only as of the date on which it is made, and we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law. New factors emerge from time to time, and it is not possible for us to predict which factors will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Overview

We are a clinical-stage vaccine company focused on the discovery, development and commercialization of recombinant nanoparticle vaccines and adjuvants. Using innovative proprietary recombinant nanoparticle vaccine technology, we produce vaccine candidates to efficiently and effectively respond to both known and newly emerging diseases. Our vaccine candidates are genetically engineered three-dimensional nanostructures that incorporate immunologically important proteins. Our product pipeline targets a variety of infectious diseases with vaccine candidates currently in clinical development for respiratory syncytial virus ("RSV"), seasonal influenza, pandemic influenza and Ebola virus ("EBOV"). We have additional preclinical stage programs in a variety of infectious diseases, including Middle East Respiratory Syndrome ("MERS"). Further, CPL Biologics Private Limited ("CPLB"), our joint venture company with Cadila Pharmaceuticals Limited ("Cadila") in India, is actively developing a number of vaccine candidates that were genetically engineered by us, including its trivalent seasonal virus-like particle ("VLP") influenza vaccine candidate that successfully completed a Phase 3 clinical trial in India in 2014, and its rabies vaccine that successfully completed a Phase 1/2 clinical trial in India in 2014. CPLB is owned 20% by us and 80% by Cadila. CPLB operates a manufacturing facility in India for the production of vaccines.

We are also developing proprietary technology for the production of immune stimulating saponin-based adjuvants, through our Swedish wholly owned subsidiary, Novavax AB. Our Matrix™ adjuvant technology utilizes selected quillaja fractions, which form separate matrix structures, to develop multi-purpose immune-modulating adjuvant products for a broad range of potential vaccine applications. Our lead adjuvant for human applications, Matrix-M™, has been successfully tested in a Phase 1/2 clinical trial for our pandemic H7N9 influenza VLP vaccine candidate, conducted under our contract with HHS BARDA, and in a Phase 1 clinical trial for our EBOV vaccine candidate. Genocea Biosciences, Inc. ("Genocea") has licensed rights to our Matrix technology and is developing its herpes simplex 2 vaccine candidate using Matrix-M.

Clinical Product Pipeline

A current summary of our significant research and development programs, along with the programs of our joint venture, CPLB, and status of the related products in development follows:

Program	Development Stage	Funding Collaborator
Respiratory Syncytial Virus (RSV)		
• **Older Adults**	Phase 3	
• **Maternal Immunization**	Phase 2	BMGF*
• **Pediatrics**	Phase 1	
Influenza		
• **Seasonal Quadrivalent**	Phase 2	HHS BARDA
• **Pandemic H7N9**	Phase 2	HHS BARDA
Other		
• **Ebola Virus (EBOV)**	Phase 1	
• **Combination (Influenza/RSV)**	Preclinical	
CPLB Programs (India)		
• **Seasonal Influenza**	Phase 3	
• **Rabies**	Phase 1/2	

*As detailed herein, our funding and development arrangement with PATH expired in April 2015; we entered into a grant agreement with BMGF in September 2015.

Respiratory Syncytial Virus (RSV)

RSV is a major respiratory pathogen with a significant burden of disease in the very young and in older adults. In healthy adults, RSV infections are generally mild to moderate in severity, but are typically more severe in infants and young children, as well as adults over the age of 60.[1] Globally, RSV is a common cause of childhood respiratory infection, with a disease burden of 64 million cases and approximately 160,000 deaths annually.[2] Severe RSV disease results in 3.4 million hospital admissions per year globally[3] and disproportionately affects infants below six months of age. In infants, toddlers and young pre-school and school-age children, RSV infections result in the need for frequent medical care, including emergency room and office visits and are associated with increased recurrent wheezing that can persist for years. In the U.S., RSV is the leading cause of hospitalization of infants.[4] Despite the induction of post-infection immunity, repeat infection and lifelong susceptibility of RSV is common.[5] It is also estimated that approximately 14,000 older and high risk adults die of RSV infection or its complications annually in the U.S., and as many as 177,000 are hospitalized for serious respiratory symptoms.[6] Currently, there is no approved RSV vaccine available for any of these populations, so an RSV vaccine has the potential to protect millions of people from this far-reaching unmet medical need.

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[1] Dawson-Caswell, D, et al., (2011) Am Fam Physician. 83:143 - 146

[2] Nair, H., et al., (2010) Lancet. 375:1545 - 1555

[3] WHO, (2014) "RSV Vaccine Status;" www.who.int/immunization/research/meetings_workshops/WHO_PDVAC_RSV.pdf

[4] Hall, CB, *et al*., Respiratory Syncytial Virus-Associated hospitalizations Among Children Less Than 24 Months of Age. *Pediatrics*, 2013; 132(2): E341-348

[5] Glezen, W.P. *et al*. Risk of primary infection and reinfection with respiratory syncytial virus. *Am J Dis Child*, 1986; 140:543-546

[6] Falsey, A., et al., (2014) Infectious Disorders. 12(2): 98-102

We are developing our respiratory syncytial virus fusion (F) protein nanoparticle vaccine candidate ("RSV F Vaccine") for the benefit of three susceptible target populations: older adults 60 years of age and older, infants via maternal immunization (receiving protection through antibodies transferred from their mothers who would be immunized during the last trimester of pregnancy) and children between six months and five years of age ("pediatrics").

RSV Older Adults Program

In August 2015, we announced positive top-line data from a Phase 2 clinical trial of our RSV F Vaccine in 1,600 older adults (≥60 years of age). The clinical trial was designed to prospectively examine the incidence of all symptomatic respiratory illnesses associated with RSV infection, in community-living older adults who were treated with placebo. The trial also evaluated safety and immunogenicity of our RSV F Vaccine compared to placebo. Finally, the trial estimated the efficacy of the RSV F Vaccine in reducing the incidence of respiratory illness due to RSV. The trial was the first to demonstrate efficacy of an active RSV immunization in any clinical trial population. In the per the protocol population, the clinical trial showed statistically significant vaccine efficacy in prevention of all symptomatic RSV disease (44%) and, by ad hoc analysis, showed a decrease in RSV disease with symptoms of lower respiratory tract infection (45%)[7] in older adults. The trial established an attack rate for symptomatic RSV disease of 4.9% in older adults, 95% of which included lower respiratory track symptoms. Efficacy against more severe RSV illness, defined by the presence of multiple lower respiratory tract symptoms associated with difficulty breathing, was 64% in ad hoc analyses.

In November 2015, we announced that we had initiated a pivotal Phase 3 clinical trial of our RSV F Vaccine for which we plan to enroll up to 11,850 older adults at 60 sites in the U.S. The primary objective of the clinical trial is the prevention of moderate-severe RSV-associated lower respiratory tract disease, as defined by the presence of multiple lower respiratory tract symptoms. We expect to provide top-line data from this clinical trial in approximately one year.

In addition, in October 2015, we announced that we had initiated a Phase 2 rollover clinical trial of our RSV F Vaccine designed to enroll the same 1,600 older adults who participated in the recently concluded prior Phase 2 clinical trial. The clinical trial is designed to evaluate safety and immunogenicity in response to immunization with the RSV F Vaccine during a second RSV season and we expect to provide top-line data in approximately one year.

[7] Interim analysis initially reported 46%; 4 subjects subsequently re-categorized as RSV + URI only, resulting in adjusted number of 45%.

RSV Infants via Maternal Immunization Program

In September 2015, we announced positive top-line data from a Phase 2 clinical trial of our RSV F Vaccine in 50 healthy pregnant women in their third trimester. This clinical trial evaluated the safety and immunogenicity of the RSV F Vaccine in healthy pregnant women; it also assessed the transplacental transfer of maternal antibodies induced by the vaccine, the impact of maternal immunization on infant safety during the first year of life and RSV-specific antibody levels through the infants' first six months of life. Immunized women demonstrated geometric mean 14-fold rises in anti-F IgG, 29-fold rise in palivizumab competing antibodies, and 2-fold rise in microneutralization titers, versus women who received placebo who demonstrated no significant change in antibody levels. The infants' antibody levels at delivery, on average, equaled 90-100% of the mothers' levels. The estimated half-lives of infant PCA, anti-F IgG, RSV/A and RSV/B microneutralizing antibodies, based on data through day 60, were 41, 30, 36 and 34 days, respectively. We anticipate that the next steps in the development of the RSV F Vaccine for the protection of infants via maternal immunization will include the initiation of a pivotal Phase 3 global clinical trial, with sites located in the U.S. and other countries. Although initiation of this Phase 3 clinical trial may be contingent on discussions with regulatory authorities, it is our current expectation that we will begin to enroll participants in the first quarter of 2016. The group-sequential adaptive design of this Phase 3 trial is expected to take between two to four years to complete.

In November 2014, we announced that the U.S. Food and Drug Administration, Center for Biologics Evaluation and Research ("FDA") had granted Fast Track Designation to our RSV F Vaccine for protection of infants via maternal immunization. The Fast Track designation, established by the FDA Modernization Act of 1997, is intended for products that treat serious or life-threatening diseases or conditions, and that demonstrate the potential to address unmet medical needs for such diseases or conditions. The program is intended to facilitate development and expedite review of drugs to treat serious and life-threatening conditions so that an approved product can reach the market expeditiously. Fast Track designation specifically facilitates meetings to discuss all aspects of development to support licensure and it provides the opportunity to submit sections of a Biologics License Application ("BLA") on a rolling basis as data become available, which permits the FDA to review modules of the BLA as they are received instead of waiting for the entire BLA submission.

Bill & Melinda Gates Foundation Grant Agreement

In support of our development of our RSV F Vaccine for infants via maternal immunization, in September 2015, we entered into an agreement ("Grant Agreement") with BMGF, under which we were awarded a grant totaling up to $89.1 million (the "Grant"). The Grant will support development activities, including our global Phase 3 clinical trial in pregnant women in their third trimester, product licensing efforts and WHO prequalification of our RSV F Vaccine. We concurrently entered into a Global Access Commitments Agreement ("GACA") with BMGF as a part of the Grant Agreement. Under the terms of the GACA, among other things, we agreed to make the RSV F Vaccine available and accessible at affordable pricing to people in certain low and middle income countries. Unless earlier terminated by BMGF, the GACA will continue in effect until the latter of 15 years from its effective date, or 10 years after the first sale of a product under defined circumstances. The term of the GACA may be extended in certain circumstances, by a period of up to five additional years.

PATH Vaccine Solutions ("PATH") Clinical Development Agreement for RSV Maternal Program

In 2012, we entered into a clinical development agreement with PATH to develop our RSV F Vaccine for infants via maternal immunization in certain low-resource countries. Under the term of the PATH agreement, which expired in April 2015, we were awarded $6.8 million by PATH to partially support our Phase 2 clinical trials in women of childbearing age, reproductive toxicology studies and the development of a Phase 3 clinical trial strategy.

RSV Pediatrics Program

In September 2015, we announced positive top-line data from our Phase 1 clinical trial of our RSV F Vaccine in healthy children between two and six years of age. This clinical trial evaluated the safety and immunogenicity of our RSV F Vaccine, with one or two doses, with or without aluminum phosphate adjuvant. We concluded this trial's enrollment with a smaller than planned cohort so that dosing could be completed ahead of the 2014-15 RSV season. We announced that serum samples, collected from 18 immunized children, demonstrated that the RSV F Vaccine was well-tolerated and highly immunogenic at all formulations and regimens and there were greater than 10-fold increases in both anti-F IgG and PCA antibody titers in the adjuvanted group and greater than 6-fold increases in anti-F IgG and PCA antibody titers in the unadjuvanted group. We are assessing the data from this clinical trial and evaluating the next steps in the development of our RSV F Vaccine for pediatrics.

Influenza

Influenza is a world-wide infectious disease that causes illness in humans with symptoms ranging from mild to life-threatening; serious illness occurs not only in susceptible populations such as pediatrics and older adults, but also in the general population because of unique strains of influenza for which most humans have not developed protective antibodies. Influenza is a major burden on public health worldwide: estimates of one million deaths each year are attributed to influenza.[8] It is further estimated that, each year, influenza attacks between 5% and 10% of adults and 20% to 30% of children, causing significant levels of illness, hospitalization and death.[9]

Although a number of licensed seasonal influenza vaccines are currently commercially available in most geographies, and these manufacturers have capabilities to develop influenza vaccines that are responsive to unique and emerging influenza strains, we believe our influenza VLP vaccine candidates have immunological advantages over currently available vaccines. These immunological advantages stem from the fact that our influenza VLPs contain three of the major structural virus proteins that are important for fighting influenza: hemagglutinin ("HA") and neuraminidase ("NA"), both of which stimulate the body to produce antibodies that neutralize the influenza virus and prevent its spread through the cells in the respiratory tract, and matrix 1 ("M1"), which stimulates cytotoxic T lymphocytes to kill cells that may already be infected. Our VLPs are not made from live viruses and have no genetic nucleic material in their inner core, which render them incapable of replicating and causing disease. We also believe there are inherent advantages to our vaccine platform technology for more rapid and efficient development of new influenza vaccine candidates.

Seasonal Quadrivalent Influenza Vaccine

Developing and commercializing a seasonal influenza vaccine is an important business opportunity and strategic goal for us. The Advisory Committee for Immunization Practices of the Center for Disease Control and Prevention ("CDC") recommends that all persons aged six months and older should be vaccinated annually against seasonal influenza. In conjunction with these universal recommendations, attention from the 2009 influenza H1N1 pandemic, along with reports of other cases of avian-based influenza strains, has increased public health awareness of the importance of seasonal influenza vaccination, the market for which is expected to continue to grow worldwide in both developed and developing global markets.

In recent years, public health authorities have advocated for the development and licensure of quadrivalent (*i.e.*, four influenza strains: two influenza A strains and two influenza B strains) influenza vaccines. It is expected that quadrivalent seasonal influenza vaccines will ultimately replace trivalent seasonal influenza vaccines in the global market. There are currently four quadrivalent influenza vaccines licensed in the U.S., although additional quadrivalent seasonal influenza vaccines are expected to be licensed over the next several years. Current estimates for seasonal influenza vaccine growth in the top seven markets (U.S., Japan, France, Germany, Italy, Spain and UK), show potential growth from approximately $3.2 billion in the 2012/13 season to $5.3 billion by the 2021/2022 season.[10] Recombinant seasonal influenza vaccines, like the candidate we are developing, have an important advantage: once licensed for commercial sale, large quantities of vaccines can be quickly and cost-effectively manufactured without the use of either the live influenza virus or eggs.

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[8] Resolution of the World Health Assembly. Prevention and control of influenza pandemics and annual epidemics. WHA56.19. 28 May 2003

[9] WHO. Vaccines against influenza. WHO position paper – November 2012 Weekly Epidemiol Record 2012;87(47):461–76.

[10] Influenza Vaccines Forecasts. Datamonitor (2013)

In July 2015, we reported positive data from our Phase 2 clinical trial of our quadrivalent seasonal influenza VLP vaccine candidate in 400 healthy adults that we initiated in November 2014 under our contract with HHS BARDA. These data show that our quadrivalent seasonal influenza VLP vaccine candidate is both safe and well-tolerated, with results that met the immunogenicity targets. These results demonstrate the potential for our seasonal quadrivalent influenza VLP vaccine candidate to meet the FDA criteria for accelerated approval. We are assessing these data from this trial, and in conjunction with HHS BARDA, we are evaluating the next steps in the development of our quadrivalent seasonal influenza VLP vaccine candidate.

Pandemic H7N9 Influenza Vaccine

In the aftermath of the 2009 pandemic of the A(H1N1) influenza strain, prevention of the potential devastation of a human influenza pandemic remains a key priority with both governmental health authorities and influenza vaccine manufacturers. In the U.S. alone, the 2009 H1N1 influenza pandemic led to the production of approximately 126 million doses of monovalent (single strain) vaccine. Public health awareness and government preparedness for the next potential influenza pandemic are driving development of vaccines that can be manufactured quickly against a potentially threatening influenza strain. Until the spring of 2013, industry and health experts focused attention on developing a monovalent H5N1 influenza vaccine as a potential key defense against a future pandemic threat; however, a significant number of reported cases in China of an avian-based influenza strain, known as A(H7N9), has shifted attention to the potential development of a monovalent H7N9 influenza vaccine.

