NOVAVAX INC
Form 424B5
June 30, 2005

THIS FILING IS MADE PURSUANT TO
RULE 424(b)(5) UNDER THE SECURITIES ACT OF 1933
IN CONNECTION WITH REGISTRATION NO. 333-108006

PROSPECTUS SUPPLEMENT
(TO PROSPECTUS DATED NOVEMBER 12, 2003)

4,000,000 SHARES

NOVAVAX, INC.

COMMON STOCK

We are offering on a best efforts all-or-none basis 4,000,000 shares of our common stock, par value $.01 per share, pursuant to this prospectus supplement. In connection with this offering, we will pay fees to Lane Capital Markets, LLC, as the placement agent. See "Plan of Distribution" beginning on page S-14 of this prospectus supplement for more information regarding this arrangement.

Our common stock is traded on the Nasdaq National Market under the symbol NVAX. On June 30, 2005 the closing price of our common stock as reported on the Nasdaq National Market was $1.32 per share.

INVESTING IN OUR COMMON STOCK INVOLVES A HIGH DEGREE OF RISK. THESE RISKS ARE DESCRIBED UNDER THE CAPTION "RISK FACTORS" BEGINNING ON PAGE S-6 OF THIS PROSPECTUS SUPPLEMENT.

Neither the Securities and Exchange Commission nor any state securities regulators have approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Offering
Public Offering Price	$1.00	$4,000,000
Placement Agent Fee	$ .05	$ 200,000
Proceeds, Before Expenses, To Novavax	$ .95	$3,800,000

We estimate the total expenses of this offering, excluding the placement agent fee, will be approximately $150,000. The placement agent is not required to arrange for the sale of any specific number or dollar amount of the shares of common stock offered by this offering, but will use its best efforts to sell the shares of common stock offered. The offering will end on or prior to July 1, 2005. Pursuant to an escrow agreement among us, the placement agent and an escrow agent, certain funds received in payment for the shares sold in this offering will be deposited into a non-interest-bearing escrow account and held until we and the placement agent notify the escrow agent that the offering has closed, indicating the date on which the shares are to be delivered to the purchasers and the proceeds are to be delivered to us. In the event that less than $4,000,000 is deposited in the escrow account by July 1, 2005, this

offering will terminate. If this offering terminates, all funds received from investors and held by escrow agent will be returned, without interest.

LANE CAPITAL MARKETS

June 30, 2005

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PROSPECTUS SUPPLEMENT

PROSPECTUS

This prospectus supplement is a supplement to the accompanying prospectus that is also a part of this document. This prospectus supplement and the accompanying prospectus are part of a shelf registration statement that we filed with the Securities and Exchange Commission. Under the shelf registration process, we may offer from time to time shares of our common stock up to an aggregate amount of $50,000,000, of which this offering is a part. We previously sold 4,500,000 shares of common stock for net proceeds of approximately $25.9 million. In the accompanying prospectus, we provide you with a general description of the securities we may offer from time to time under our shelf registration statement. In this prospectus supplement, we provide you with

specific information about the shares of our common stock that we are selling in this offering. This prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein and therein include important information about us, our common stock being offered and other information you should know before investing. This prospectus supplement also adds, updates, and changes information contained in the accompanying prospectus. You should read both this prospectus supplement and the accompanying prospectus as well as the additional information described under "Where You Can Find More Information" before investing in shares of our common stock.

You should rely only on information contained in this prospectus supplement, the accompanying prospectus and the documents we incorporate by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with information that is different. We are offering to sell and seeking offers to buy shares of our common stock only in jurisdictions where such offers and sales are permitted. The information contained in this prospectus supplement and the accompanying prospectus is accurate only as of their respective dates, regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or of any sale of our common stock.

In this prospectus supplement, "we," "us" and "our" and "our company" refer to Novavax, Inc., together with its subsidiaries, unless the context otherwise requires.

SUMMARY

This summary highlights selected information contained elsewhere or incorporated by reference in this prospectus supplement, and may not contain all of the information that is important to you. For a more complete understanding of this offering, you should read this entire document carefully and the accompanying prospectus before deciding to invest in our common stock, including the "Risk Factors" section below, and those additional documents to which we refer you. See "Where You Can Find More Information" on page 22.

OUR BUSINESS

We are a specialty biopharmaceutical company engaged in the research, development and commercialization of proprietary products focused on women's health and infectious diseases. We sell, market, and distribute a line of prescription pharmaceuticals and prenatal vitamins. Our proprietary topical micellar nanoparticle (MNP) drug delivery platform , our principal technology platform, involves the use of patented oil and water nanoemulsions which can be used as vehicles for the delivery of a wide variety of drugs and other therapeutic products, including hormones. On October 9, 2003, our lead topical product candidate, ESTRASORB, the first topical emulsion for estrogen therapy, was approved for marketing by the Food and Drug Administration. The FDA approved ESTRASORB for the treatment of moderate to severe vasomotor symptoms (hot flashes) associated with menopausal women.