In collaboration with HHS BARDA, we have now developed and delivered compelling safety and immunogenicity data on two pandemic vaccine candidates, H5N1 and H7N9, which provide the U.S. government with alternatives for dealing with future potential threats. In September 2014, we announced positive results from a Phase 1/2 clinical trial of our H7N9 influenza VLP vaccine candidate adjuvanted with Matrix-M in 610 healthy adults. Under our contract with HHS BARDA, the Phase 1/2 clinical trial was designed as a dose-ranging, randomized, observer-blinded, placebo-controlled clinical trial, to determine the contribution of Matrix-M to potential antigen dose sparing regimens. Our H7N9 influenza VLP vaccine candidate, with and without Matrix-M, was well tolerated and demonstrated a safety profile similar to our prior experience with another saponin-based adjuvant. Matrix-M adjuvanted formulations demonstrated immunogenicity and dose-sparing benefits relative to unadjuvanted antigen. Hemagglutination-inhibiting antibody titers were generally comparable to those reported in prior studies with another saponin adjuvant and the vaccine also elicited significant anti-neuraminidase antibodies. In October 2014, we announced that the FDA had granted fast track designation to our H7N9 influenza VLP vaccine candidate with Matrix-M. Along with our quadrivalent seasonal influenza vaccine program and in conjunction with HHS BARDA, we are currently evaluating the next steps in the development our pandemic influenza VLP vaccine candidate.

Potential Accelerated Approval Pathway for Influenza

According to FDA guidance, influenza vaccine developers that can demonstrate results that meet or exceed certain specified immunogenicity endpoint criteria for seroprotection and seroconversion in their clinical trials may, at the FDA's discretion, be granted a license to market a product prior to submission of traditional clinical endpoint efficacy trial data. This is referred to as "accelerated approval" of a BLA (the biologic equivalent to a New Drug Application). It should be noted that FDA licensure based on accelerated approval requires sponsors to conduct a post-licensure efficacy study to demonstrate the clinical benefit of the vaccine, which would thereby support traditional approval of the vaccine. Because it is not possible to conduct a clinical endpoint efficacy study for a pandemic vaccine in advance of a declared pandemic, FDA's pandemic guidance allows for submission of seasonal influenza clinical efficacy data for the purpose of confirming clinical benefit of a pandemic vaccine manufactured by the same process. Thus, the demonstration of efficacy with a seasonal vaccine provides a key link between the seasonal and pandemic programs. Accelerated approval further necessitates a shortage of influenza vaccine relative to the total population recommended to receive such vaccine, a situation that persists with seasonal influenza vaccines.

Although we have not ruled out this accelerated approval approach, particularly for our pandemic influenza program or certain populations within our seasonal influenza program, we do not expect to pursue accelerated approval of our quadrivalent seasonal influenza VLP vaccine candidate, largely because of the uncertainty as to whether the accelerated approval pathway will be available to us at the time of our BLA submission and the unknown ability of current and new influenza strains to meet such accelerated approval criteria. We are planning, therefore, to pursue traditional licensure of our quadrivalent seasonal influenza VLP vaccine candidate by conducting a clinical endpoint efficacy study for the purpose of submitting the data within the original BLA. These efficacy data will also support the requirement for clinical efficacy data for our pandemic vaccine program. We plan to discuss with the FDA our licensure pathways (both the traditional pathway for seasonal and possible accelerated pathways for pandemic and certain populations within the seasonal program) during future formal meetings. The likely impact of such an efficacy trial would be an additional year or more before the FDA grants licensure to our quadrivalent seasonal influenza VLP vaccine candidate.

HHS BARDA Contract for Recombinant Influenza Vaccines

HHS BARDA awarded us a contract in 2011, which funds the development of both our multivalent seasonal influenza and pandemic influenza VLP vaccine candidates. Our contract with HHS BARDA is a cost-plus-fixed-fee contract, which reimburses us for allowable direct contract costs incurred plus allowable indirect costs and a fixed-fee earned in the ongoing clinical development and product scale-up of our multivalent seasonal and monovalent pandemic influenza vaccines. In September 2014, we announced that HHS BARDA had exercised and initiated a two-year option to our contract, which not only extended the contract until September 2016, but also added scope to support our development activities leading up to planned Phase 3 clinical studies and $70 million of funding on top of the remainder of the $97 million base period funding. In June 2015, the contract was amended to increase the funding by $7.7 million to allow for the recovery of additional costs under the contract relating to the settlement of indirect rates for fiscal years 2011 and 2012. This additional amount was received and recorded as revenue in the second quarter of 2015. During the nine months ended September 30, 2015, we recognized revenue of $29.3 million and have recognized approximately $107 million in revenue since the inception of the contract. In recent meetings with HHS BARDA, we have been discussing the next steps in both our seasonal influenza VLP vaccine program and our pandemic influenza VLP vaccine program, as well as some of the delays associated with our development of both vaccine candidates. We expect to continue discussions with HHS BARDA into 2016 and to present plans for continued clinical and product development, although there can be no guarantee that the HHS BARDA contract will not be terminated or will be extended beyond September 2016.

Other

Ebola Virus (EBOV)

Beginning in 2014, a number of news reports have centered around EBOV, formerly known as Ebola hemorrhagic fever, which is a severe, often fatal illness in humans. Five strains of EBOV have been identified, the most recent of which, the Makona EBOV strain (formerly referred to as the 2014 Guinea-based EBOV strain), is associated with a case fatality rate of 50% to 90%. There are currently no licensed treatments proven to neutralize the virus, but a range of blood, immunological and drug therapies are under development. Despite the development of such therapies, current vaccine approaches target either a previous strain of the virus or were initially developed to be delivered by genetic vectors. Our EBOV glycoprotein vaccine candidate ("Ebola GP Vaccine") was developed using the Makona EBOV strain.

In July 2015, we announced data from our Phase 1 clinical trial of our Ebola GP Vaccine in ascending doses, with and without our Matrix-M adjuvant, in 150 healthy adults that we initiated in February 2015. Participants received either one or two intramuscular injections ranging from 6.5µg to 50µg of antigen. Immunogenicity was assessed at multiple time points, including days 28 and 35. These Phase 1 data show that our Ebola GP Vaccine is highly immunogenic, well-tolerated and, in conjunction with our proprietary Matrix-M adjuvant, resulted in significant antigen dose-sparing. Although the adjuvanted Ebola GP Vaccine was highly immunogenic at all dose levels, the adjuvanted two-dose regimens induced Ebola anti-GP antibody geometric mean responses between 45,000 and 70,000 ELISA units, representing a 500 to 750-fold rise over baseline at day 35. In addition, in the first quarter of 2015, we announced successful data from two separate non-human primate challenge studies of our Ebola GP Vaccine in which, in both cases, the challenge was lethal for the control animal, whereas 100% of the immunized animals were protected. Large-scale global clinical trials towards licensure of our Ebola GP Vaccine will be developed based on the published results of our Phase 1 clinical trial and in collaboration with global regulatory authorities and world health agencies.

Combination Respiratory (Influenza and RSV)

Given the ongoing development of our quadrivalent seasonal influenza VLP vaccine candidate and our RSV F Vaccine, we see an important opportunity to develop a combination respiratory vaccine candidate. This opportunity presents itself most evidently in older adults, although we have not ruled out developing a combination respiratory vaccine for other populations. Early preclinical development efforts have given us confidence that such a combination vaccine is viable, and in animal models, provides acceptable immunogenicity. We intend to explore this development opportunity by conducting a Phase 1 clinical trial in such a combination vaccine in the second half of 2016.

CPLB Programs (India)

Seasonal Influenza

CPLB successfully completed its Phase 3 clinical trial of its recombinant trivalent seasonal VLP influenza vaccine candidate in 2014 and filed for regulatory market authorization, the Indian equivalent of a BLA, in the second quarter of 2015. As part of its strategy to establish a regulatory pathway for the recombinant trivalent seasonal VLP influenza vaccine, CPLB had previously completed a Phase 3 clinical trial of its monovalent H1N1 seasonal influenza vaccine in 2014, and subsequently filed for and received regulatory approval in the first quarter of 2015. While this marks the first approval of a Novavax VLP vaccine, the market for seasonal influenza vaccines is dominated by multivalent vaccines and there are no current expectations for sales from CPLB's monovalent H1N1 seasonal product.

Rabies

CPLB successfully completed Stage II of its Phase 1/2 clinical trial in India of a rabies G protein vaccine candidate that we genetically engineered. The objective was to develop a recombinant vaccine that can be administered both as a pre-exposure prophylaxis for residents of certain higher-risk geographies and travelers to such locations, and as a post-exposure prophylaxis using fewer doses than the current standard of care. In October 2014, CPLB presented clinical results from Stage I of the Phase 1/2 clinical trial, demonstrating that all vaccine recipients, at various doses levels and schedules, showed seroprotective antibody levels at day 14 that were sustained through day 180. The vaccine candidate, which was found to be safe and well-tolerated, also induced seroprotective levels with two-dose and three-dose regimens. CPLB filed an application to initiate a Phase 3 clinical trial in the third quarter of 2015, which would likely initiate in 2016.

Discovery Programs

Our vaccine platform technology provides an efficient system to rapidly develop antigens to selected targets, refine manufacturing processes and optimize development across multiple vaccine candidates. We pay close attention to global reports of emerging diseases for which there do not appear to be immediate cures and where a vaccine protocol could offer potential protection. In addition to our response to the A(H7N9) influenza strain (as previously discussed), we have been monitoring reports concerning MERS, a novel coronavirus first identified in 2012. MERS became a potential emerging threat in 2013 and is currently being monitored by global health agencies, with the WHO reporting significant confirmed cases of infection and deaths. The MERS virus is a part of the coronavirus family that includes the severe acute respiratory syndrome coronavirus ("SARS"). Because of the public health priority given to MERS, within weeks of getting the virus' sequence, we successfully produced a vaccine candidate designed to provide protection against MERS. This vaccine candidate, which was made using our recombinant nanoparticle vaccine technology, is based on the major surface spike protein, which we had earlier identified as the antigen of choice in our work with a SARS vaccine candidate. In April 2014, in collaboration with the University of Maryland, School of Medicine, we published results that showed our investigational vaccine candidates against both MERS and SARS blocked infection in laboratory studies. Although the development of a MERS vaccine candidate currently remains a preclinical program, we believe that our MERS vaccine candidate offers a viable option to interested global public health authorities.

Sales of Common Stock

In March 2015, we completed a public offering of 27,758,620 shares of our common stock, including 3,620,689 shares of common stock that were issued upon the exercise in full of the option to purchase additional shares granted to the underwriters, at a price of $7.25 per share resulting in net proceeds of approximately $190 million.

In June 2014, we completed a public offering of 28,750,000 shares of our common stock, including 3,750,000 shares of common stock that were issued upon the exercise in full of the option to purchase additional shares granted to the underwriters, at a price of $4.00 per share resulting in net proceeds of approximately $108 million.

In 2012, we entered into an At Market Issuance Sales Agreement ("Sales Agreement"), under which our Board of Directors (the "Board") approved the sale of up to an aggregate of $50 million in gross proceeds of our common stock. The shares of common stock have been offered pursuant to a shelf registration statement filed with the SEC in March 2013, which replaced the previous shelf registration statement filed in 2010. The Board's standing Finance Committee (the "Committee") assisted with its responsibilities to monitor, provide advice to our senior management and approve all capital raising activities. In doing so, the Committee set the amount of shares to be sold, the period of time during which such sales may occur and the minimum sales price per share. During the nine months ended September 30, 2015, we sold 1.4 million shares at an average sales price of $10.63 per share, resulting in approximately $15 million in net proceeds. The Sales Agreement has now been fully utilized.

Critical Accounting Policies and Use of Estimates

There are no material changes to our critical accounting policies as described in Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, as filed with the SEC.

Recent Accounting Pronouncements Not Yet Adopted

We have considered the applicability and impact of all Financial Accounting Standards Board's ("FASB") Accounting Standards Updates (ASUs). In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09"), which supersedes nearly all existing revenue recognition guidance under Topic 605, *Revenue Recognition*. The new standard requires a company to recognize revenue when it transfers goods and services to customers in an amount that reflects the consideration that the company expects to receive for those goods or services. ASU 2014-09 defines a five-step process that includes identifying the contract with the customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the performance obligations in the contract and recognizing revenue when (or as) the entity satisfies the performance obligations. In July 2015, the FASB approved a one-year deferral of the effective date of the new standard to 2018 for public companies, with an option that would permit companies to adopt the new standard as early as the original effective date of 2017. Early adoption prior to the original effective date is not permitted. We are evaluating the potential impact that ASU 2014-09 will have on our consolidated financial position and results of operations.

Results of Operations

The following is a discussion of the historical financial condition and results of operations of the Company and should be read in conjunction with the financial statements and notes thereto set forth in this Quarterly Report.

Three Months Ended September 30, 2015 and 2014 (amounts in tables are presented in thousands, except per share information)

Revenue:

	Three Months Ended September 30,		
	2015	2014	Change 2014 to 2015
Revenue:			
Total revenue	$ 6,525	$ 8,214	$ (1,689)

Revenue for the three months ended September 30, 2015 was $6.5 million as compared to $8.2 million for the same period in 2014, a decrease of $1.7 million or 21%. Revenue for the three months ended September 30, 2015 and 2014 is primarily comprised of services performed under the HHS BARDA contract, and to a much lesser extent, the prior PATH clinical development agreement. The decrease in revenue is due to a lower level of activity in the three months ended September 30, 2015 associated with our Phase 2 seasonal influenza clinical trial as compared to our Phase 1/2 clinical trial of our H7N9 pandemic VLP candidate in the same period in 2014 under the HHS BARDA contract.

For 2015, we expect an increase in revenue primarily due to the recovery of additional costs under the HHS BARDA contract for the settlement of indirect rates for fiscal years 2011 and 2012, which occurred in the second quarter of 2015, and development activities under the BMGF grant agreement.

Costs and Expenses:

	Three Months Ended September 30,		
	2015	2014	Change 2014 to 2015
Costs and Expenses:			
Cost of government contracts revenue	$ 2,747	$ 4,027	$ (1,280)
Research and development	27,917	19,219	8,698
General and administrative	9,060	4,757	4,303
Total costs and expenses	$ 39,724	$ 28,003	$ 11,721

Cost of Government Contracts Revenue

Cost of government contracts revenue includes direct costs of salaries, laboratory supplies, consultants and subcontractors and other direct costs associated with our process development, manufacturing, clinical, regulatory and quality assurance activities under research contracts. Cost of government contracts revenue decreased to $2.7 million for the three months ended September 30, 2015 from $4.0 million for the same period in 2014, a decrease of $1.3 million, or 32%. The decrease in cost of government contracts revenue is primarily related to a lower level of activity in the three months ended September 30, 2015 associated with our Phase 2 seasonal influenza clinical trial as compared to our Phase 1/2 clinical trial of our H7N9 pandemic VLP candidate in the same period in 2014. For 2015, we expect a decrease in cost of government contracts revenue primarily due to lower level of project development activities under our HHS BARDA contract in 2015 as compared to 2014.

Research and Development Expenses

Research and development expenses include salaries, laboratory supplies, consultants and subcontractors and other expenses associated with our process development, manufacturing, clinical, regulatory and quality assurance activities for internally funded programs. In addition, indirect costs, such as fringe benefits and overhead expenses, are also included in research and development expenses. Research and development expenses increased to $27.9 million for the three months ended September 30, 2015 from $19.2 million for the same period in 2014, an increase of $8.7 million, or 45%. The increase in research and development expenses was primarily due to increased costs associated with our ongoing and planned RSV F Vaccine clinical trials and higher employee-related costs, including non-cash stock-based compensation, as compared to the same period in 2014. These increases were partially offset by the milestone payment accrued under the Wyeth agreement in the three months ended September 30, 2014. For 2015, we expect a significant increase in research and development expenses primarily due to additional RSV F Vaccine clinical trials, the EBOV GP vaccine clinical trial and employee-related and facility costs to support product development of our RSV F Vaccine and other potential vaccine candidates.

Costs and Expenses by Functional Area

We track our cost of government contracts revenue and research and development expenses by the type of costs incurred in identifying, developing, manufacturing and testing vaccine candidates. We evaluate and prioritize our activities according to functional area and therefore believe that project-by-project information would not form a reasonable basis for disclosure to our investors. At September 30, 2015, we had 332 employees dedicated to our research and development programs versus 230 employees as of September 30, 2014. Historically, we did not account for internal research and development expenses by project, since our employees work time is spread across multiple programs, and our internal manufacturing clean-room facility produces multiple vaccine candidates.

The following summarizes our cost of government contracts revenue and research and development expenses by functional area for the three months ended September 30 (in millions).

	2015	2014
Manufacturing	$ 22.1	$ 12.8
Vaccine Discovery	1.5	1.7
Clinical and Regulatory	7.1	8.7
Total cost of government contracts revenue and research and development expenses	$ 30.7	$ 23.2

We do not provide forward-looking estimates of costs and time to complete our research programs due to the many uncertainties associated with vaccine development. As we obtain data from preclinical studies and clinical trials, we may elect to discontinue or delay clinical trials in order to focus our resources on more promising vaccine candidates. Completion of clinical trials may take several years or more, but the length of time can vary substantially depending upon the phase, size of clinical trial, primary and secondary endpoints and the intended use of the vaccine candidate. The cost of clinical trials may vary significantly over the life of a project as a result of a variety of factors, including: the number of patients who participate in the clinical trials and the specific patient population; the number of sites included in the clinical trials; whether clinical trial locations are domestic, international or both; the time to enroll patients; the duration of treatment and follow-up; the safety and efficacy profile of the vaccine candidate; and the cost and timing of, and the ability to secure, regulatory approvals.

As a result of these uncertainties, we are unable to determine with any significant degree of certainty the duration and completion costs of our research and development projects or when, and to what extent, we will generate future cash flows from our research projects.

General and Administrative Expenses

General and administrative expenses increased to $9.1 million for the three months ended September 30, 2015 from $4.8 million for the same period in 2014, an increase of $4.3 million, or 90%. The increase was primarily due to higher employee-related costs, including non-cash stock-based compensation, and professional fees for pre-commercialization activities, as compared to the same period in 2014. At September 30, 2015, we had 46 employees dedicated to general and administrative functions versus 33 employees as of September 30, 2014. For 2015, we expect general and administrative expenses to continue to increase primarily due to increased employee costs and pre-commercialization activities.

Other Income (Expense):

	Three Months Ended September 30,		
	2015	2014	Change 2014 to 2015
Other Income (Expense):			
Investment income	$ 194	$ 128	$ 66
Interest expense	(64)	(47)	(17)
Other expense	(51)	(19)	(32)
Total other income (expense)	$ 79	$ 62	$ 17

We had total other income of $0.1 million for the three months ended September 30, 2015 and 2014.

Net Loss:

	Three Months Ended September 30,		
	2015	2014	Change 2014 to 2015
Net Loss:			
Net loss	$ (33,120)	$ (19,727)	$ (13,393)
Net loss per share	$ (0.12)	$ (0.08)	$ (0.04)
Weighted shares outstanding	269,554	238,304	31,250

Net loss for the three months ended September 30, 2015 was $33.1 million, or $0.12 per share, as compared to $19.7 million, or $0.08 per share, for the same period in 2014, an increased net loss of $13.4 million. The increased net loss was primarily due to higher research and development spending, including increased costs relating to clinical trials of our RSV F Vaccine and higher employee-related costs, as compared to the same period in 2014.

The increase in weighted average shares outstanding for the three months ended September 30, 2015 as compared to the same period in 2014 is primarily a result of sales of our common stock in 2015 and 2014.

Nine Months Ended September 30, 2015 and 2014 (amounts in tables are presented in thousands, except per share information)

Revenue:

	Nine Months Ended September 30,		
	2015	2014	Change 2014 to 2015
Revenue:			
Total revenue	$ 30,397	$ 23,935	$ 6,462

Revenue for the nine months ended September 30, 2015 was $30.4 million as compared to $23.9 million for the same period in 2014, an increase of $6.5 million or 27%. Revenue for the nine months ended September 30, 2015 and 2014 is primarily comprised of services performed under the HHS BARDA contract, and to a much lesser extent, the prior PATH clinical development agreement. The increase in revenue is primarily due to revenue of $7.7 million relating to the recovery of additional costs for the settlement of indirect rates for fiscal years 2011 and 2012 under the HHS BARDA contract in the second quarter of 2015 and revenue of $3.1 million relating to our Phase 2 clinical trial of our quadrivalent seasonal influenza VLP vaccine candidate in Australia ("205 Trial") as collection of the amount became reasonably assured in the first quarter of 2015. These increases in revenue were partially offset by a lower level of activity in the nine months ended September 30, 2015 associated with our Phase 2 seasonal influenza clinical trial as compared to our Phase 1/2 clinical trial of our H7N9 pandemic VLP candidate in the same period in 2014 under the HHS BARDA contract and a decrease in revenue under the prior PATH clinical development agreement.

In 2012, HHS BARDA withheld payment on the outside costs of the 205 Trial. Such outside costs were recorded as expenses in the period incurred as a cost of government contracts revenue and the Company did not record revenue relating to such outside costs prior to the first quarter of 2015 because collection of the amount was not reasonably assured. In late 2014, the FDA accepted the data from the 205 Trial as part of the Company's investigational new drug ("IND") application for its seasonal quadrivalent influenza VLP vaccine candidate. In the first quarter of 2015, HHS BARDA approved the reimbursement of the 205 Trial costs. We also collected this amount in 2015.

Costs and Expenses:

	Nine Months Ended September 30,		
	2015	2014	Change 2014 to 2015
Costs and Expenses:			
Cost of government contracts revenue	$ 8,054	$ 12,150	$ (4,096)
Research and development	78,686	48,940	29,746
General and administrative	21,991	14,871	7,120
Total costs and expenses	$ 108,731	$ 75,961	$ 32,770

Cost of Government Contracts Revenue

Cost of government contracts revenue includes direct costs of salaries, laboratory supplies, consultants and subcontractors and other direct costs associated with our process development, manufacturing, clinical, regulatory and quality assurance activities under research contracts. Cost of government contracts revenue decreased to $8.1 million for the nine months ended September 30, 2015 from $12.2 million for the same period in 2014, a decrease of $4.1 million, or 34%. The decrease in cost of government contracts revenue is primarily related to a lower level of activity in the nine months ended September 30, 2015 associated with our Phase 2 seasonal influenza clinical trial as compared to our Phase 1/2 clinical trial of our H7N9 pandemic VLP candidate in the same period in 2014.

Research and Development Expenses

Research and development expenses include salaries, laboratory supplies, consultants and subcontractors and other expenses associated with our process development, manufacturing, clinical, regulatory and quality assurance activities for internally funded programs. In addition, indirect costs, such as fringe benefits and overhead expenses, are also included in research and development expenses. Research and development expenses increased to $78.7 million for the nine months ended September 30, 2015 from $48.9 million for the same period in 2014, an increase of $29.7 million, or 61%. The increase in research and development expenses was primarily due to increased costs associated with our ongoing and anticipated RSV F Vaccine clinical trials and our EBOV GP vaccine clinical trial and higher employee-related costs, including non-cash stock-based compensation, as compared to the same period in 2014. These increases were partially offset by the milestone payment accrued under the Wyeth agreement in the nine months ended September 30, 2014. At September 30, 2015, we had 332 employees dedicated to our research and development programs versus 230 employees as of September 30, 2014.

Costs and Expenses by Functional Area

The following summarizes our cost of government contracts revenue and research and development expenses by functional area for the nine months ended September 30 (in millions).

	2015	2014
Manufacturing	$ 57.6	$ 35.5
Vaccine Discovery	4.7	4.4
Clinical and Regulatory	24.4	21.2
Total cost of government contracts revenue and research and development expenses	$ 86.7	$ 61.1

General and Administrative Expenses

General and administrative expenses increased to 22.0 million for the nine months ended September 30, 2015 from $14.9 million for the same period in 2014, an increase of $7.1 million, or 48%. The increase was primarily due to higher employee-related costs, including non-cash stock-based compensation, and professional fees for pre-commercialization activities, as compared to the same period in 2014. At September 30, 2015, we had 46 employees dedicated to general and administrative functions versus 33 employees as of September 30, 2014.

Other Income (Expense):

	Nine Months Ended September 30,		
	2015	2014	Change 2014 to 2015
Other Income (Expense):			
Investment income	$ 450	$ 160	$ 290
Interest expense	(126)	(150)	24
Other expense	(121)	—	(121)
Realized gains on marketable securities	—	615	(615)
Total other income (expense)	$ 203	$ 625	$ (422)

We had total other income of $0.2 million for the nine months ended September 30, 2015 as compared to total other income of $0.6 million for the same period in 2014. For the nine months ended September 30, 2014, we sold our remaining auction rate security and received proceeds of $1.8 million resulting in a realized gain of $0.6 million.

Net Loss:

	Nine Months Ended September 30,		
	2015	2014	Change 2014 to 2015
Net Loss:			
Net loss	$ (78,131)	$ (51,401)	$ (26,730)
Net loss per share	$ (0.30)	$ (0.23)	$ (0.07)
Weighted shares outstanding	259,703	221,578	38,125

Net loss for the nine months ended September 30, 2015 was $78.1 million, or $0.30 per share, as compared to $51.4 million, or $0.23 per share, for the same period in 2014, an increased net loss of $26.7 million. The increased net loss was primarily due to higher research and development spending, including increased costs relating to clinical trials of our RSV F Vaccine and a clinical trial of our EBOV GP vaccine candidate and higher employee-related costs, as compared to the same period in 2014.

The increase in weighted average shares outstanding for the nine months ended September 30, 2015 as compared to the same period in 2014 is primarily a result of sales of our common stock in 2015 and 2014.

Liquidity Matters and Capital Resources

Our future capital requirements depend on numerous factors including, but not limited to, the commitments and progress of our research and development programs, the progress of preclinical and clinical testing, the time and costs involved in obtaining regulatory approvals, the costs of filing, prosecuting, defending and enforcing patent claims and other intellectual property rights and manufacturing costs. We plan to continue to have multiple vaccines and products in various stages of development, and we believe our operating expenses and capital requirements will fluctuate depending upon the timing of certain events, such as the scope, initiation, rate and progress of our preclinical studies and clinical trials and other research and development activities.

As of September 30, 2015, we had $290.2 million in cash and cash equivalents and marketable securities as compared to $168.1 million as of December 31, 2014. These amounts consisted of $138.1 million in cash and cash equivalents and $152.0 million in marketable securities as of September 30, 2015 as compared to $32.3 million in cash and cash equivalents and $135.7 million in marketable securities, as described in Note 3 under section "*Marketable Securities*," as of December 31, 2014.

The following table summarizes cash flows for the nine months ended September 30, 2015 and 2014 (in thousands):

	Nine Months Ended September 30,		
	2015	2014	Change 2014 to 2015
Summary of Cash Flows:			
Net cash (used in) provided by:			
Operating activities	$ (71,339)	$ (47,246)	$ (24,093)
Investing activities	(30,829)	(147,180)	116,351
Financing activities	208,082	109,449	98,633
Effect on exchange rate on cash and cash equivalents	(105)	(21)	(84)
Net increase (decrease) in cash and cash equivalents	105,809	(84,998)	190,807
Cash and cash equivalents at beginning of period	32,335	119,471	(87,136)
Cash and cash equivalents at end of period	$ 138,144	$ 34,473	$ 103,671

Net cash used in operating activities increased to $71.3 million for the nine months ended September 30, 2015 as compared to $47.2 million for the same period in 2014. The increase in cash usage was primarily due to increased costs relating to our RSV F Vaccine and EBOV GP vaccine candidate, higher employee-related costs and timing of customer and vendor payments.

During the nine months ended September 30, 2015 and 2014, our investing activities consisted primarily of purchases and maturities of marketable securities and capital expenditures. Capital expenditures for the nine months ended September 30, 2015 and 2014 were $13.6 million and $4.9 million, respectively. The increase in capital expenditures was primarily due to the purchase of laboratory equipment for process development, analytical development and manufacturing scale-up required to support our maturing product portfolio. In 2015, we expect our level of capital expenditures to be significantly higher than our 2014 spending as we continue to scale up our capacity in anticipation of Phase 3 clinical trials and related regulatory obligations in the upcoming years.

Our financing activities consisted primarily of sales of our common stock, and to a lesser extent, stock option exercises and purchases under our employee stock purchase plan. In the nine months ended September 30, 2015, we received net proceeds of approximately $190 million through our public offering at $7.25 per share and approximately $15 million through our Sales Agreement at an average sales price of $10.63 per share. In the nine months ended September 30, 2014, we received net proceeds of approximately $108 million through our public offering at $4.00 per share. We sold the remaining common stock under the Sales Agreement in July 2015. The Sales Agreement has now been fully utilized.

In August 2015, we amended the lease for our new facility located in Gaithersburg, Maryland to increase the amount of space leased by us to now include the entire facility. Under the terms of the amended lease, the landlord shall provide us with a tenant improvement allowance of approximately $3.9 million. We have not utilized the tenant improvement allowance as of September 30, 2015.

In 2007, we entered into an agreement to license certain rights from Wyeth. The Wyeth license is a non-exclusive, worldwide license to a family of patents and patent applications covering VLP technology for use in human vaccines in certain fields, with expected patent expiration in early 2022. The Wyeth license provides for us to make an upfront payment (previously made), ongoing annual license fees, sublicense payments, milestone payments on certain development and commercialization activities and royalties on any product sales. Except in certain circumstances in which we continuously market multiple products in a country within the same vaccine program, the milestone payments are one-time only payments applicable to each related vaccine program. At present, our seasonal influenza VLP vaccine program (including CPLB's seasonal influenza program) and our pandemic influenza VLP vaccine program are the only two programs to which the Wyeth license applies. The license may be terminated by Wyeth only for cause and may be terminated by us only after we have provided ninety (90) days' notice that we have absolutely and finally ceased activity, including through any affiliate or sublicense, related to the manufacturing, development, marketing or sale of products covered by the license. In September 2015, we amended the license agreement with Wyeth. Among other things, the amendment restructures the $3 million milestone payment ("Milestone") owed as a result of CPLB's initiation of a Phase 3 clinical trial for its recombinant trivalent seasonal VLP influenza vaccine candidate in 2014. Under the amendment, the milestone payment, which may increase slightly over time, shall be due in connection with the initiation of a Phase 3 clinical trial for the initial seasonal influenza VLP vaccine candidate being developed outside India, but in any case no later than December 31, 2017. The amendment also restructures the final milestone payment to apply to the initial seasonal influenza VLP vaccine candidate being developed outside India. Thus, the aggregate milestone payments for a seasonal influenza VLP vaccine candidate developed and commercialized is increased from $14 million to up to $15 million. In connection with the execution of the amendment, we agreed to pay a one-time only, upfront payment to Wyeth. The amendment also increases annual license maintenance fees associated with VLP vaccine candidates from $0.2 million to $0.3 million per year. Payments under the agreement to Wyeth as of September 30, 2015 aggregated $7.3 million. The Milestone was accrued for on the consolidated balance sheet in other current liabilities at December 31, 2014. As a result of the September 2015 amendment discussed above, the Milestone payment is not expected to occur within the next 12 months. Therefore, the Milestone has been accrued for, on a discounted basis calculated based on the anticipated future payment date, in other non-current liabilities at September 30, 2015. The milestone was recorded as a research and development expense in the third quarter of 2014.

In connection with CPLB, we entered into a master services agreement with Cadila, which we and Cadila amended in July 2011, March 2013, March 2014 and February 2015, in each case to extend the term by one year for which services can be provided by Cadila under this agreement. Under the revised terms, if, by March 2016, the amount of services provided by Cadila under the master services agreement is less than $7.5 million, we will pay Cadila the portion of the shortfall amount that is less than or equal to $2.0 million. The Company and Cadila have also agreed to an amendment that allows CPLB, as of the beginning of 2013, to provide services on behalf of Cadila. Through September 30, 2015, we have purchased $7.2 million in services from Cadila pursuant to this agreement, including amounts in which CPLB provided the services on behalf of Cadila.

Based on our September 30, 2015 cash and cash equivalents and marketable securities balances, along with anticipated revenue under the contract with HHS BARDA and grant agreement with BMGF and other resources, we believe we have adequate capital to fund our operating plans for a minimum of twelve months. Additional capital may be required in the future to develop our vaccine candidates through clinical development, manufacturing and commercialization. Our ability to obtain such additional capital will likely be subject to various factors, including our ability to perform and thus generate revenue under the HHS BARDA contract and BMGF grant agreement, our overall business performance and market conditions.

Any capital raised by an equity offering will likely be substantially dilutive to the existing stockholders and any licensing or development arrangement may require us to give up rights to a product or technology at less than its full potential value. We cannot provide any assurance that new financing will be available on commercially acceptable terms, if at all. If we are unable to perform under the HHS BARDA contract and BMGF grant agreement or obtain additional capital, we will assess our capital resources and may be required to delay, reduce the scope of, or eliminate one or more of our product research and development programs, and/or downsize our organization, including our general and administrative infrastructure.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The primary objective of our investment activities is preservation of capital, with the secondary objective of maximizing income. As of September 30, 2015, we had cash and cash equivalents of $138.1 million, marketable securities of $152.0 million, all of which are short-term, and working capital of $285.2 million.

Our exposure to market risk is primarily confined to our investment portfolio. As of September 30, 2015, our investments were classified as available-for-sale. We do not believe that a change in the market rates of interest would have any significant impact on the realizable value of our investment portfolio. Changes in interest rates may affect the investment income we earn on our marketable securities when they mature and the proceeds are reinvested into new marketable securities and, therefore, could impact our cash flows and results of operations.

Interest and dividend income is recorded when earned and included in investment income. Premiums and discounts, if any, on marketable securities are amortized or accreted to maturity and included in investment income. The specific identification method is used in computing realized gains and losses on the sale of our securities.

We are headquartered in the U.S. where we conduct the vast majority of our business activities. We have one foreign consolidated subsidiary, Novavax AB, which is located in Sweden. A 10% decline in the exchange rate between the U.S. dollar and Swedish Krona would result in a reduction of stockholders' equity of approximately $2.8 million at September 30, 2015.