In addition to marketing ESTRASORB, we continue to focus our efforts on the development of additional compounds that use our proprietary topical MNP drug delivery platform that we believe have a high probability of technical success and that have a large market potential. As part of our research and development efforts, we intend to file two Investigational New Drug Applications (INDs) with the FDA within the fourth quarter of 2005 and the first quarter of 2006 for two non-hormone product candidates. The following table summarizes our

most advanced drug candidates currently in clinical or preclinical development:

[GRAPHIC TABLE OMITTED]

We plan to continue leveraging our technologies to develop these and other new product candidates to be marketed by the Company, co-promoted or licensed to other drug companies. While our main therapeutic areas of concentration are women's health and infectious diseases, we believe our technologies can be applied more broadly.

Our principal executive offices are located at 508 Lapp Road, Malvern, Pennsylvania 19355. Our telephone number is (484) 913-1200 and our Internet address is www.novavax.com.

THE OFFERING

Common stock offered in this offering	4,000,000 shares
Common stock to be outstanding after this offering	43,553,876 shares
Use of proceeds	For our internal research and develop programs, such as preclinical and cli testing and studies of our product ca and the development of new technologi general working capital. See "Use of on page S-14.
Nasdaq National Market symbol	NVAX

The information above is based on 39,553,876 shares of common stock outstanding as of June 29, 2005. It does not include:

- 6,046,542 shares of common stock issuable upon the exercise of stock options outstanding as of June 29, 2005 at a weighted average exercise price of $4.73 per share;
- 70,000 shares of common stock issuable upon the exercise of warrants outstanding as of June 29, 2005 at a weighted average exercise price of $6.00 per share;
- 2,271,275 shares of common stock reserved for future awards under our 2005 Stock Incentive Plan as of June 29, 2005; and
- 5,691,057 shares of common stock issuable upon the conversion of $35.0 million aggregate principal amount of 4.75% convertible notes due July 15, 2009, plus 474,147 shares based on gross proceeds of the offering, as a result of anti-dilution provisions in the notes.

SUMMARY CONSOLIDATED FINANCIAL DATA

The historical consolidated financial data presented below as of and for each of the periods ended December 31, 2004, 2003 and 2002 were derived from our

audited consolidated financial statements. The summary consolidated financial data is only a summary and should be read in conjunction with our consolidated financial statements and related notes that we incorporate by reference in this prospectus supplement. For copies of the financial information we incorporate by reference, see "Where You Can Find More Information".

Information as of and for the three months ended March 31, 2005 and 2004 has been derived from our consolidated financial statements, which are unaudited but which in the opinion of management have been prepared on the same basis as the audited consolidated financial statements and include all adjustments necessary (consisting of normal recurring adjustments) for a fair presentation of the results for such periods. The results of operations for the three months ended March 31, 2005 are not necessarily indicative of the results to be expected for the entire year ending December 31, 2005 or any future period.

	(Amounts in Thousands, Except Share and		
	Three months ended March 31,		Year
	2005	2004	2004
	(unaudited)	(unaudited)	
STATEMENT OF OPERATIONS DATA:			
Revenues	$ 719	$ 2,197	$ 8,260
Loss from operations	(8,417)	(4,896)	(24,464)
Net loss	(8,886)	(5,258)	(25,920)
Per share information:			
Basic and diluted net loss per share	$ (0.22)	$ (0.15)	$ (0.70)
Weighted average number of shares outstanding	39,553,876	34,722,402	36,926,034

	As of March 31,		
	2005	2004	2004
	(unaudited	(unaudited)	
BALANCE SHEET DATA:			
Total current assets	$ 13,573	$ 26,620	$ 23,937
Working capital	7,443	21,843	15,361
Total assets	66,578	77,800	77,993
Convertible debt	35,000	40,000	35,000
Stockholders equity	$ 24,395	$ 30,750	$ 33,281

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the following risk factors and all other information contained in this prospectus supplement and the accompanying prospectus and incorporated by reference into the accompanying prospectus before purchasing our common stock. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties that we are unaware of, or that we currently deem immaterial, also may become important factors that affect us. If

any of the following risks occur, our business, financial condition or results of operations could be materially and adversely affected. In that case, the trading price of our common stock could decline, and you may lose some or all of your investment.

RISKS RELATED TO OUR BUSINESS

THE PRESCRIPTION TRENDS FOR ESTRASORB HAVE NOT MET OUR EXPECTATIONS AND WE MAY FACE ADDITIONAL RISKS AS WE EXPAND OUR RESEARCH AND DEVELOPMENT CAPABILITIES.

ESTRASORB was approved for commercial sale by the FDA in October 2003 and commercially launched in June 2004. To date, the prescription trends for ESTRASORB have not met our expectations. Many factors have affected and could continue to affect our ability to successfully commercialize ESTRASORB, including:

- our inability to timely and effectively promote and sell ESTRASORB so that ESTRASORB gains a meaningful share of the estrogen therapy market, which currently is dominated by Premarin(R), an oral estrogen tablet sold by Wyeth; estrogen patches sold by several companies including Novartis Pharma AG and Berlex Laboratories, Inc.; and gels currently sold by Solvay Pharmaceuticals, Inc;.