We do not have material debt and, as such, do not believe that we are exposed to any material interest rate risk as a result of our borrowing activities.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the assistance of our chief executive officer and chief financial officer, has reviewed and evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of September 30, 2015. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving such control objectives. Based on the evaluation of our disclosure controls and procedures as of September 30, 2015, our chief executive officer and chief financial officer concluded that, as of such date, our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

Our management, including our chief executive officer and chief financial officer, has evaluated any changes in our internal control over financial reporting that occurred during the quarterly period ended September 30, 2015, and has concluded that there was no change that occurred during the quarterly period ended September 30, 2015 that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1A. Risk Factors

Other than the additional risk factors disclosed below, there are no material changes to the Company's risk factors as described in Item 1A of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

Security breaches and other disruptions could compromise our information and expose us to liability, which would cause our business and reputation to suffer.

In the ordinary course of our business, we collect and store sensitive data, including intellectual property, our proprietary business information and data about our clinical subjects, suppliers, and business partners, and personally identifiable information. The secure maintenance of this information is critical to our operations and business strategy. Some of this information could be an attractive target of criminal attack by malicious third parties with a wide range of motives and expertise, including organized criminal groups, "hactivists," patient groups, disgruntled current or former employees, and others. Hacker attacks are of ever-increasing levels of sophistication, and despite our security measures, our information technology and infrastructure may be vulnerable to such attacks or may be breached due to employee error or malfeasance. Any such breach could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Furthermore, if our systems become compromised, we may not promptly discover the intrusion. Like other companies in our industry, we have experienced attacks to our data and systems, including malware and computer viruses. Attacks could have a material impact on our business, operations or financial results. Any access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, disrupt our operations, and damage our reputation, which could adversely affect our business.

Item 6. Exhibits

3.1	Second Amended and Restated Certificate of Incorporation of the Company (Incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015, filed August 10, 2015)
3.2	Amended and Restated By-Laws of the Company (Incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012, filed March 12, 2013)
10.1***	Grant Agreement between Bill and Melinda Gates Foundation and Novavax, Inc., dated as of September 25, 2015
10.2***	Global Access Commitments Agreement between Bill and Melinda Gates Foundation and Novavax, Inc., dated as of September 25, 2015
10.3***	Second Amendment to License Agreement between Wyeth Holdings LLC and Novavax, Inc., dated as of September 1, 2015 (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed September 8, 2015)
10.4	Lease Agreement for space at 21 Firstfield Road between Firstfield Holdco, LLC and Novavax, Inc., dated as of February 4, 2015 (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed August 21, 2015)
10.5	First Amendment to Lease Agreement for space at 21 Firstfield Road between Firstfield Holdco, LLC and Novavax, Inc., dated as of August 17, 2015 (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed August 21, 2015)
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(e) of the Securities Exchange Act
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(e) of the Securities Exchange Act
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following financial information from our Quarterly Report on Form 10-Q for the quarter ended September 30, 2015, formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Balance Sheets as of September 30, 2015 and December 31, 2014, (ii) the Consolidated Statements of Operations for the three and nine-month periods ended September 30, 2015 and 2014, (iii) the Consolidated Statements of Comprehensive Loss for the three and nine-month periods ended September 30, 2015 and 2014, (iv) the Consolidated Statements of Cash Flows for the nine-month periods ended September 30, 2015 and 2014, and (v) the Notes to Consolidated Financial Statements.

* Filed herewith.
** Confidential treatment has been requested for portions of exhibit.
*** Confidential treatment has been granted for portions of exhibit.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NOVAVAX, INC.

Date: November 9, 2015

By: /s/ Stanley C. Erck
President and Chief Executive Officer and Director
(Principal Executive Officer)

Date: November 9, 2015

By: /s/ Barclay A. Phillips
Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

Exhibit 10.1

[**] = Portions of this exhibit have been omitted pursuant to a confidential treatment request.
An unredacted version of this exhibit has been filed separately with the Commission.

BILL & MELINDA GATES foundation

GRANT AGREEMENT
Investment ID OPP1127647

AGREEMENT SUMMARY & SIGNATURE PAGE

GRANTEE INFORMATION

Name:	Novavax, Inc.
Tax Status:	Not exempt from federal income tax under U.S. IRC § 501(c)(3). You confirm that the above information is correct and agree to notify the Foundation immediately of any change.
Expenditure Responsibility:	This Grant Agreement is subject to "expenditure responsibility" requirements under the U.S. Internal Revenue Code.
Mailing Address:	20 Firstfield Road Gaithersburg, MD, 20878
Primary Contact:	Russell Wilson, Senior Vice President, Business Development, rwilson@novavax.com

FOUNDATION INFORMATION

Mailing Address:	P. O. Box 23350, Seattle, WA 98102, U.S.A.
Primary Contact:	Niteen Wairagkar, Senior Program Officer, Pneumonia Niteen.Wairagkar@gatesfoundation.org

AGREEMENT INFORMATION

Title:	Advancing the development of a maternally-administered RSV vaccine candidate to licensure and WHO prequalification
"Charitable Purpose":	To advance to WHO Pre-Qualification the development of a respiratory syncytial virus (RSV) vaccine for maternal immunization to reduce the burden of RSV disease in infants less than six months of age in developing countries.
"Start Date":	Date of last signature
"End Date":	December 31, 2021
This Grant Agreement includes and incorporates by this reference:	This Grant Agreement Summary & Signature Page and: ● Grant Amount and Reporting & Payment Schedule (Attachment A) ● Terms and Conditions (Attachment B) ● Project Governance Plan (Appendix C) ● Global Access Commitments Agreement ("GACA") (Attachment D) ● Proposal Narrative (date submitted September 8, 2015) ● Budget (date submitted June 22, 2015) ● Vaccine – Target Product Profile (date submitted June 17, 2015) ● Integrated Product Development Plan (IPDP) (date submitted May 29, 2015) ● IPDP Executive Summary (updated September 10, 2015) ● Product Development (PD) Workbook (date submitted June 17, 2015) ● Investment Guidelines (date submitted July 23, 2015)

[**] = Portions of this exhibit have been omitted pursuant to a confidential treatment request.
An unredacted version of this exhibit has been filed separately with the Commission.

THIS AGREEMENT is between Novavax, Inc. ("*You*" or "*Grantee*") and the Bill & Melinda Gates Foundation ("*Foundation*"), and is effective as of the date of last signature. Each party to the Agreement may be referred to individually as a "*Party*" and together as the "*Parties.*" As a condition of this grant, the Parties enter into this Agreement by having their authorized representatives sign below.

BILL & MELINDA GATES FOUNDATION	**NOVAVAX, INC.**
/s/ Sue Desmond-Hellmann	/s/ Stanley C. Erck
Sue Desmond-Hellmann Chief Executive Officer	Stanley Erck President and Chief Executive Officer
September 18, 2015	September 25, 2015
Date	Date

[*Remainder of page left intentionally blank*]

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GRANT AGREEMENT
Investment ID OPP1127647

ATTACHMENT A
GRANT AMOUNT AND REPORTING & PAYMENT SCHEDULE

GRANT AMOUNT
The Foundation will pay You up to the total grant amount specified in the Reporting & Payment Schedule below. The Foundation's Primary Contact must approve in writing any Budget cost category change of more than 10%.

PAYMENTS
The Foundation will make payments according to the Reporting & Payment Schedule and, where specified, contingent on Your completion of the applicable target, milestone, or reporting deliverable as well as compliance with this Grant Agreement and the Global Access Commitments Agreement. The Foundation may approve changes to the schedule from time to time, and will confirm any such changes in writing. Specific subsequent payment amounts will be decided by the Foundation, based upon actual financial information reported to the Foundation in Expenditure Responsibility reports.

REPORTING
You will submit reports according to the Reporting & Payment Schedule using the Foundation's templates or forms, which the Foundation will make available to You and which may be modified from time to time. For a progress or final report to be considered satisfactory, it must demonstrate meaningful progress against the targets or milestones for that investment period. If meaningful progress has not been made, the report should explain why not and what adjustments You are making to get back on track. Please notify the Foundation's Primary Contact if You need to add or modify any targets or milestones. The Foundation must approve any such changes in writing. You agree to submit other reports the Foundation may reasonably request.

ACCOUNTING FOR PERSONNEL TIME
You agree to track the time of all employees, contingent workers, and any other compensated individuals whose compensation will be paid in part by Grant Funds. Such individuals will keep timesheets that will track actual time worked on the Project in increments of sixty minutes or less and will include brief descriptions of tasks performed. You will report actual time worked consistent with those timesheets in Your progress and final budget reports. You will submit copies of timesheets to the Foundation upon request.

[*Remainder of page left intentionally blank*]

[**] = Portions of this exhibit have been omitted pursuant to a confidential treatment request.
An unredacted version of this exhibit has been filed separately with the Commission.

REPORTING & PAYMENT SCHEDULE

Investment Period	*Target, Milestone, or Reporting Deliverable*	*Due By*	*Payment Date*	*Payment Amount (U.S.$)*
—	Countersigned Grant Agreement and Global Access Commitments Agreement	—	[**]	[**]
[**]	Go/No-Go Milestone [1]: [**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]

[1] The results of the Go/No-Go Milestone are expected to be available by the due date listed above. For this and all other Stage Gates, the Foundation will then determine, in its sole discretion, whether to provide continued funding under this Grant Agreement. If the Foundation determines that it will not provide continued funding for the remainder of the proposed work, the Project will be terminated. To the extent that there is any inconsistency between the Proposal and the Grant Agreement on this issue, the Grant Agreement shall govern.

[**] = Portions of this exhibit have been omitted pursuant to a confidential treatment request.
An unredacted version of this exhibit has been filed separately with the Commission.

[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**] days of End Date	—	—
			Total Grant Amount	**Up to $89,083,312.00**

UPDATES TO REPORTING & PAYMENT SCHEDULE

You acknowledge and agree that all payments under this grant are subject to your achievement of any go/no-go milestones, the Foundation's approval of the Milestones, Deliverables and Reports in Reporting & Payment Schedule, compliance with the Global Access Commitments Agreement set forth at Attachment D and your compliance with this Grant Agreement (including any Attachments, Appendices or Schedules). From time to time the Foundation may update the Payment & Reporting Schedule to reflect actual payments and/or update payment dates or milestones, and you agree to cooperate to revise this Grant Agreement accordingly as well as execute an amendment to this Grant Agreement reflecting any such changes. If requested by the Foundation, You agree to update Your proposal narrative, budget and/or other Project documentation (including IPDP) to reflect activities under the Project.

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An unredacted version of this exhibit has been filed separately with the Commission.

GRANT AGREEMENT
Investment ID OPP1127647

ATTACHMENT B
TERMS & CONDITIONS

This Grant Agreement is subject to the following terms and conditions.

PROJECT SUPPORT

PROJECT DESCRIPTION AND CHARITABLE PURPOSE
The Foundation is awarding You this grant to carry out the project described in the Proposal Narrative, IPDP, and PD Workbook (collectively, "*Project*") in order to further the Charitable Purpose.

MANAGEMENT OF FUNDS

USE OF FUNDS
You may not use funds provided under this Grant Agreement ("*Grant Funds*") for any purpose other than the Project. You may not use Grant Funds to reimburse any expenses You incurred prior to the Start Date.

INVESTMENT OF FUNDS
You must invest Grant Funds in accordance with the Investment Guidelines. You must provide the Foundation with 30 days' prior written notice before making any changes to the Investment Guidelines. Together with any progress or final reports required under this Grant Agreement, You must report investment activities and the amount of any currency conversion gains (or losses) and the amount of any interest, or other income generated by the Grant Funds (collectively *"Income"*). Any Income must be used for the Project.

SEGREGATION OF FUNDS
You must maintain Grant Funds in a physically separate bank account or a separate bookkeeping account maintained as part of Your financial records and dedicated to the Project.

GLOBAL ACCESS

GLOBAL ACCESS COMMITMENT
You will conduct and manage the Project and the Funded Developments in a manner that ensures Global Access. Your Global Access commitments will survive the term of this Grant Agreement. "*Funded Developments*" means the products, services, processes, technologies, materials, software, data, other innovations, and intellectual property resulting from the Project (including modifications, improvements, and further developments to Background Technology). "*Background Technology*" means any and all products, services, processes, technologies, materials, software, data, or other innovations, and intellectual property created by You or a third party prior to or outside of the Project used as part of the Project. "*Global Access*" means: (a) the knowledge and information gained from the Project will be promptly and broadly disseminated; and (b) the Funded Developments will be made available and accessible at an affordable price (i) to people most in need within developing countries, or (ii) in support of the U.S. educational system and public libraries, as applicable to the Project.

GLOBAL ACCESS MILESTONES
In order to further define Your Global Access commitments, You agree to the terms and conditions set out in the **Global Access Commitments Agreement** set forth in Attachment D. In the event of any conflict between this Global Access section of this Grant Agreement and the Global Access Commitments Agreement, the Global Access Commitments Agreement shall control.

You may not materially change the plans and strategies contained in any Global Access Commitments Agreement without the Foundation's prior written approval. Upon request of the Foundation, You will provide the Foundation with progress updates evidencing your progress to attain Your the Global Access Commitments.

PUBLICATION
For the purpose of achieving Global Access, You will seek prompt publication of any Funded Developments consisting of data and results in a peer-reviewed journal, treatise, or trade publication, as applicable, consistent with the Global Access Commitments Agreement. Publication may be delayed for a reasonable period for the sole purpose of seeking patent protection, provided the patent application is drafted, filed, and managed in a manner that best furthers the Charitable Purpose. You will also use good faith efforts to ensure that Your subcontractors, agents, and affiliates, as applicable, likewise seek prompt publication of any Funded Developments consisting of data and results.

PUBLICATION IN PEER-REVIEWED JOURNALS
If You seek publication of Funded Developments in a peer-reviewed journal, such publication shall be under "open access" terms and conditions consistent with the Foundation's Open Access Policy available at: www.gatesfoundation.org/How-We-Work/General-Information/Open-Access-Policy, which may be modified from time to time.

INTELLECTUAL PROPERTY REPORTING
During the term of this Grant Agreement and for 5 years after, You will submit upon request annual intellectual property reports related to the Funded Developments, Background Technology, and any related agreements using the Foundation's templates or forms, which the Foundation may modify from time to time.

SUBGRANTS AND SUBCONTRACTS

SUBGRANTS AND SUBCONTRACTS
You may not make subgrants under this Grant Agreement. You have the exclusive right to select subcontractors to assist with the Project.

RESPONSIBILITY FOR OTHERS
You are responsible for (a) all acts and omissions of any of Your trustees, directors, officers, employees, subgrantees, subcontractors, contingent workers, agents, and affiliates assisting with the Project, and (b) ensuring their compliance with the terms of this Grant Agreement and the Global Access Commitments Agreement.

PROHIBITED ACTIVITIES

ANTI-TERRORISM
You will not use funds provided under this Grant Agreement, directly or indirectly, in support of activities (a) prohibited by U.S. laws related to combatting terrorism; (b) with persons on the List of Specially Designated Nationals (www.treasury.gov/sdn) or entities owned or controlled by such persons; or (c) with countries against which the U.S. maintains comprehensive or targeted sanctions (currently, Cuba, Iran, (North) Sudan, Syria, North Korea, Russia and Ukraine), unless such activities are fully authorized by the U.S. government under applicable law and specifically approved by the Foundation in its sole discretion.

ANTI-CORRUPTION; ANTI-BRIBERY
You will not offer or provide money, gifts, or any other things of value directly or indirectly to anyone in order to improperly influence any act or decision relating to the Foundation or the Project, including by assisting any party to secure an improper advantage. Training and information on compliance with these requirements are available at www.learnfoundationlaw.org.

POLITICAL ACTIVITY AND ADVOCACY
You may not use Grant Funds to influence the outcome of any election for public office or to carry on any voter registration drive. You may not use Grant Funds to support lobbying activity or to otherwise support attempts to influence local, state, federal, or foreign legislation. Your strategies and activities, and any materials produced with Grant Funds, must comply with applicable local, state, federal, or foreign lobbying law. You agree to comply with lobbying, gift, and ethics rules applicable to the Project.

REGULATED ACTIVITIES

INSURANCE
You will maintain sufficient insurance coverage including general liability and other coverage, as applicable (such as clinical trial insurance, product liability, medical malpractice, workers compensation, or otherwise) to address the risks, activities and/or omissions applicable to the Project.

CLINICAL TRIALS
Since the Project will involve clinical trials on human subjects, a condition of this grant is Your agreement that the appropriate Institutional Review Boards ("*IRBs*") and ethical committees will review and approve the clinical protocols prior to trial initiation. You further agree to conduct clinical trials associated with the Project under the generally accepted principles of "*Good Clinical Practices*" as defined by the International Conference on Harmonization (ICH) E-6 Standard, the United States Food and Drug Administration (FDA) or the European Agency for the Evaluation of Medicinal Products (EMEA), as applicable. You acknowledge and agree that, as between You and the Foundation, You take and will have full responsibility for all compliance, data safety, monitoring, and audit requirements of the relevant regulatory agencies, both for Yourself and all other sites included in the Project, including those activities conducted through subgrants, subcontracts or other collaborative efforts. You acknowledge and agree that any activities by the Foundation as the grantor funding the Project, including its review of the Proposal Narrative and PD Workbook or suggested modifications to the Project, does not modify the provisions of this paragraph or constitute the basis for any claim by You against the Foundation.

COVERAGE FOR ALL SITES
You agree that for each venue in which any part of the Project is conducted (either by Your organization or a subgrantee or subcontractor) all legal and regulatory approvals for the activities being conducted will be obtained in advance of commencing the regulated activity. You further specifically agree that no funds will be expended to enroll human subjects until the necessary regulatory and ethical bodies' approvals are obtained.

INSTITUTIONAL REVIEW BOARD (IRB) AND OTHER ETHICAL COMMITTEE APPROVAL
You agree to obtain the review and approval of all final protocols by the appropriate IRBs and ethical committees prior to enrollment of the first human subject. A similar provision applies to Institutional Animal Care and Use Committee approval of studies involving animals, and Institutional Biosafety Committee for biohazards and recombinant DNA. You agree to provide prompt notice to the Foundation if the facts and circumstances change regarding the approval status of the IRBs or ethical committees for any final protocol(s).

PROVISION OF CARE FOR HUMAN SUBJECTS RESEARCH
In keeping with "Good Clinical Practice" standards, You will disclose to subjects and the IRBs what care and/or referrals will be available through participation in the study. Institutional policies regarding what care will be provided to personnel who are injured as a result of their work on the Project should similarly be developed, approved and implemented with notice to the employees.

PUBLICITY

PUBLICITY BY THE FOUNDATION
The Foundation may include information about the award of this grant, including Your name, in its periodic public reports and may make such information available on its website and as part of press releases, public reports, speeches, newsletters, tax returns and other public disclosure.

PUBLICITY BY YOU
You must obtain the Foundation's prior written approval before: (a) issuing a press release or other public announcement regarding this grant; and (b) any other public use of the Foundation's name or logo. Please email Your request to: grantee.comms@gatesfoundation.org two weeks in advance to provide the Foundation an opportunity to review and comment. Detailed guidelines are available at: www.gatesfoundation.org/grantseeker/documents/guidelines_communications_for_grantees.doc.

PUBLICITY BY OTHERS
You and Your subgrantees, subcontractors, contingent workers, agents, or affiliates may not state or otherwise imply to third parties that the Foundation directly funds or otherwise endorses their activities.

OTHER

COMPLIANCE WITH LAWS
In carrying out the Project and activities under the Global Access Commitments Agreement, You will comply with all applicable laws, regulations, and rules and will not infringe, misappropriate, or violate the intellectual property rights of any third party.

RELIANCE
You acknowledge that the Foundation is relying on the information You provide in reports and during the course of any due diligence conducted prior to the Start Date and during the term of this Grant Agreement and Global Access Commitments Agreement. You represent that the Foundation may continue to rely on this information and on any additional information You provide regarding activities, progress, and Funded Developments.

INDEMNIFICATION
You will indemnify, defend, and hold harmless the Foundation and its trustees, employees, and agents ("*Indemnified Parties*") from and against any and all demands, claims, actions, suits, losses, damages (including property damage, bodily injury, and wrongful death), arbitration and legal proceedings, judgments, settlements, or costs or expenses (including reasonable attorneys' fees and expenses) (collectively, "*Claims*") arising out of or relating to the acts or omissions, actual or alleged, of You or your employees, subcontractors, contingent workers, agents, and affiliates with respect to the Project, the Product, the Global Access Commitments Agreement or the Grant Agreement. You agree that any activities by the Foundation in connection with the Project or Product, such as its review or proposal, input, or suggested modifications to the Project or Product, will not modify or waive the Foundation's rights under this paragraph. An Indemnified Party may, at its own expense, employ separate counsel to monitor and participate in the defense of any Claim.

TERM AND TERMINATION

TERM
This Grant Agreement commences on the Start Date and continues until the End Date, unless terminated earlier as provided in this Grant Agreement.

TERMINATION
The Foundation may modify, suspend, or discontinue any payment of Grant Funds or terminate this Grant Agreement if: (a) the Foundation is not reasonably satisfied with Your progress on the Project; (b) there are significant changes to Your leadership or other factors that the Foundation reasonably believes may threaten the Project's success; (c) there is a change in Your control; or (d) You fail to comply with this Grant Agreement or the Global Access Commitments Agreement.

RETURN OF FUNDS
Any Grant Funds, plus any Income, that have not been used for, or committed to, the Project upon expiration or termination of this Grant Agreement, must be returned promptly to the Foundation.

RECORD KEEPING
You will maintain adequate accounting records and copies of any reports submitted to the Foundation related to the Project. You will retain such records and reports for 4 years after Grant Funds are fully spent and as set forth in the Global Access Commitments Agreement, and will make such records and reports available to enable the Foundation to monitor and evaluate how Grant Funds have been used and as otherwise described in the Global Access Commitment Agreement.

SURVIVAL
A Party's obligations under this Grant Agreement will be continuous and survive expiration or termination of this Grant Agreement as expressly provided in this Grant Agreement or otherwise required by law or intended by their nature. For the avoidance of doubt, the parties intend that the following sections survive the term of this Grant Agreement: Reporting, Accounting for Personnel Time, Use of Funds, Investment of Funds (as applicable to any Grant Funds that have not been used for or committed to the Project), Segregation of Funds, Responsibility for Others, Global Access, Regulated Activities, Publicity, Compliance, Reliance, Indemnification, Termination, Return of Funds, Record Keeping, Survival and Notice and Approvals, Severability and the entirety of the Global Access Commitments Agreement (Appendix D).

GENERAL

ENTIRE AGREEMENT AND AMENDMENTS
This Grant Agreement together with all attachments thereto, including the Global Access Commitments Agreement together with the CDA between the parties dated March 26, 2013, amended as of April 29, 2015 (and further amended from time to time as agreed in a signed writing by the parties) contains the entire agreement of the Parties and supersedes all prior and contemporaneous agreements concerning its subject matter. Except as specifically permitted in this Agreement, no modification, amendment, or waiver of any provision of this Grant Agreement or the Global Access Commitments Agreement will be effective unless in writing and signed by authorized representatives of both Parties.

NOTICES AND APPROVALS
Except as to ordinary programmatic communications (which may be delivered by email), any notices, requests, and approvals under this Grant Agreement or the Global Access Commitments Agreement must be delivered in writing as set forth in the Notice provision of the Global Access Commitments Agreement.

SEVERABILITY
Each provision of this Grant Agreement and the Global Access Commitments Agreement must be interpreted in a way that is enforceable under applicable law. If any provision is held unenforceable, the rest of the agreement will remain in effect.

ASSIGNMENT
You may not assign, or transfer by operation of law or court order, any of Your rights or obligations under this Agreement or the Global Access Commitments Agreement without the Foundation's prior written approval. This Grant Agreement and the Global Access Commitments Agreement will bind and benefit any permitted successors and assigns.

COUNTERPARTS
Except as may be prohibited by applicable law or regulation, this Grant Agreement and the Global Access Commitments Agreement and any amendment(s) thereto may each be signed in counterparts, delivered by facsimile, PDF, or other electronic means, each counterpart of which will be deemed an original and all of which when taken together will constitute one agreement.

[*Remainder of page left intentionally blank*]

[**] = Portions of this exhibit have been omitted pursuant to a confidential treatment request.
An unredacted version of this exhibit has been filed separately with the Commission.

GRANT AGREEMENT
Investment ID OPP1127647

ATTACHMENT C
Project Governance Plan

Unless otherwise agreed by the parties, governance shall be as follows:

Meetings of the Parties

1) Monthly conference calls
   - Parties will meet monthly via teleconference calls at which Novavax will provide updates from each functional area (clinical, regulatory, CMC) along with any new issues and a review of key risks and mitigations.
   - These monthly meetings will also be a key opportunity to share relevant data as it emerges, such as enrollment figures, investigator site updates, manufacturing progress, DSMB feedback, and status of regulatory filings and communications.

2) Stage Gate Reviews and Annual Project Reviews
   - In addition, parties will meet in person for Stage Gate Reviews or Annual Project Reviews if the interval between successive Stage Gates is more than one year. Stage Gate Meetings will be held at each of the Stage Gates identified in the PD Workbook:
     - [**]
     - [**]
     - [**]
     - [**]
   - The date for the Stage Gate Review meeting (or Annual Review meeting) will be set by the parties three months in advance.
   - Novavax will use reasonable good faith efforts to provide prereading materials approximately six weeks prior to the Stage Gate Review meeting; Progress Narrative including key new data, updated PDSS, IPDP, cTPP and PD Workbook with milestones tracked and funding plans.
   - Foundation will provide an agenda for the Stage Gate Review focusing on key data and issues four weeks prior to the meeting.
   - At the meeting, Novavax will present key data and receive live feedback.
   - After the meeting, Foundation will in a closed session determine whether to fund the next stage of development based on alignment of cTPP, timelines and development plans with Foundation strategy.
   - Within one week of the meeting, Foundation will provide Novavax with a summary of key decisions (i.e. Go, Rework, NoGo), next steps and action items.

3) Advisory Committee
   - Novavax will convene an Advisory Committee, which will include a variety of members with scientific and/or technical expertise. Thea Foundation may serve as a member. The committee meetings will be convened at least on an annual basis to review, evaluate and offer guidance and input with respect to implementation of the IPDP and achieving the milestones and deliverables.
   - The committee may also be convened on an ad hoc basis as needed.

Project Monitoring

- In addition to the activities and reports set forth in the Grant Agreement and GACA, joint visits to clinical sites to be arranged from time to time during the Phase 3 study. For the avoidance of doubt, Foundation's role in such sites visits is observational only and for informational purposes only.

Other

- As agreed by the parties

[**] = Portions of this exhibit have been omitted pursuant to a confidential treatment request.
An unredacted version of this exhibit has been filed separately with the Commission.

GRANT AGREEMENT
Investment ID OPP1127647

ATTACHMENT D

GLOBAL ACCESS COMMITMENTS AGREEMENT (GACA)

GACA attached as separately numbered pages 1-28.

[*Remainder of page left intentionally blank*]

Exhibit 10.2

[**] = Portions of this exhibit have been omitted pursuant to a confidential treatment request.
An unredacted version of this exhibit has been filed separately with the Commission.

Execution Version

GLOBAL ACCESS COMMITMENTS AGREEMENT
GRANT AGREEMENT OPP1127647

This Global Access Commitments Agreement (including all appendices, exhibits and attachments hereto, this "**GACA**"), is entered into as of date of last signature below ("**Effective Date**") by and between the Bill and Melinda Gates Foundation, a Washington Charitable Trust (the "**Foundation**") and Novavax, Inc., a Delaware corporation based in Maryland ("**Novavax**" or the "**Company**") in connection with the Foundation making a charitable grant of up to eighty nine million, eighty three thousand three hundred twelve U.S. dollars (**$89,083,312.00**) to Company (the "**Grant**") and is subject to the terms and conditions of the Grant Agreement and related documents, including but not limited to this GACA. Each of the parties named above may be referred to herein as a "**Party**" and collectively as the "**Parties**". Capitalized terms not defined herein shall have the same meaning as in the Grant Agreement. In consideration of the Foundation making the grant on the terms and conditions in the Grant Agreement and herein, and for other good and valuable consideration, the undersigned hereby irrevocably agree as follows:

1. Charitable Purpose and Use of Funds

The Foundation's primary purpose in making the Grant to Company is to further significantly the accomplishment of the Foundation's charitable purposes, including its support of the research and development of drugs, vaccines and diagnostics to address diseases that have a disproportionate impact on people within developing countries. More specifically, the purpose of the Grant is to support development (including the Phase 3 Clinical Trial) of an affordably-priced RSV vaccine for use in maternal immunization to provide RSV protection to infants in Developing Countries and other low income countries including as reflected herein and in Company's proposal submitted to the Foundation together with other documentation provided to or made available to the Foundation prior to or after submission of the grant proposal and documents related to the Project (as defined in the Grant Agreement).

Company understands and acknowledges that a primary organizational objective of the Foundation is to support development of an affordably-priced RSV vaccine for use in maternal immunization to provide RSV protection to infants in Developing Countries and as otherwise agreed in this GACA further defines the specific Global Access commitments of Company.

2. Definitions

The following terms shall have the following meanings:

(a) "**Affiliate**" means, as to any Person, any other Person that directly or indirectly controls, or is under common control with or is controlled by such Person.

(b) "**Aggregate Minimum Supply**" means [**] Doses.

(c) "**Annual Minimum Supply**" has the meaning set forth in Section 3(d)(iii).

(d) "**Change in Control**" means (i) the acquisition after the date of this GACA, directly or indirectly, by any Person or group (within the meaning of Section 13(d)(3) of the Exchange Act) of the beneficial ownership of securities of Company possessing more than 50% of the total combined voting power of all outstanding voting securities of Company; (ii) a merger, consolidation or other similar transaction involving Company, except for a transaction in which the holders of the outstanding voting securities of Company immediately prior to such merger, consolidation or other transaction hold, in the aggregate, securities possessing more than 50% of the total combined voting power of all outstanding voting securities of the surviving entity immediately after such merger, consolidation or other transaction; or (iii) the sale, transfer or other disposition (in one transaction or a series of related transactions) of all or substantially all of the assets of Company.

(e) "**Charitability Default**" has the meaning set forth in Section 6(a).

(f) "**Charitable Purpose**" has the meaning set forth in the Grant Agreement.

(g) "**Cure Period**" has the meaning set forth in Section 6.

(h) "**cGMPs**" means the then-current standards for good manufacturing practices as promulgated under applicable laws, including the standards of good manufacturing practices in the United States, as promulgated under 21 CFR Parts 210 and 211 as issued by the United States Food and Drug Administration ("FDA"), and all applicable regulations promulgated by a relevant foreign regulatory agency akin to the FDA.

(i) "**Developed Countries**" means the countries (each a "**Developed Country**") that are not listed in Appendix A.

(j) "**Developing Countries**" means the countries (each a "**Developing Country**") listed on **Appendix A** as Developing Countries**.**

(k) "**Dose**" **(**or "**Doses**" as applicable) means the amount of Released Product required for single administration of vaccine regardless of where such Released Product is filled, finished, packaged and/or labeled including at one or more different sites by the Company (or by any contract manufacturing organization (CMO) of Company).

(l) "**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended.

(m) "**Extended Term**" has the meaning in Section 3(d)(v).

(n) "**Global Access Commitments**" has the meaning set forth in Section 3.

(o) "**Global Access License**" has the meaning set forth in Section 6.

(p) "**Grant Agreement**" means the Grant Agreement between Company and the Foundation of even date herewith, to which this GACA is an Appendix.

(q) "**IPDP**" means Integrated Product Development Plan dated as of May 29, 2015 and referenced in the Grant Agreement or as otherwise updated and mutually agreed by the parties.

(r) "**Maternal Immunization**" means a use for the Product for immunization of pregnant women to prevent severe RSV disease in newborns and infants pursuant to the Minimum TPP.

(s) "**Minimum TPP**" means the minimum target product profile described in **Appendix B**.

(t) "**Person**" means any individual, partnership, corporation, limited liability company, association, trust, joint venture, unincorporated organization or other entity.

(u) "**Phase 3 Clinical Trial**" means the Phase 3 clinical trial described in the IPDP conducted on a global basis to demonstrate efficacy of the Product for Maternal Immunization.

(v) "**Price Commitment**" has the meaning set forth in Section 3(c).

(w) "**Product**" means the Respiratory Syncytial Virus (RSV) fusion (F) recombinant nanoparticle vaccine (including but not limited to candidate # BV683 or any subsequent modification or alternative version thereof) regardless of whether such vaccine is presented with or without Aluminum (or other adjuvant) and regardless of the dose of Aluminum (or adjuvant) used. Unless otherwise specified reference to the term "Product" shall include "Released Product" as defined below.

(x) "**Public Sector Purchaser**" means procurement agent of any of the following entities:

Gavi, the Vaccine Alliance ("Gavi");

The United Nations Children's Fund ("UNICEF");

The World Health Organization ("WHO");

Any other United Nations agency;

Governments in Developing Countries, including government ministries and agencies, together with government-funded institutions, such as hospitals, clinics and prison services;

NGOs including those recognized by the applicable local government ministry and UN-related organizations working for or in Developing Countries, including International Organization for Migration (IOM);

Not-for-profit organizations including but not limited to Médecins Sans Frontières, Save-the- Children, PATH, OXFAM and the International Committee of the Red Cross (ICRC);

Funding and/or procurement mechanisms including GDF, UNITAID, UNFPA, PEPFAR, USAID, DFID, Global Fund, etc. and agencies based outside of a Developing Country but who are supporting implementation and/or procurement to a Developing Country; and

Any global health finance mechanism existing or arising during the Term or Extended Term that are applicable to one or more Developing Countries.