- our inability to manufacture ESTRASORB at acceptable gross margins;

- the inability to obtain coverage and favorable reimbursement rates for ESTRASORB from insurers and other third-party payors; and

- the market acceptance of physicians and patients of this new technology.

In addition to the marketing risks of ESTRASORB, we are in the process of expanding our research and development capabilities in an effort to build upon the strength of our proprietary topical micellar nanoparticle drug (MNP) delivery platform. We cannot predict whether we will encounter problems with the implementation of our modified business strategy, including the delay or suspension of clinical trials or delay the analysis of data derived from them. A number of events could delay our development efforts and negatively impact our ability to obtain regulatory approval for, and to market and sell, a particular drug candidate.

AFTER THE CONSUMMATION OF THIS OFFERING, WITHOUT THE INFUSION OF ADDITIONAL CAPITAL, WE WILL ONLY HAVE SUFFICIENT FUNDS TO CONTINUE OPERATIONS TO THE END OF 2005 AND WILL NOT HAVE SUFFICIENT LIQUIDITY TO AVOID A "GOING CONCERN" QUALIFICATION FROM OUR AUDITORS FOR FISCAL YEAR 2006.

Our auditors issued a "going concern" opinion for our financial statements for the year ended December 31, 2004. Even after the consummation of this offering we will only have sufficient funds to continue operations to the end of 2005, and we will not have sufficient liquidity to avoid a "going concern" qualification from our auditors for the fiscal year 2006, unless we are able to enter into subsequent strategic alliances with third parties which result in the infusion of capital, or raise additional capital through public or private equity, this year.

WE HAVE LIMITED FINANCIAL RESOURCES AND WE ARE NOT CERTAIN THAT WE WILL BE ABLE TO OBTAIN FINANCING TO MAINTAIN OUR OPERATIONS OR TO FUND THE DEVELOPMENT OF FUTURE PRODUCTS.

In the near term we will not generate revenues from product sales in an

amount sufficient to fund our operations, and we will require additional funds to maintain our operations, continue our research and development programs, commence future preclinical and clinical trials, seek regulatory approvals, establish commercial-scale manufacturing capabilities, and market our products. We will seek such additional funds through public or private equity or debt financings, collaborative arrangements and other sources. We cannot be certain that adequate additional funding will be available to us on acceptable terms, if at all. If we cannot raise the additional funds required for our anticipated operations, we may be required to delay significantly, reduce the scope of or eliminate one or more of our research or development programs, downsize our selling, marketing, general and administrative infrastructure or programs, or seek alternative measures to avoid insolvency, including arrangements with collaborative partners or others that may require us to relinquish rights to certain of our technologies, product candidates or products. If we raise additional funds through future offerings of shares of our common stock or other securities, such offerings would cause dilution of existing stockholders' percentage ownership in the Company. These future offerings also could have a material and adverse effect on the price of our common stock.

WE FACE SUBSTANTIAL COMPETITION IN CONNECTION WITH THE SALE OF ESTRASORB, OUR OTHER PRODUCTS AND OUR PRODUCT CANDIDATES.

We compete with numerous other companies worldwide that have developed or are developing products that compete or may compete with ESTRASORB, our other currently marketed products and our product candidates. These competitors include both large and small pharmaceutical companies, biotechnology firms, universities and other research institutions. We may not succeed in developing technologies and products that are more effective than those being developed by our competitors.

Many large companies currently produce and sell estrogen products for clinical indications identical to those for ESTRASORB. Currently, the oral and patch product segments account for approximately 75% and 15% of the market, respectively, according to 2004 Verispan data. Wyeth commits significant resources to the sale and marketing of its product, Premarin(R), in order to maintain its market leadership position. Several other companies compete in the estrogen category including Berlex, Novartis and Solvay. Recently, Solvay introduced an ethanol-based gel product, Estrogel, that is directly competitive with ESTRASORB.

These and other products sold by our competitors have all achieved a degree of market penetration superior to ESTRASORB. ESTRASORB competes in the United States for market share with these products and we cannot guarantee that we will be able to effectively promote ESTRASORB against these competitive products. In order to effectively compete, we have and may continue to make substantial investments in sales and marketing and may have to partner with one or more established companies that have greater financial resources and marketing expertise. Many of these products are sold by companies with greater resources and experience and there is no assurance that we will be successful in gaining significant market share for ESTRASORB or in earning a return on our investment in ESTRASORB or our product candidates, if approved.

Our technologies and products may be rendered obsolete or noncompetitive as a result of products introduced by our competitors. Our vitamin products have faced sustained and increasing generic competition which recently has resulted in declining sales volumes and a high volume of returns for this product line. Most of our competitors have substantially greater financial and technical resources, production and marketing capabilities, and related experience which may enable them to develop, manufacture and market their products more

successfully and at a lower cost. In addition, many of our competitors have significantly greater experience in conducting preclinical testing and clinical trials of human pharmaceuticals and obtaining regulatory approvals to market such products. Accordingly, our competitors may succeed in obtaining FDA approval for products more rapidly than we will, which may give them an advantage in achieving market acceptance of their products.