(y) "**Released Product**" means Product that has met the Specifications set by Novavax and agreed upon by the relevant regulatory agency with appropriate jurisdiction, ensuring the Product has been manufactured, filled, finished, labeled & packed and is appropriate for distribution and/or sale and administration to a human.

(z) "**Specifications**" means a list of tests, references to analytical procedures, and appropriate acceptance criteria which are numerical limits, ranges, or other criteria for the tests described that set criteria to which Product at other stages of its manufacture should conform to be considered acceptable for its intended use.

(aa) "**Term**" has the meaning in Section 4.

(bb) "**Total Product Manufacturing Capacity**" means the total Doses the Company manufactures on an annual basis for any RSV product, either directly or through its CMO or Affiliates. The Company will forecast its manufacturing capacity on a rolling quarterly basis, which forecast will be subsequently trued-up quarterly based on the Total Product Manufacturing Capacity.

(cc) "**Transfer**" has the meaning in Section 5.

(dd) "**Undemanded Capacity**" has the meaning in Section 3(d)(v).

(ee) "[**] **Costs**" means the costs incurred that are necessary to complete production of Product [**] and are deemed to include [**]. For the avoidance of doubt, [**]Costs will not include [**].

(ff) "**Volume Commitment**" shall have the meaning described in Section 3(d).

(gg) "**WHOPQ**" means WHO prequalification of medicines.

3. Global Access Commitments

In furtherance of the Charitable Purpose, Company agrees to the following "Global Access Commitments":

(a) Prompt and Broad Dissemination of Knowledge and Information. Consistent with the Publication provisions of the Grant Agreement, Company will use reasonable and diligent steps to

(i) publish (in a customary and reasonable manner as Company sees fit) information related to the Phase 3 Clinical Trial under the Project, which shall include:

(A) prospective registration of clinical trials on a WHO compliant clinical trial registry (e.g., www.who.int/ictrp), with final clinical trial results publicized within 12 months from the completion date of the trial in accordance with WHO reporting guidelines/recommendations;

(B) publication of status of each clinical trial conducted under the Project on clintrials.gov within the earlier of 12 months of completion of each such clinical trial or the date imposed or specified by applicable law; and

(C) publication of final results of each clinical trial under the Project in one or more applicable peer reviewed open access journals within 12 months from the last subject last visit time point of any such clinical trial, consistent with the provisions in the Grant Agreement. In the event of an inability to obtain peer reviewed publication, Company agrees to publish in manner that the Foundation determines in its reasonable discretion satisfies the requirement that such research be published in a form that is "available to the interested public" as described in Treasury Regulation 1.501(c)(3)-1(d)(5)(iii)(c)(2) (the "Publication Requirement").

(ii) provide to the Foundation (or as applicable in section 3(a)ii)(C), to a technology transfer recipient) with access to information as follows:

(A) in connection with any stage-gate review under the Grant or related to the Project, access to de-identified data and information regarding the Project including anticipated Product approval timelines;

(B) upon the Foundation's reasonable request (no more frequently than quarterly), access to de-identified data and information regarding the Project including anticipated Product approval timelines; and

(C) provide the information and documentation as contemplated in the Technology Transfer provisions set forth in Section 6(d).

(b) Availability and Accessibility at Affordable Price to People in Developing Countries. Company will use reasonable and diligent steps to:

(i) conduct all clinical trials specified in the IPDP to meet the Minimum TPP and keep the Foundation promptly informed of any information impacting the Product's ability to meet the Minimum TPP thereunder or that is otherwise deemed to impact the Project or timelines by three (3) months or more;

(ii) obtain and maintain the regulatory and Project expertise to support Company's clinical, regulatory and development plans including with respect to Developing Country plans and WHOPQ;

(iii) conduct activities set forth in the IPDP; meet specified timelines and criteria included in the IPDP; and keep the Foundation promptly informed of any information impacting Company's ability to meet such timelines or criteria by three (3) months or more;

(iv) consider utilizing WHO's joint regulatory review mechanism for clinical trial approvals in Developing Countries provided always that all regulatory activity decisions will be Company's sole responsibility;

(v) submit an applicable dossier to WHO for WHOPQ of the Product for Maternal Immunization in Developing Countries by [**];

(vi) develop Total Product Manufacturing Capacity to a minimum of [**] Doses of the Released Product by [**];

(vii) keep the Foundation promptly informed of the activities related to progress on the Project (including providing the Foundation with information reasonably requested by the Foundation related to the Product, trials and deliberations of review committees) and Company's Global Access Commitments and consult with the Foundation in good faith in connection with Developing Country launch strategic decisions, including by holding meetings with the Foundation no less often than once every three (3) months;

(viii) consider in good faith requests for donation of Released Product for Maternal Immunization by global health entities for demonstration studies/trials or additional research studies/trials supporting regulatory approval and/or demand stimulation in Developing Countries, provided however that Company's provision of Released Product for such purposes shall not be deemed a first sale hereunder;

(ix) promptly, upon WHOPQ or any applicable regulatory approval for distribution of Released Products in a Developing Country for Maternal Immunization, provide reasonable publicity of the availability of the Product for sale for Maternal Immunization in each applicable Developing Country including to Public Sector Purchasers (regardless of the location of such Public Sector Purchaser, provided the Released Product procured is intended for use in or distribution to the applicable Developing Country) and responding to tender offers applicable to the Released Product for Maternal Immunization, subject to the Price Commitment outlined in Section 3(c) below;

(x) promptly upon WHOPQ, seek local Developing Country registration, to the extent such Developing Country participates, for Released Product for Maternal Immunization through the WHO Collaborative Registration Procedure (CRP); and

(xi) provide the Product to applicable Public Sector Purchasers for Maternal Immunization in accordance with this GACA and any applicable laws and regulations.

(xii) pursue applicable regulatory approval of Released Product for Maternal Immunization in those countries listed on Appendix A as "Additional Countries" after WHOPQ, and, upon such approval, commit to make such Released Product available to Public Sector Purchasers in such countries at a price per dose to be negotiated in good faith by the parties.

(c) Price Commitment.

(i) Upon WHOPQ, and in compliance with applicable laws and regulations, Company will offer and provide to Public Sector Purchasers the Aggregate Minimum Supply at the Annual Minimum Supply (as set forth in section 3(d)) of the Released Product for Maternal Immunization in the Developing Countries at a maximum price as reflected in Table A:

TABLE A

"**Price Commitment**" is equal to the [**] Costs (as adjusted from time to time under this section 3(c)) plus[**] mark-up but provided always that such price does not exceed:

[**] per Dose (USD) herein after the "[**]"

The Parties acknowledge and agree that (1) the [**] described in Table A above is based on principle assumptions about Novavax future manufacturing efficiencies at the time of WHOPQ as set forth on Appendix C attached hereto and incorporated by reference herein, and (2) to the extent that actual results differ from such Appendix C principal assumptions, then the Parties shall take such factors causing differing results into account and will thereafter adjust such [**] pursuant to Section 3(c)(ii).

(ii) Notwithstanding Table A, within three (3) months prior to the estimated date for WHOPQ, and unless otherwise agreed by the Parties, at every third anniversary thereafter, coinciding with UNICEF tenders, the Parties shall, in good faith, discuss applicable adjustments to the Price Commitment (whether upwards or downwards) to proportionately, fairly, and reasonably reflect the factors set forth in Appendix C, including the impact on such factors caused by external or internal circumstances, including inflation, currency fluctuations, efficiencies of scale, product demand and yield improvements. In preparation for considering any such price adjustment, in the event that there are changes in [**] Costs that, in the aggregate exceed [**] since the last calculation, then Company shall provide to the Foundation an update to its [**] Costs consistent with Appendix C and the Foundation's COGS Principles and Assessment Methodology Handbook, at least sixty (60) days in advance of such third anniversary and the Parties shall meet in good faith to discuss such changes within sixty (60) days after Company provides the Foundation with such update. In the event of any conflict between Appendix C of this GACA and the Foundation's COGS Principles and Assessment Methodology Handbook, Appendix C of this GACA shall control. Upon agreement of the Parties to any price adjustment (which shall be reflected in a signed writing by the parties), the applicable price adjustments shall become effective within three (3) months after such written agreement or in time for the coinciding UNICEF tender, whichever is earlier. In the event that the Parties are unable to agree on a revised Price Commitment, an independent third-party, with specific expertise in assessing costs, [**], and with experience with vaccines, reasonably acceptable to both Parties, shall be appointed to provide analysis of such potential adjustment upon the request of either Party and the cost of such analysis shall be shared equally by the Parties. That analysis will be shared with Company and the Foundation who will work together to resolve any adjustments to the Price Commitment. If there is no resolution within forty-five (45) days, the matter will be referred to Company's President/CEO and the Foundation's President of Global Health (or the equivalent in the event of any reorganization following which such position no longer exists). If these individuals are unable to resolve the matter of the revised Price Commitment based on this analysis within a further forty-five (45) days, then the price will be adjusted upwards in event that the third party analysis points to an upward adjustment or downwards if the third party analysis points to a downward adjustment, in each case, capped as follows: if the parties are unable to agree with respect to the first adjustment of the [**], then the adjustment shall be [**], as the case may be (based on the direction of the third party analysis) and if the parties are unable to agree as to any subsequent adjustments to the [**], then the adjustment shall be [**] as the case may be (based on the direction of the third party analysis).

(iii) Upon the written request of the Foundation and not more than once in each calendar year, Company will permit an independent third party accounting firm, with specific expertise in assessing costs [**] and with experience with vaccines selected by the Foundation and reasonably acceptable to Company, at Foundation's expense, to have access during normal business hours to such of the records of Company as may be reasonably necessary for any year ending not more than three (3) years prior to the date of such request for the sole purpose of verifying the basis and accuracy of [**] Cost consistent with Appendix C and the Foundation's COGS Principles and Assessment Methodology Handbook, for determining [**] Cost. Such third party accounting firm shall provide any such report to both the Foundation and Company and if such third party accounting firm identifies a discrepancy in [**] Cost made during such period, appropriate adjustments will be determined within ninety (90) days of the date such accounting firm's written report is delivered to both Parties.

(iv) Multi Dose Vial Options: Notwithstanding the foregoing, if the Parties agree that to the extent the Company switches to a multi-dose presentation of the Product that meets WHOPQ requirements and satisfies the Company's Global Access Commitments, the Price Commitment shall be appropriately reviewed and may be adjusted by mutual written agreement of the Parties, consistent with the process described in Section 3(c)(ii) above.

(v) Notwithstanding section 3(c)(i) above, in the event that Company sells Released Product for Maternal Immunization to a Public Sector Purchaser in any country (whether a Developing Country or a Developed County) at a lower than the Price Commitment in subsection 3(c)(i) above, Company will promptly offer such Released Product for sale at such lower price to any Developing Countries in which the sale, use or marketing of Released Product is authorized by WHOPQ or applicable country registrations. Company will promptly notify the Foundation of any price decrease of the Released Product for Maternal Immunization.

(d) Volume Commitment.

(i) In order to provide the greatest health benefit of the Product, Company desires to address worldwide need for the Product including demand for its use in Maternal Immunization from Developed and Developing Countries. The Parties recognize that introduction and demand for the Product occurs over a period of time and that Company may not be fully able to address such demand in the period proximate to introduction and approval. Notwithstanding the foregoing, the Parties acknowledge that Company's current and planned Total Product Manufacturing Capacity may not be sufficient to meet worldwide demand. Accordingly, the Parties desire to define the allocation of Product that Company intends to reserve to fulfill orders for use in Maternal Immunization in Developing Countries.

(ii) Upon applicable regulatory approval(s), the Company shall make the Released Product, available and accessible to Public Sector Purchasers for Maternal Immunization on the terms set forth in this GACA.

(iii) Company shall ensure Aggregate Minimum Supply is met subject to the Annual Minimum Supply as defined in Table B below in the context of Timing of First Sales set forth in Table B ("**Annual Minimum Supply**"). Company shall ensure that this Annual Minimum Supply is available each year starting at the date of the first sale of Released Product to a Public Sector Purchaser for a Developing Country and ending upon termination of this GACA, including any Extended Term as described in Section 3(d)(v). Company shall use reasonable and diligent efforts to manufacture, fill finish, package, label, store and ship the Released Product in accordance with (a) all tender, purchase and sale agreements with any Public Sector Purchaser(s) up to the Aggregate Minimum Supply, (b) all applicable safety, legal, ethical, and regulatory requirements, and (c) the terms of this GACA. Shipping terms will be FCA Incoterms 2010, unless agreed in writing otherwise.

[Remainder of page left intentionally blank]

[**] = Portions of this exhibit have been omitted pursuant to a confidential treatment request.
An unredacted version of this exhibit has been filed separately with the Commission.

TABLE B

Timing of First Sales	Annual Minimum Supply
If the first sale to a Public Sector Purchaser for Maternal Immunization for a Developing Country (following WHOPQ) is within 0-3* years of first sale in a Developed Country	Annual Minimum Supply shall be the greater of (a) [**] of Company's Total Product Manufacturing Capacity per year, or (b) [**] Doses of Released Product per year for Maternal Immunization; which Annual Minimum Supply shall apply for the first 3* years after first sale in a Developed Country. After such 3* years, Annual Minimum Supply will increase to the greater of (a) [**] of Company's Total Product Manufacturing Capacity per year, or (b) [**] Doses of Released Product per year for Maternal Immunization
If the first sale to a Public Sector Purchaser for Maternal Immunization for a Developing Country (following WHOPQ) is more than 3* years after the first sale in a Developed Country	Annual Minimum Supply is the greater of (a) [**] of Company's Total Product Manufacturing Capacity per year, or (b) [**] Doses of Released Product per year for Maternal Immunization

*Novavax shall have the right to request in writing that such period be extended to 4 years and the Foundation shall reasonably consider in good faith such request in a timely manner, in light of the current or anticipated demand from Developing Country(ies) and/or Public Sector Purchaser(s) and in light of factors provided to Foundation by Company.

(iv) **Obligation to Bid on Public Sector Purchaser Tenders.** Subject at all times to the Aggregate Minimum Supply and Annual Minimum Supply, the Volume Commitment requires the Company to use reasonable and diligent efforts to bid on applicable Public Sector Purchaser tenders in accordance with the Price Commitment for any Public Sector Purchaser purchase order with an effective date that falls within the Term or Extended Term.

(v) **Volume Commitment Rollover**. During the Term of this GACA, in the event that during a calendar year the full amount of the Annual Minimum Supply is not committed for purchase by applicable Public Sector Purchasers ("**Undemanded Capacity**"), Company shall have the right to allocate such Undemanded Capacity as it sees fit and the same amount of Undemanded Capacity shall be rolled over into one or more extended years, depending on the amount of such Undemanded Capacity, which shall thereby extend the Term of this GACA (" **Extended Term**"). During the Extended Term, the terms and conditions of this GACA shall apply, until the Aggregate Minimum Supply is met. For the avoidance of doubt and notwithstanding any other provision of this GACA, this volume commitment rollover provides for an Extended Term that ensures that Company provides the Aggregate Minimum Supply over the Term or Extended Term. Notwithstanding the foregoing, Company may, but will not be obligated to, provide more than the Annual Minimum Supply to Public Sector Purchasers within any given calendar year during the Term or Extended Term. The Parties agree that in any event, the Extended Term shall not exceed five (5) additional years at which time the Volume Commitment will be deemed fulfilled.

(vi) **Expanded Capacity.** In the event the Foundation desires additional expanded capacity beyond the Aggregate Minimum Supply, the Foundation may at its full discretion request a proposal from Company detailing whether and how Company would meet such increased capacity and Company will respond promptly and in good faith with such a proposal; provided, however, that nothing in this paragraph is or will be deemed a promise of future funding and any such proposal is subject to all internal reviews, processes and approvals by the Foundation and any applicable laws and regulations, and any such proposal or future funding must be reflected in a definitive written agreement between the Parties. Nothing in this GACA is a promise or obligation for either Party to enter into any future agreement.