WE HAVE A HISTORY OF LOSSES AND OUR FUTURE PROFITABILITY IS UNCERTAIN.

Our expenses have exceeded our revenues since our formation in 1987, and our accumulated deficit at December 31, 2004 was $130.7 million. Our net revenues for the last three years were $8.3 million in 2004, $11.8 million in 2003 and $15.0 million in 2002. For the three months ended March 31, 2005 and 2004, our revenues were $719,000 and $2.2 million, respectively. We cannot be certain when or if we will generate substantial revenues from the sale of ESTRASORB. We have received a limited amount of product-related revenue from research contracts, licenses and agreements to provide vaccine products, services and adjuvant technologies. We cannot be certain that we will be successful in entering into strategic alliances or collaborative arrangements with other companies that will result in other significant revenues to offset our expenses. Our net losses for the last three years were $25.9 million in 2004, $17.3 million in 2003 and $22.7 million in 2002, while they were $8.9 million and $5.3 million for the three months ended March 31, 2005 and 2004, respectively.

Our losses have resulted from research and development expenses, sales and marketing expenses for ESTRASORB, protection of our intellectual property and other general operating expenses. Our losses increased due to the launch of ESTRASORB as we expanded our manufacturing capacity and sales and marketing capabilities, and may increase as and when we conduct additional and larger clinical trials for our product candidates. Therefore, we expect our cumulative operating loss to increase until such time, if ever, product sales, licensing fees and royalty payments generate sufficient revenue to fund our continuing operations. We cannot

predict when, if ever, we might achieve profitability and cannot be certain that we will be able to sustain profitability, if achieved.

Over the past year we have allocated a significant portion of our sales force's time to the sales and marketing of ESTRASORB and, consequently, the sales of our other women's health products has been adversely affected. The costs of maintaining our own sales force to market our current products including ESTRASORB currently exceed product revenues. If we continue to market ESTRASORB or any of our current or future products directly, significant additional expenditures and management resources will be required to sustain the size of our internal sales force.

WE MAY NEED ADDITIONAL MANUFACTURING CAPABILITY TO COMMERCIALIZE OUR PRODUCTS.

We currently manufacture ESTRASORB within a facility of Cardinal Health in Philadelphia, Pennsylvania. Cardinal Health provides packaging services for ESTRASORB that we manufacture in their facility. In early 2004, we completed the build-out of the facility to meet FDA requirements and installed manufacturing equipment for commercial production. We have been successful in manufacturing for our current commercial requirements; however, we have limited experience with the large capacity manufacturing which may be required for the commercial sale of ESTRASORB or future products. Although we have had the ability to produce the limited quantities of products needed to support our current research and development programs and clinical trials (including utilizing contract manufacturing organizations), we may need more production capacity for

larger, later-stage clinical studies and commercial sales. Our potential products may be too difficult or costly to manufacture on a large scale, to develop into commercially viable products, or to market.

In the near term, we intend to continue manufacturing ESTRASORB only in the Philadelphia facility. We may determine to qualify an additional site or sites for the manufacture of ESTRASORB if our production requirements increase or we have opportunities to improve our cost of sales. If we are unable to utilize the Philadelphia facility to manufacture ESTRASORB prior to our qualification of a second site, however, we would not have immediate access to ESTRASORB and would be required to reestablish our validation process at a different facility, which could cause us to lose sales of ESTRASORB and would adversely affect our business.

We currently utilize third-party contract manufacturers to manufacture our other products. Any contract manufacturer's facility that we may use, including the Cardinal Health facility, must adhere to the FDA's regulations on current good manufacturing practices, which are enforced by the FDA through its facilities inspection program. These facilities are subject to periodic inspection by the FDA. The manufacture of products at these facilities will be subject to strict quality control testing and record-keeping requirements. If compliance issues exist at these facilities, thereby interfering with the manufacture of our products, we would be required to seek alternative manufacturing arrangements. There can be no assurance that we would be able to enter into alternative manufacturing arrangements at commercially acceptable rates, if at all. Moreover, the manufacturers we use may not provide sufficient quantities of product to meet our specifications or our delivery, cost and other requirements.

If we decide to manufacture our own products, we will need to acquire additional manufacturing facilities and improve our manufacturing technology. Establishing additional manufacturing facilities will require us to spend substantial funds, hire and retain a significant number of additional personnel and comply with extensive regulations applicable to such facilities in the United States and abroad, including the current good laboratory practices and good manufacturing practices required by the FDA. If we elect or are required to manufacture our own products, we risk the possibility that we may not be able to do so in a timely fashion at acceptable quality and prices or in compliance with good laboratory practices and good manufacturing practices.

WE HAVE NOT COMPLETED THE DEVELOPMENT OF OTHER PRODUCTS AND WE MAY NOT SUCCEED IN OBTAINING THE FDA APPROVAL NECESSARY TO SELL ANY ADDITIONAL PRODUCTS.