(e) Representations, Warranties, Covenants of Company: Company hereby represents, warrants and covenants to the Foundation:

(i) **Project Diligence and Necessary Skill**. Company will use reasonable and diligent efforts to meet the Project obligations, develop the Product, and meet its obligations under the Grant Agreement and this GACA, and Company has, and will maintain, the necessary expertise, personnel, facilities and equipment to meet the Project obligations, develop the Product, and meet its obligations under the Grant Agreement and this GACA;

(ii) **Compliance with Applicable Laws & Regulations**. Company will comply with all applicable laws, regulations, and rules and will not infringe, misappropriate, or violate the intellectual property rights of any third party and is in compliance in all material respects with all applicable laws, regulations, and rules (including all laws and regulations related to clinical trials, human health and safety, the protection of the environment, research, development and manufacture of vaccines intended for human use) regarding the use, design, research, development, production, manufacture, licensure, offer-for-sale, sale, distribution, import and export of the Product as contemplated by the Project, and no action has been filed or commenced against Company alleging any such failure. Company is in material compliance with all applicable cGMPs, Good Clinical Practices, Good Laboratory Practices and has (or will obtain prior to any applicable activity) all applicable licenses, approvals and permits related to the foregoing. Company is not aware of facts that (with or without notice or lapse of time, or both) could reasonably be expected to result in Company being in violation in any material respect of any law materially applicable to the use, design, research, development, production, manufacture, licensure, offer-for-sale, sale, distribution, import and export of any Product as contemplated by the Project. Company has in place and shall continue to maintain during the Term or Extended Term, a compliance program reasonably designed to identify, prevent, and address any material compliance issues.

(iii) **Licenses and Permits**. Company currently holds (or will hold prior to any applicable activities related to the Product): all necessary foreign, federal, state, local and other governmental licenses, approvals and permits necessary to use, design, develop, produce, manufacture, offer-for-sale, sell, distribute, import and export the Product for use as contemplated hereunder by the Project and this GACA.

(iv) **Records Compliance**. Company will maintain, in accordance with and for the period required under cGMPs and applicable laws, complete and adequate records pertaining to the methods, and the facilities, manufacture, procedures, testing and the like, related to the Products.

(v) **No Conflict**. Company will not enter into any agreement or arrangement with any third party which will prevent it from performing or impair its ability to perform its obligations hereunder.

(vi) **IP Due Diligence**. Company currently has (or will have prior to any commercialization of the Product), conducted reasonable due diligence with respect to the Product, including intellectual property and freedom to operate analyses related to such Product.

(vii) **IP Rights**. Company currently has (or will have prior to commercialization of the Product) rights to any and all intellectual property (including rights in any patents, data, confidential information, know-how or other proprietary right) required to commercialize (make, have made, sell, offer- for-sale, distribute, import, export and use as contemplated by the Project) the Product.

(viii) **Product Modification**. In the event of any injunction or prohibition against Company's manufacture, licensure, import, export, sale, offer-for-sale, distribution, or use of the Product by reason of infringement of a patent, proprietary, or intellectual property right, or if in Company's opinion the Product is likely to become the subject of a claim of infringement of a patent, proprietary, or intellectual property right Company will, at its option and at its expense, either: (a) procure (such as by licensing or otherwise) the right to continue to make, have made, import, export, sell, offer-for-sale, distribute, and use such Product, or (b) replace or modify such Product so it becomes non-infringing, but is reasonably equivalent or superior in terms of efficacy, quality and safety. Notwithstanding the previous, Company's inability to further develop, manufacture, sell or license the Product because it cannot reasonably procure rights or modify the Product as prescribed hereunder, which limitation has been reasonably verified by the Foundation, shall not be deemed a Charitability Default provided the Foundation reasonably agrees that such procurement or modification is not reasonable.

(ix) **No Disputes**. The Product, including its commercialization, manufacture, sale, offer-for-sale, distribution, import, export and use as contemplated by the Project, is not the subject of any current third party intellectual property claims and is not currently subject to any disputes with a third party. Company agrees to notify the Foundation of any such claims or disputes which arise during the Term or Extended Term.

(x) **Disqualification and Debarment**. Company, its employees or contractors or agents are not and will not be, at the time of performance of any activity contemplated hereunder, (a) disqualified or debarred by any applicable governmental authority for any purpose pursuant to applicable law or regulation or threatened with any such disqualification or debarment or (b) charged or convicted for conduct relating to the development or approval of, or otherwise relating to the regulation of, any product under any applicable law or regulation, which activity with respect to (a) or (b) could adversely impact the Project or Product or obligations under this GACA.

(xi) **Warranty**. The Product is or will be manufactured by Company (and/or its CMOs or Affiliates) in conformity with its regulatory label and package insert and all applicable laws and regulations.

(xii) **Company is Sponsor**. Company is and shall be responsible for all aspects and stages of the Project and Product, including Product research, development, clinical trials, and commercialization (including any applicable legal, regulatory, and governmental requirements and/or registrations), including acting as the sponsor of any clinical trials or research studies related thereto. In no event shall the Company make any representation or statement that the Foundation is a sponsor of any trial, study, Product registration, or marketing authorization or the like. Except as may be required by law, Company shall not include the Foundation on any document relating to the foregoing or in any communication with any governmental or regulatory body without the express prior written consent of the Foundation. Any input, consultation, or communication to Company by the Foundation shall not diminish the foregoing.

4. Term; Survival

Except as to any provision subject to survival and subject to any Extended Term under section 3(d)(v), this GACA and the obligations hereunder will expire at the later of (a) 15 years after the Effective Date, or (b) 10 years after the first sale of Released Product to a Public Sector Purchaser for Maternal Immunization for a Developing Country following WHOPQ ("**Term**"); provided, however the Term may be lengthened to account for the Extended Term. The following sections will survive the expiration or termination of this GACA: Sections 1 (Charitable Purposes and Use of Funds), 2 (Definitions), 3(e) (Representations, Warranties, Covenants of Company), 5 (Obligations in the Event of Acquisition of Product or Company by Another), 6 (Global Access License), 7 (Required Reporting), 10 (Waiver), 11 (Further Assurances), 12 (Indemnification of Foundation) 13 (Interpretation), 14 (Counterparts), 17 (Miscellaneous) and this sentence.

5. Obligations in the Event of Acquisition of Product or Company by Another

In the event Company, Company assets necessary to perform Company's obligations hereunder are licensed to, transferred to, sold to or otherwise acquired by a third party, including as a result of a Change in Control (any such license, transfer, sale or acquisition, including a Change in Control, is referred to herein as a "**Transfer**"), Company will ensure all such obligations are assumed by the licensee, purchaser, transferee, acquirer or successor in a written agreement reasonably acceptable to the Foundation. Company will not grant to a third party any rights or enter into any arrangements that would prohibit, prevent or otherwise restrict Company or any purchaser, transferee, acquirer, or successor of Company assets or Company from fulfilling its obligations hereunder. For clarity, notwithstanding anything to the contrary herein, the Foundation's rights hereunder which exist on the date of the Transfer shall not be terminated by such Transfer. A breach of this provision will constitute a Charitability Default.

6. Global Access License

(a) "Charitability Default" means that Company:

(i) fails to comply with the restrictions on the use of funds or the other related U.S. tax obligations set forth in the Grant Agreement or the requirements set forth in this GACA;

(ii) commits a material breach of term of the Grant Agreement or this GACA;

(iii) commits gross negligence, fraud or willful misconduct; or

(iv) makes a strategic decision to discontinue the Product development and/or commercialization of the Product which meets the Minimum TPP; or

(v) experiences a Change of Control or Transfer in violation of section 5 of this GACA; or

(vi) experiences any Force Majeure Event, failure to cure or nonperformance exceeding 150 days, unless otherwise agreed to by the Parties in writing.

(b) Notice of Charitability Default. Except as to Charitability Default under Section 6(a)(vi), each Party agrees that if it becomes aware of a Charitability Default it will promptly notify the other Party, and Company shall thereafter provide to the Foundation a proposed strategy to cure the Charitability Default within forty-five (45) days of notification. Notwithstanding anything in this GACA to the contrary, the Foundation will not lose any rights or remedies solely as a result of a failure to notify Company after it becomes aware of a Charitability Default, provided that such failure to notify shall not otherwise impede, prevent, or materially and detrimentally impact the ability and/or expense associated with Company's cure of such Charitability Default. In addition, Company agrees to promptly notify the Foundation of any facts and circumstances which could reasonably cause a Charitability Default hereunder (including with respect to any Charitability Default under Section 6(a)(i) through (vi)). Subject to Section 15(b), if Company fails to either cure the Charitability Default within ninety (90) days of notice of a Charitability Default (the "**Cure Period**") or if such Charitability Default requires additional time to be cured as agreed by the parties ("**Extended Cure Period**") and the Company fails to use reasonable and diligent efforts to cure such Charitability Default, then the Foundation will immediately be granted the Global Access License rights set forth in this Section 6. For the avoidance of doubt, if the period of the Force Majeure event or any attempt to cure or any nonperformance (including due to Force Majeure) exceeds one hundred and fifty (150) days from the notice, unless otherwise agreed to by the Parties in writing, the Foundation shall immediately be granted the Global Access License as set forth in Section 6.

(c) License Triggers

(i) If a Charitability Default is not cured by the end of the Cure Period or Extended Cure Period, effective immediately, Company hereby grants a non-exclusive, irrevocable, perpetual, sublicenseable, royalty-free and fully-paid up, worldwide (subject to Section 6(c)(ii) below) license to the Foundation to all intellectual property, technology, know-how, and information owned, controlled or used (subject to reasonably sublicensability by third party licensor(s)) by the Company at the time of such Charitability Default that are necessary or useful to research, develop, make, have made, offer-for-sale, sell, import, export, distribute or use the Product, such license solely to research, develop, make, have made, offer-for-sale, sell, import, export, distribute or use Product for Maternal Immunization intended for the benefit of people in Developing Countries ("**Global Access License**"). Upon a Global Access License, Company may reasonably seek to assign any and all such intellectual property rights, including third-party licenses, to the Foundation or the Foundation's licensee as appropriate, and the Foundation will reasonably work with the Company to accept such assignment.

(ii) The Parties agree and acknowledge that in order to achieve Global Access and make the Product available and accessible in Developing Countries, certain activities may be required to occur in one or more Developed Countries, such as manufacture, distribution, or sale (such as to an entity procuring Product for use in Developing Countries). For example, the manufacture of Product (intended for use in Developing Countries) may occur in a Developed Country. Similarly, certain aspects of the distribution or supply chain may occur in (or pass through) one or more Developed Countries, e.g. the Product may be transported through a Developed Country en route to the final destination of the Product in a Developing Country. Similarly, the procurement entities which may purchase Product (for or on behalf of a Developing Country) may be located in a Developed Country or the sales transactions related thereto may occur in a Developed Country, even though the final destination of the Product is a Developing Country. Accordingly, the Global Access License hereunder is intended to permit such Developed Country activities which are incidental or necessary to making the Product available and accessible in Developing Countries.

(iii) The provisions of this Section will survive the Term, Extended Term or any earlier termination of this GACA.

(d) Technology Transfer

(i) In connection with any Global Access License hereunder, such Global Access License shall be subject to the execution of the following reasonably acceptable written agreements between the Company and the recipient of the technology transfer (which recipient may be a Foundation sub-licensee or entities selected by the Foundation): quality agreement, safety data exchange agreement, and other customary agreements related to technology transfer of the Product; provided always that such entity shall not be required to pay any royalties, milestones or fees associated with such agreements. Company will cooperate with the Foundation in good faith to make available to the Foundation (or the entities of the Foundation's choosing) (including providing electronic copies), all necessary intellectual property, technology, know-how and other information relating to the Product (including but not limited to master batch records, SOPs, QA/QC information, detailed bill of materials for the Product and other manufacturing documentation) for the purpose of permitting the Foundation (or its selected entities) to utilize its Global Access License and to continue to research and develop and manufacture the Product, and to enable the manufacture, licensure, sale, offer-for-sale, import, export, distribution, and use of such Product intended for use in the Developing Countries. For the purpose of facilitating Technology Transfer the Company shall provide electronic copies of all such applicable records and manufacturing documentation related to the Product for Maternal Immunization and the Foundation (or the entities of the Foundation's choosing) and will be permitted to inspect the same for the purpose of assuring complete and accurate technology transfer by Company.

(ii) Company will continue to meet its Global Access Commitments towards and until completion of all intellectual property, know-how and information technology transfer associated with a Global Access License herein. Company and the Foundation will cooperate in good faith to effect an orderly and complete transition of any activities, including the research, development, manufacture, licensure, sale, offer-for-sale, distribution, import, export and use of the Product to the Foundation or its selected entities.

(iii) Company shall permit the Foundation (or its sublicenses) the right to access and cross-reference any applicable IND, BLA, WHOPQ or other regulatory file relating to the Product and shall, upon request, provide an electronic copy of each such file.

(iv) To the extent applicable, the Parties further agree to take all reasonable and diligent steps to eliminate or reduce any third party costs or royalties (set forth in Appendix D or otherwise attributable to the Product) associated with such Global Access License, including negotiation of any third party royalties and to negotiate access to such third party licenses by the Foundation (or its selected entities).

(v) The provisions of this Section will survive the Term, Extended Term, or any earlier termination of this GACA.

(e) Indemnification of Company by Technology Transfer Recipient in Connection with Technology Transfer.

(i) Unless otherwise agreed by the Parties, upon the triggering of a Global Access License and as a condition of technology transfer associated with the Product, the recipient of the technology transfer (which recipient may be a Foundation sub-licensee or entities selected by the Foundation) (hereinafter "**Technology Transfer Recipient**") will be required to indemnify, hold harmless and defend Company and its Affiliates and its and their officers, directors, employees and agents (the "**Company Indemnified Parties**") against any and all expenses, costs of defense (including reasonable attorneys' fees, witness fees, damages, judgments, fines, and amounts paid in settlement) and any amounts any such indemnitee becomes legally obligated to pay ("**Losses**") because of any Third Party claim or claims against it ("**Third Party Claims**") to the extent that such Third Party Claims arise from or are due or attributable to: (a) any defect in the Product manufactured or produced by the Technology Transfer Recipient or (b) any act or omission involving the gross negligence, intentional misconduct, or fraud of the Technology Transfer Recipient related to the Product; except, in each case ((a) or (b)), to the extent such Losses result from: (i) Company's manufacture or production of Product (whether directly or by any agent or CMO of Company), (ii) any fraud, gross negligence or willful misconduct (whether by act or omission) of any Company Indemnified Parties, (iii) the breach by Company of any warranty, representation or covenant made by Company in this GACA or the Grant Agreement, (iv) any defect in the manufacturing process design or Product design attributable to Company, (v) Company's failure to provide complete and accurate technology transfer consistent with industry standards and consistent with any applicable agreements between the Company and Technology Transfer Recipient; or (vi) Company's violation of any applicable laws or regulations related to the Product or technology transfer thereof.

(ii) Notice & Control of Defense. In the event any Company Indemnified Parties seeks indemnification under this section, the applicable Company Indemnified Party shall provide the Technology Transfer Recipient with prompt written notice of any such claim, provided that, any failure to give prompt notice will not waive any rights of any Company Indemnified Party except to the extent the rights of the Technology Transfer Recipient are actually prejudiced by such failure. The Technology Transfer Recipient will have the right to conduct the defense of such Third Party Claim at its sole cost and expense provided Company may retain separate counsel at Company sole cost and expense. Company and Company Indemnified Parties agree to provide reasonable cooperation to Technology Transfer Recipient in defense of such Third Party Claim.

7. Required Reporting

In addition to any and all reports required to be delivered to the Foundation under the Grant Agreement, Company shall furnish, or cause to be furnished, to the Foundation the following reports, information and certifications:

(a) Provide the Foundation with written reports in form and detail reasonably satisfactory to the Foundation and confer with the Foundation (by teleconference or in scheduled site visits as appropriate) regarding progress with respect to the milestones (under the Grant Agreement) and the Global Access Commitments herein;

(b) Coordinate with the Foundation to determine reasonable times for the Foundation's representatives to make site visits to Company's facilities with respect to the Project or Product;

(c) Make available to the Foundation (or at the Foundation's election auditors selected by the Foundation and reasonably acceptable to Company), the Company books and records related to the Project and Product for four years after funds are fully spent and make such records and reports available to enable the Foundation to monitor and evaluate how funds have been used;

(d) Make available to the Foundation (or at the Foundation's election auditors selected by the Foundation and reasonably acceptable to Company) those Company books and records related to the Project, including records evidencing sales to Public Sector Purchasers and obligations under this GACA;

(e) Provide the Foundation with the date upon which Company achieves WHOPQ; and

(f) Provide the Foundation with the date and location of the first sale to a Public Sector Purchaser for Maternal Immunization for a Developing Country following WHOPQ.

8. Entire Agreement; Modification

This GACA and the Grant Agreement, including all exhibits hereto and thereto, set forth all the covenants, promises, agreements, warranties, representations, conditions and understandings between the parties with respect to the subject matter, and supersede and terminate all prior agreements, negotiation and understandings between the parties, whether oral or written, with respect to such subject matter. No subsequent alteration, modification, amendment, change or addition to this GACA shall be binding upon the Parties unless reduced to writing and signed by the respective authorized officers of the Parties. In the event of a conflict between the terms of this GACA and the terms of the Grant Agreement, the terms of this GACA shall control.