The development, manufacture and marketing of our pharmaceutical products are subject to government regulation in the United States and other countries. In the United States and most foreign countries, we must complete rigorous preclinical testing and extensive human clinical trials that demonstrate the safety and efficacy

of a product in order to apply for regulatory approval to market the product. ESTRASORB is our only product to have been approved for sale in the United States. Approval outside the U.S. may take longer or may require additional clinical trials. Our product candidate ANDROSORB has completed two Phase I human clinical studies. Additional product candidates are in preclinical laboratory or animal studies. Before applying for FDA approval to market any additional product candidates, we must conduct larger-scale Phase II and III human clinical trials that demonstrate the safety and efficacy of our products to the satisfaction of the FDA and other regulatory authorities. These processes are expensive and can take many years to complete, and we may not be able to demonstrate the safety and efficacy of our products to the satisfaction of such

regulatory authorities. We may also be required to demonstrate that our proposed products represent an improved form of treatment over existing therapies and we may be unable to do so without conducting further clinical studies.

We may fail to obtain regulatory approval for our products on a timely basis. Delays in obtaining regulatory approval can be extremely costly in terms of lost sales opportunities and increased clinical trial costs. The speed with which we complete our clinical trials and our applications for marketing approval will depend on several factors, including the following:

- the rate of patient enrollment, which is a function of many factors, including the size of the patient population, the proximity of patients to clinical sites, the eligibility criteria for the study and the nature of the protocol;

- institutional review board approval of the protocol and the informed consent form;

- prior regulatory agency review and approval;

- analysis of data obtained from preclinical and clinical activities, which are susceptible to varying interpretations and which interpretations could delay, limit or prevent regulatory approval;

- changes in the policies of regulatory authorities for drug approval during the period of product development; and

- the availability of skilled and experienced staff to conduct and monitor clinical studies and to prepare the appropriate regulatory applications.

We have limited experience in conducting and managing the preclinical and clinical trials necessary to obtain regulatory marketing approvals. We may not be able to obtain the approvals necessary to conduct clinical studies. We also face the risk that the results of our clinical trials may be inconsistent with the results obtained in preclinical studies or that the results obtained in later phases of clinical trials may be inconsistent with those obtained in earlier phases. A number of companies in the specialty biopharmaceutical industry have suffered significant setbacks in advanced clinical trials, even after experiencing promising results in early animal and human testing. If regulatory approval of a drug is granted, such approval is likely to limit the indicated uses for which it may be marketed. Furthermore, even if a product gains regulatory approval, the product and the manufacturer of the product will be subject to continuing regulatory review. We may be restricted or prohibited from marketing or manufacturing a product, even after obtaining product approval, if previously unknown problems with the product or its manufacture are subsequently discovered.

OUR SUCCESS DEPENDS ON OUR ABILITY TO MAINTAIN THE PROPRIETARY NATURE OF OUR TECHNOLOGY.

Our success in large part depends on our ability to maintain the proprietary nature of our technology and other trade secrets, including our proprietary drug delivery and vaccine technologies. To do so, we must prosecute and maintain existing patents, obtain new patents and pursue trade secret and other intellectual property protection. We also must operate without infringing the proprietary rights of third parties or letting third parties infringe our rights. We currently have 51 U.S. patents and corresponding foreign patents and patent applications covering our technologies. However, patent issues relating to pharmaceuticals involve complex legal, scientific and factual questions. To date, no consistent policy has emerged regarding the breadth of biotechnology patent claims that are granted by the U.S. Patent and Trademark Office or enforced by the federal courts. Therefore, we do not know

whether our patent applications will result in the issuance of patents, or that any patents issued to us will provide us with any competitive advantage. We also cannot be sure that we will develop additional proprietary products that are patentable. Furthermore, there is a risk that others will independently develop or duplicate similar technology or products or circumvent the patents issued to us.

There is a risk that third parties may challenge our existing patents or claim that we are infringing their patents or proprietary rights. We could incur substantial costs in defending patent infringement suits or in filing suits against others to have their patents declared invalid or claim infringement. It is also possible that we may be required to obtain licenses from third parties to avoid infringing third-party patents or other proprietary rights. We cannot be sure that such third-party licenses would be available to us on acceptable terms, if at all. If we are unable to obtain required third-party licenses, we may be delayed in or prohibited from developing, manufacturing or selling products requiring such licenses.

Although our patents include claims covering various features of our products and product candidates, including composition, methods of manufacture and use, our patents do not provide us with complete protection against the development of competing products. For example, our patents do not prohibit third parties from developing and selling products for estrogen therapy that deliver estrogen through a topical emulsion, ointment or similar medium.

Some of our know-how and technology is not patentable. To protect our proprietary rights in unpatentable intellectual property and trade secrets, we require employees, consultants, advisors and collaborators to enter into confidentiality agreements. These agreements may not provide meaningful protection for our trade secrets, know-how or other proprietary information in the event of any unauthorized use or disclosure.

HEALTH CARE INSURERS AND OTHER PAYORS MAY NOT PAY FOR OUR PRODUCTS OR MAY IMPOSE LIMITS ON REIMBURSEMENT.

Our ability to successfully commercialize ESTRASORB and future products will depend, in part, on the extent to which reimbursement for such products will be available from third-party payors such as Medicare, Medicaid, health maintenance organizations, health insurers and other public and private payors. If we succeed in bringing future products to the market in addition to ESTRASORB, we cannot be assured that third-party payors will pay for ESTRASORB or such future products or establish and maintain price levels sufficient for realization of an appropriate return on our investment in product development. For example, ESTRASORB currently is being sold as an outpatient prescription drug. Medicare does not cover the costs of most outpatient prescription drugs. We expect that over time ESTRASORB will be treated the same as other estrogen therapy products with respect to government and third-party payor reimbursement, however, additional time is required to increase the number of payors who currently accept our product for reimbursement. There can be no assurance that ESTRASORB will receive similar reimbursement treatment.

Many health maintenance organizations and other third-party payors use formularies, or lists of drugs for which coverage is provided under a health care benefit plan, to control the costs of prescription drugs. Each payor that maintains a drug formulary makes its own determination as to whether a new drug will be added to the formulary and whether particular drugs in a therapeutic class will have preferred status over other drugs in the same class. This determination often involves an assessment of the clinical appropriateness of the drug and, in some cases, the cost of the drug in comparison to alternative

products. There can be no assurance that ESTRASORB or any of our future products will be added to payors' formularies, that our products will have preferred status to alternative therapies, or that the formulary decisions will be conducted in a timely manner. We may also decide to enter into discount or formulary fee arrangements with payors, which could result in us receiving lower or discounted prices for ESTRASORB or future products.

WE MAY HAVE PRODUCT LIABILITY EXPOSURE.

The administration of drugs to humans, whether in clinical trials or after marketing clearances are obtained, can result in product liability claims. We maintain product liability insurance coverage in the total amount of $10.0 million for claims arising from the use of our currently marketed products and products in clinical trials

prior to FDA approval. Coverage is becoming increasingly expensive, however, and we may not be able to maintain insurance at a reasonable cost. There can be no assurance that we will be able to maintain our existing insurance coverage or obtain coverage for the use of our other products in the future. This insurance coverage and our resources may not be sufficient to satisfy liabilities resulting from product liability claims. A successful claim may prevent us from obtaining adequate product liability insurance in the future on commercially desirable terms, if at all. Even if a claim is not successful, defending such a claim would be time-consuming and expensive, may damage our reputation in the marketplace, and would likely divert management's attention.

WE HAVE MADE LOANS TO CERTAIN OF OUR DIRECTORS, AND HAVE GUARANTEED A BROKERAGE MARGIN LOAN FOR ONE OF THESE DIRECTORS, WHICH COULD HAVE A NEGATIVE IMPACT ON OUR STOCK PRICE.

In 2002, pursuant to our 1995 Stock Option Plan, we approved the payment of the exercise price of options by two of our directors through the delivery of full-recourse, interest-bearing promissory notes, in the aggregate principal amount of approximately $1.5 million, secured by a pledge of the underlying shares. As of December 31, 2004, accrued interest receivable related to the borrowing was $209,000. In addition, in 2002 we executed a conditional guaranty of a brokerage margin account for a director in the amount of $500,000. Due to heightened sensitivity in the current environment surrounding related-party transactions, these transactions could be viewed negatively in the market and our stock price could be negatively affected. Our corporate governance policies have been revised and our 2005 stock incentive plan prohibits any additional loans or guarantees to directors.

THE PRICE OF OUR COMMON STOCK HAS BEEN AND MAY CONTINUE TO BE VOLATILE; AND IF WE ARE UNABLE TO MAINTAIN COMPLIANCE WITH NASDAQ LISTING REQUIREMENTS, OUR STOCK COULD BE DELISTED.

Historically, the market price of our common stock has fluctuated over a wide range. In fiscal year 2004, our common stock traded in a range from a low of $2.88 to a high of $6.99. Between January 1, 2005 and June 29, 2005, our common stock traded in a range from a low of $1.13 to a high of $3.35. It is likely that the price of our common stock will fluctuate in the future. The market prices of securities of small-capitalization, specialty biopharmaceutical companies, including ours, from time to time experience significant price and volume fluctuations unrelated to the operating performance of these companies. In particular, the market price of our common stock may fluctuate significantly due to a variety of factors, including:

- o governmental agency actions including the FDA's determination with respect to new drug applications for new products;
- o our ability to obtain financing;
- o our ability to develop additional products; and
- o sales of our products, particularly ESTRASORB.

In addition, the occurrence of any of the risks described in this "Risk and Factors" section could have a material and adverse impact on the market price of our common stock.

On June 30, 2005 the closing price of our common stock as reported on the Nasdaq National Market was $1.32 per share. Companies listed on NASDAQ are, among other requirements, required to maintain a minimum closing bid price of $1.00 per share. Failure to maintain compliance with NASDAQ listing requirements could result in the delisting of our shares from trading on the NASDAQ system, which could have a material adverse effect on the trading price, volume and marketability of our common stock.