9. Authority

Each of Company and the Foundation covenants, represents and warrants with respect to itself that it has all authority necessary to execute this GACA and that, on execution, this GACA will be fully binding and enforceable in accordance with its terms, and that no other consents or approvals of any other Person or third parties are required or necessary for this GACA to be so binding.

10. Waiver

Failure or delay by either Party in exercising or enforcing any provision, right, or remedy under this GACA, or waiver of any remedy hereunder, in whole or in part, shall not be deemed a waiver thereof, or prevent the subsequent exercise of that or any other rights or remedy. Other than that arising out of this GACA or Grant Agreement, in no event will either party have any liability for any indirect, incidental, consequential or special damages, even if advised of the possibility of such damages.

11. Further Assurances

From time to time after the Effective Date, each Party shall execute, acknowledge and deliver to each other any further documents, assurances, and other matters, and will take any other action consistent with the terms and conditions of this GACA, that may reasonably be requested by a Party and necessary or desirable to carry out the purpose of this GACA.

12. Indemnification of Foundation

Company will indemnify, defend, and hold harmless the Foundation and its trustees, employees, and agents ("*Indemnified Parties*") from and against any and all demands, claims, actions, suits, losses, damages (including property damage, bodily injury, and wrongful death), arbitration and legal proceedings, judgments, settlements, or costs or expenses (including reasonable attorneys' fees and expenses) (collectively, "*Claims*") arising out of or relating to the acts or omissions, actual or alleged, of Company or its employees, subcontractors, contingent workers, agents, and affiliates with respect to the Project, the Product, this GACA or the Grant Agreement. Company agree that any activities by the Foundation in connection with the Project or Product, such as its review or proposal, input, or suggested modifications to the Project or Product, will not modify or waive the Foundation's rights under this paragraph. An Indemnified Party may, at its own expense, employ separate counsel to monitor and participate in the defense of any Claim.

13. Interpretation

The headings contained in this GACA are for reference purposes only and shall not affect in any way the meaning or interpretation of this GACA. Whenever the words "include," "includes" or "including" are used in this GACA, they shall be deemed to be followed by the words "without limitation."

14. Counterparts

This GACA may be executed in one or more counterparts, including by signatures delivered by facsimile or pdfs, each of which shall be deemed an original, but all of which shall be deemed to be and constitute one and the same instrument.

15. Force Majeure

(a) If Company is unable to perform its obligations or enjoy the benefits of this GACA because of the occurrence of any contingency beyond all reasonable and diligent efforts , including, but not limited to, war (whether a declaration thereof is made or not), terrorism, sabotage, insurrection, rebellion, riot or other act of civil disobedience, act of a public enemy, act of any government or any agency or subdivision thereof, judicial action, general strikes, fire, accident, explosion, epidemic, quarantine, restrictions, storm, flood, earthquake, adverse weather conditions, other natural disasters, Acts of God, unless such occurrence is caused by Company's negligent act or omission, (a "Force Majeure Event"), Company shall give prompt written notice to the Foundation and shall use all reasonable and diligent efforts to resume performance as soon as practicable. Subject to Section 6, upon receipt of such notice, all obligations affected by such Force Majeure Event under this GACA shall be suspended for the duration of such Force Majeure Event. Upon the termination of any Force Majeure Event, Company shall be obligated to cure or remedy any failure to perform by reason of such Force Majeure Event.

(b) Notwithstanding anything in this GACA, if the period of the Force Majeure event or any attempt to cure or any nonperformance (including due to Force Majeure) exceeds one hundred and fifty (150) days from the notice, unless otherwise agreed by the Parties in writing, the Foundation shall immediately be granted the Global Access License as set forth in Section 6.

16. **Dispute Resolution**

Any disputes or conflicts relating to the Project will first be attempted to be resolved by the Parties designated representatives in a timely manner. In the event an issue cannot be resolved by the Parties representatives, the President/CEO of the Company and the President of Global Health of the Foundation will meet within thirty (30) days for the purposes of resolution. Notwithstanding the forgoing, neither party waives any legal or other remedy it may have in law or equity under the Grant Agreement or this GACA.

17. **Miscellaneous**

(a) **Notice.** Any notice, request, demand, consent or other communication required or permitted hereunder shall be in writing and effectively given if delivered personally or by FedEx, DHL, or other nationally recognized overnight courier service (with evidence of receipt thereof), or sent by first class mail, using certified or registered mail, postage prepaid, addressed to the Party for which it is intended at its address as set out below or as may be designated by notice pursuant hereto.

To Company: Novavax, Inc.

20 Firstfield Road
Gaithersburg, MD 20878
Fax: 240-268-2100
Attention: General Counsel

To Foundation: Bill & Melinda Gates Foundation

PO Box 23350
Seattle, WA 98102
Fax: (206) 494-7039
Attn: Director, Pneumonia

with a copy to:

Bill & Melinda Gates Foundation
PO Box 23350
Seattle, WA 98102
Fax: (206) 494-7123
Attn: General Counsel

(b) **Severability.** If any provision herein is found to be unenforceable, it is the intent of the Parties that such provision be replaced, reformed or narrowed so that its original business purpose may be accomplished to the extent permitted by law. The invalidity or unenforceability of any provision of this GACA shall not affect the validity or enforceability of any other provisions of this GACA, which shall remain in full force and effect.

(c) **Amendments.** No supplement, amendment, modification or rescission of this GACA shall be valid or enforceable unless set forth in writing and signed by both Parties.

(d) **Assignment.** The Grant Agreement and this GACA, and all rights and obligations of the Parties hereunder, shall not be assigned or delegated by either Party without the prior written consent of the other Party; provided, however, that Company may assign this Agreement to any Affiliate or successor in interest with the consent of the Foundation, not to be unreasonably withheld, provided that such successor in interest assume all obligations hereunder. Subject to the foregoing, the Grant Agreement and this GACA shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns.

(e) **Governing Law.** This GACA shall be governed by and construed under the laws of the State of New York in all respects as such laws are applied to agreements among New York residents entered into and performed entirely within New York, without giving effect to conflict of laws principles thereof. The Parties agree that any action brought by either Party under or in relation to this Agreement, including to interpret or enforce any provision of this Agreement, shall be brought and filed in, and each Party agrees to and does hereby submit to the exclusive jurisdiction and venue of, any state or federal court located in the State of New York.

(f) **Entire Agreement.** The Grant Agreement and this GACA and all attachments, including any amendments, constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior agreements, understandings, discussions, and negotiations, whether oral or written, express or implied, of the Parties with respect hereto.

(g) **Confidentialit**y. The Parties acknowledge and agree that the provisions of the Nondisclosure Agreement between them dated as of March 26, 2013 and amended as of April 29, 2015, (and further amended from time to time as agreed in a signed writing by the parties), shall be deemed to govern all disclosures of "Confidential Information" (as defined therein) that may occur hereunder. For clarity, the Grant Agreement, this GACA, and all attachments thereto shall not be deemed Confidential Information, other than those aspects of such documents that are covered by a CDA between the parties and are granted confidential treatment by the U.S. Securities and Exchange Commission, as requested by Novavax, provided always that any such Confidential Information relevant to UNICEF, WHO, Gavi and Public Sector Purchasers will be made available to such entities in preparation for review by the WHO Strategic Advisory Group of Experts on immunization (SAGE). In addition, Company agrees to collaborate in good faith with the applicable material immunization experts in order to prepare documentation needed for SAGE review. Following SAGE review, Company agrees to disclose applicable price and volume information consistent with public sector procurement procedure (which may require public disclosure of such information).

[Signature Page Follows]

[**] = Portions of this exhibit have been omitted pursuant to a confidential treatment request.
An unredacted version of this exhibit has been filed separately with the Commission.

IN WITNESS WHEREOF, the Parties have caused this Global Access Commitments Agreement to be executed by their duly authorized representatives as of the Effective Date.

NOVAVAX, INC.		BILL & MELINDA GATES FOUNDATION	
By:	/s/ Stanley C. Erck	By:	/s/ Keith Klugman
Name:	Stanley Erck	Name:	Keith Klugman
Title:	President and Chief Executive Officer	Title:	Director, Pneumonia
Date:	September 25, 2015	Date:	September 18, 2015

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[**] = Portions of this exhibit have been omitted pursuant to a confidential treatment request.
An unredacted version of this exhibit has been filed separately with the Commission.

APPENDIX A

Developing Countries

Afghanistan
Angola
Armenia
Azerbaijan
Bangladesh
Benin
Bhutan
Bolivia
Burkina Faso
Burundi
Cambodia
Cameroon
Central African Republic
Chad
Comoros
Congo Republic
Cote d'Ivoire
Cuba
Democratic Republic of Congo
Djibouti
Eritrea
Ethiopia
Gambia
Georgia
Ghana
Guinea
Guinea Bissau
Guyana
Haiti
Honduras
India
Indonesia
Kenya
Kiribati
Korea DPR
Kyrgyz Republic
Lao PDR
Lesotho
Liberia
Madagascar
Malawi
Mali
Mauritania
Moldova
Mongolia
Mozambique
Myanmar
Nepal
Nicaragua
Niger
Nigeria
Pakistan
Papua New Guinea
Rwanda
Sao Tome e Principe
Senegal
Sierra Leone
Solomon Islands
Somalia
Sri Lanka
Republic of Sudan
South Sudan
Tajikistan
Tanzania
Timor Leste
Togo
Uganda
Ukraine
Uzbekistan
Viet Nam
Yemen
Zambia
Zimbabwe

Certain countries in this Appendix A may be subject to U.S. comprehensive embargo restrictions at present or in the future. The Parties acknowledge that such restrictions could preclude one or both Parties' ability to include such countries in any efforts under this GACA.

Additional Countries

[**]

[**]

[**] = Portions of this exhibit have been omitted pursuant to a confidential treatment request.
An unredacted version of this exhibit has been filed separately with the Commission.

APPENDIX B

Respiratory Syncytial Virus Vaccine - Target Product Profile
Executive Summary

Variable	**Minimum** *The minimal target should be considered as a potential go/no go decision point.*	**Optimistic** *The optimistic target should reflect what is needed to achieve broader, deeper, quicker global health impact.*	**Annotations** *For all parameters, include here the rationale for why this feature is important and/or for the target value.*
Indication*	Prevention of RSV-related lower respiratory tract infection associated with hypoxemia in subjects from birth to 3 months of age	[**]	[**]
Product *(Maternal Immunization)*	Nanoparticle vaccine containing 120µg of RSV-F and 0.4mg of aluminum	[**]	[**]
Target Population*	Pregnant women ≥18 years of age between [**] weeks of gestation	[**]	[**]
Target Countries	United States and Gavi (eligible and graduating) countries	[**]	[**]

[**] = Portions of this exhibit have been omitted pursuant to a confidential treatment request.
An unredacted version of this exhibit has been filed separately with the Commission.

Variable	Minimum *The minimal target should be considered as a potential go/no go decision point.*	Optimistic *The optimistic target should reflect what is needed to achieve broader, deeper, quicker global health impact.*	Annotations *For all parameters, include here the rationale for why this feature is important and/or for the target value.*
			[**]
Efficacy*	≥[**] reduction in RSV-related lower respiratory tract infection associated with hypoxemia over the first 3 months of life	[**] [**]	
			[**]
Duration of Protection	3 months	[**]	
Onset of Immunity	Documented onset of immune response within [**]weeks of vaccination	[**]	[**]

[**] = Portions of this exhibit have been omitted pursuant to a confidential treatment request.
An unredacted version of this exhibit has been filed separately with the Commission.

Variable	Minimum	Optimistic	Annotations
	The minimal target should be considered as a potential go/no go decision point.	*The optimistic target should reflect what is needed to achieve broader, deeper, quicker global health impact.*	*For all parameters, include here the rationale for why this feature is important and/or for the target value.*
			[**]
Indirect (Herd) Protection	Not relevant	[**]	
			[**]
Safety*	In Infant Subjects: • No safety signal in predefined categories of AEs and SAEs through the first year of life. • No evidence of vaccine-enhanced disease. In Maternal Subjects: No safety signal in predefined categories of AEs and SAEs, antenatally, intrapartum and for 6 months postpartum.	[**]	
Co- administration	Safe administration without interference with other maternal vaccines (e.g., influenza, Tdap, and tetanus toxoid) in accordance with local recommendations	[**]	

[**] = Portions of this exhibit have been omitted pursuant to a confidential treatment request.
An unredacted version of this exhibit has been filed separately with the Commission.

Variable	Minimum	Optimistic	Annotations
	The minimal target should be considered as a potential go/no go decision point.	*The optimistic target should reflect what is needed to achieve broader, deeper, quicker global health impact.*	*For all parameters, include here the rationale for why this feature is important and/or for the target value.*
			[**]
Presentation	Single dose vial, liquid formulation	[**]	
Cold chain volume required	Consistent with VPPAG Guidance, i.e. Maximum 4.0, 6.5, 13.0, and 15.0 cm3 per dose for 10-, 5-, 2-, 1-dose vials, respectively	[**]	[**] [**]
Dosing Schedule and Route of Administration*	Single intramuscular injection at [**] weeks of gestation	[**]	
Vaccine Volume (cm3 /dose)	0.5ml	[**]	

[**] = Portions of this exhibit have been omitted pursuant to a confidential treatment request.
An unredacted version of this exhibit has been filed separately with the Commission.

Variable	Minimum	Optimistic	Annotations
	The minimal target should be considered as a potential go/no go decision point.	*The optimistic target should reflect what is needed to achieve broader, deeper, quicker global health impact.*	*For all parameters, include here the rationale for why this feature is important and/or for the target value.*
Stability / Shelf Life	Shelf life of [**] at 2-8°C Use of vaccine vial monitors and freeze monitors	[**]	
Product Registration Path	U.S. BLA approval and WHOPQ	[**]	[**]
Target US BLA Submission Date	[**]	[**]	
Target WHO PSF Submission Date	Within [**] of US BLA approval	[**]	
Primary Target Delivery Channel	Through Antenatal Care (ANC) programs	[**]	[**]
Price	Consistent with this GACA	[**]	[**]
Manufacturing Capacities ***(Candidate TPP Only)***	[**]	[**]	[**]

[**] = Portions of this exhibit have been omitted pursuant to a confidential treatment request.
An unredacted version of this exhibit has been filed separately with the Commission.

APPENDIX C

Principal Assumptions for Price Cap Calculation

The initial Maximum Price Cap described in Table A is based on the assumptions of Novavax' US-based facility having the capacity to produce, [**] by the date of WHOPQ, 120 microgram (120 µg) Doses of Product annually using up to [**] reactors (or equivalent) assuming [**] weeks of production per year, an overall batch success rate of [**] percent [**], and an average of [**] yield, and [**] percent [**] overage/loss (averaged over all batches per year). These assumptions are expected to be a base case for production at the time of WHOPQ. Since a primary objective of this GACA is to assure affordable and accessible Product to people in Developing Countries, the Company agrees that a decline in the overall batch success rate below [**] from the base case will not have an upward impact on the Product cost per Dose nor an upward impact on the [**].

TABLE C: Components of [**] Cost

Component	Cost	Notes
[**]	[**]	[**]
[**]	[**]	[**]
[**]	[**]	[**]
[**]	[**]	[**]
[**]	[**]	[**]
[**]	[**]	[**]
[**]	[**]	[**]
[**]	[**]	[**]
Total	[**]	The [**] Total Cost is the sum total of [**] described in this table are for convenience; for the avoidance of doubt, Total Cost is calculated in the aggregate and will not be held to the characterization of any single component or multiple components.
Impact of Grant	[**]	The proposed grant would represent a reduction to [**]costs calculated as the $89 million grant, amortized over 10 years, and divided by [**] doses.
Subtotal	[**]	The total cost per dose including the grant is the previous total [**] minus the impact of the grant[**].
Markup	[**]	Represents a [**] markup over the cost to produce the Product.
[**]	[**]	[**] represents the Subtotal plus the Markup

[Remainder of page left intentionally blank]

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Stanley C. Erck, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Novavax, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluations; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2015

By: /s/ Stanley C. Erck
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER

I, Barclay A. Phillips, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Novavax, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluations; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2015

By: /s/ Barclay A. Phillips
Senior Vice President, Chief Financial Officer and Treasurer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO 18 UNITED STATES C. §1350 (SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

In connection with the Quarterly Report of Novavax, Inc. (the "Company") on Form 10-Q for the fiscal period ended September 30, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stanley C. Erck, President and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the dates and periods covered by this Report.

Date: November 9, 2015

By: /s/ Stanley C. Erck
President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER
PURSUANT TO 18 UNITED STATES C. §1350
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

In connection with the Quarterly Report of Novavax, Inc. (the "Company") on Form 10-Q for the fiscal period ended September 30, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Barclay A. Phillips, Senior Vice President, Chief Financial Officer and Treasurer, hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the dates and periods covered by this Report.

Date: November 9, 2015

By: /s/ Barclay A. Phillips
Senior Vice President, Chief Financial Officer and Treasurer