OUR SUBSTANTIAL INDEBTEDNESS COULD ADVERSELY AFFECT OUR CASH FLOW AND PREVENT US FROM FULFILLING OUR OBLIGATIONS.

As of March 31, 2005 we had $36.8 million of outstanding indebtedness. Our substantial amount of outstanding indebtedness could have significant consequences. For example, it:

- o could increase our vulnerability to general adverse economic and industry conditions;
- o requires us to dedicate a substantial portion of our cash flow from operations to service payments on our indebtedness, reducing the availability of our cash flow to fund future capital expenditures, working capital, execution of our growth strategy, research and development costs and other general corporate requirements;
- o could limit our flexibility in planning for, or reacting to, changes in our business and the pharmaceutical industry, which may place us at a competitive disadvantage compared with competitors that have less indebtedness; and

- o could limit our ability to obtain additional funds, even when necessary to maintain adequate liquidity.

We may incur additional indebtedness for various reasons, which would increase the risks associated with our substantial leverage.

RISKS RELATED TO THIS OFFERING

MANAGEMENT WILL HAVE BROAD DISCRETION AS TO THE USE OF THE PROCEEDS FROM THIS OFFERING, AND WE MAY NOT USE THE PROCEEDS EFFECTIVELY.

We have not designated the amount of net proceeds we will use for any particular purpose. Accordingly, our management will have broad discretion as to the application of the net proceeds and could use them for purposes other than those contemplated at the time of this offering. Our stockholders may not agree with the manner in which our management chooses to allocate and spend the net proceeds. Moreover, our management may use the net proceeds for corporate purposes that may not increase our market value or make us profitable.

BECAUSE THE TOTAL PRICE YOU WILL PAY FOR YOUR SHARES IN THE OFFERING WILL BE MUCH GREATER THAN THE VALUE OF OUR ASSETS AFTER SUBTRACTING OUR LIABILITIES, THE VALUE OF YOUR INVESTMENT IN OUR COMMON STOCK WILL BE DILUTED.

If you purchase our common stock in this offering, the price you will pay for our common stock will be much greater than the book value per share of our outstanding common stock after the offering. In addition, the total amount of our capital will be less than it would have been had you and all of the existing stockholders, optionees, and warrant holders paid the same amount per share for our common stock. Accordingly, you will suffer immediate and substantial dilution of your investment. In the past, we have issued options and warrants to buy our common stock at prices below the offering price. You will experience further dilution to the extent that additional shares of our common stock are issued upon the exercise of outstanding stock options and warrants. See "Dilution" for a detailed calculation of the dilution that will result from this offering.

THE ISSUANCE OF SHARES OF OUR COMMON STOCK IN CONNECTION WITH THIS OFFERING WILL CAUSE ADDITIONAL SHARES OF COMMON STOCK TO BE ISSUABLE UPON THE CONVERSION OF CERTAIN OUTSTANDING CONVERTIBLE NOTES OF THE COMPANY.

Assuming that we issue an aggregate of 4,000,000 shares, of our common stock at a public offering price of $1.00 per share, an additional 474,147 shares of common stock will be issuable upon the conversion of $35.0 million aggregate principal amount of 4.75% convertible notes that are due July 15, 2009. Accordingly, you will suffer additional dilution of your investment. See "Dilution" for a detailed calculation of the dilution that will result from this offering.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

We caution you that this prospectus supplement, the accompanying prospectus and the documents incorporated by reference contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management's beliefs and assumptions and on information currently available to management, and use words such as "expect," "anticipate," "intend," "plan," "believe," "estimate," "may," "could," "possible," "forecast," or similar words and expressions. Forward-looking statements include but are not limited to statements regarding product sales, future results of operations, future product development and related clinical trials, and future research and development, including FDA approval of our product candidates. Forward-looking statements are only predictions, and necessarily involve risks and uncertainties and other factors that may cause the actual results, performance or achievements of Novavax, or industry results, to be materially different from those anticipated in or implied by the forward-looking statements. These risks, uncertainties and other factors are discussed in the "Risk Factors" section and elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference and include, among other things, the following: general economic and business conditions; competition; unexpected changes in technologies and technological advances; ability to obtain rights to technology; ability to obtain and enforce patents; ability to commercialize and manufacture products; ability to establish and maintain commercial-scale manufacturing capabilities; ability to enter into future collaborations with industry partners; results of clinical

studies; progress of research and development activities; business abilities and judgment of personnel; availability of qualified personnel; changes in, or

failure to comply with, governmental regulations; ability to obtain adequate financing in the future; and other factors referenced in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference.

USE OF PROCEEDS

After deducting the underwriting discounts and commissions and estimated offering expenses of this offering, we will receive net proceeds from this offering of approximately $3,650,000.

We will retain broad discretion over the use of the net proceeds from the sale of our common stock. We currently intend to use the net proceeds from this offering for general corporate purposes, including but not limited to:

- our internal research and development programs, such as preclinical and clinical testing and studies of our product candidates and the development of new technologies; and
- general working capital.

We have not determined the amounts we plan to spend on any of the areas listed above or the timing of these expenditures, which may vary significantly depending on various factors such as our research and development results, regulatory approvals, competition, marketing and sales, and the market acceptance of any products introduced by us. As a result, our management will have broad discretion to allocate the net proceeds from this offering. Pending application of the net proceeds as described above, we intend to invest these net proceeds in short-term, interest-bearing, investment-grade securities.

DILUTION

Our net tangible book value at March 31, 2005 was $24.4 million, or $0.62 per share of common stock. Net tangible book value per share represents total tangible assets less total liabilities divided by the number of outstanding shares of our common stock on March 31, 2005. Assuming that we issue an aggregate of 4,000,000 shares of our common stock at a public offering price of $1.00 per share, with estimated net proceeds to us (after assumed commissions and expenses) of $3,650,000, our pro forma net tangible book value at March 31, 2005 would have been $28.1 million, or $0.64 per share. This represents an immediate increase in the tangible book value of $.02 per share to our existing stockholders and an immediate dilution of $.36 per share to new investors purchasing common stock in this offering, as illustrated in the following table:

Public offering price per share	$1.00
Net tangible book value per share as of March 31, 2005	$0.62
Increase per share attributable to new investors	$0.02
Pro forma net tangible book value per share after offering	$0.64
Dilution per share to new investors	$0.36

The computations in the table above assume no exercise of any outstanding stock options or warrants or conversion of convertible notes after March 31, 2005. At June 29, 2005, there were options outstanding to purchase a total of 6,046,542 shares of our common stock at a weighted average exercise price of $4.73 per share

and warrants outstanding to purchase 70,000 shares of our common stock at a weighted average exercise price of $6.00 per share. If any of these options or warrants are exercised, there will be further dilution to new investors. In addition, assuming that we issue an aggregate of 4,000,000 shares of our common stock at a public offering price of $1.00 per share, an additional 474,147 shares of common stock shall be issuable upon the conversion of $35.0 million aggregate principal amount of 4.75% convertible notes due July 15, 2009.

PLAN OF DISTRIBUTION

We are offering the shares of our common stock through a placement agent. Subject to the terms and conditions contained in the placement agent agreement dated June 30, 2005, Lane Capital Markets, LLC has agreed to act as the placement agent for the sale of 4,000,000 shares of our common stock. The placement agent is not purchasing or selling any shares by this prospectus supplement or accompanying prospectus, nor are they required to arrange the purchase or sale of any specific number or dollar amount of shares, but have agreed to use best efforts to arrange for the sale of all of the 4,000,000 shares of our common stock. In the event that less than $4,000,000 is deposited in the escrow account by July 1, 2005, this offering will terminate. If this offering terminates, all funds received from investors and held by escrow agent will be returned, without interest.

The placement agent agreement provides that the obligations of the placement agent and the investors are subject to certain conditions precedent, including the absence of any material adverse change in our business and the receipt of certain opinions, letters and certificates from our counsel, our independent auditors and us.

Confirmations and definitive prospectuses will be distributed to all investors who agree to purchase shares of the common stock, informing investors of the closing date as to such shares. We currently anticipate that closing of the sale of 4,000,000 shares of common stock will take place on or about July 1, 2005. Investors will also be informed of the date and manner in which they must transmit the purchase price for their shares.

On the scheduled closing date, the following will occur:

- we will receive funds in the amount of the aggregate purchase price; and
- Lane Capital Markets, LLC will receive the placement agent's fee in accordance with the terms of the placement agent agreement, and reimbursement of expenses not to exceed $20,000.

We will pay the placement agent an aggregate commission equal to 5% of the gross proceeds of the sale of shares of common stock in the offering. In no event will the total amount of compensation paid to the placement agents and other securities brokers and dealers upon completion of this offering exceed 5% of the maximum gross proceeds of the offering. The estimated offering expenses payable by us, in addition to the placement agents' fee, are approximately $150,000, which includes legal, accounting and printing costs and various other fees associated with registering and listing the shares of common stock. After deducting certain fees due to the placement agents and our estimated offering expenses, we expect the net proceeds from this offering to be approximately $3,650,000.

We have agreed to indemnify the placement agent against certain liabilities,

including liabilities under the Securities Act of 1933, as amended. We have also agreed to contribute to payments the placement agent may be required to make in respect of such liabilities.

The placement agent agreement with Lane Capital Markets, LLC is included as an exhibit to our Current Report on Form 8-K that will be filed with the Securities and Exchange Commission in connection with the consummation of this offering.

The transfer agent for our common stock is EquiServe.

Our common stock is traded on the Nasdaq National Market under the symbol "NVAX."

LEGAL MATTERS

Certain legal matters with respect to the shares of common stock offered hereby have been passed upon by Ropes & Gray LLP in New York, New York. McCarter & English, LLP in Newark, New Jersey is acting as counsel for the placement agent.

THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

PROSPECTUS

Subject to Completion, Dated November 12, 2003

$50,000,000

NOVAVAX, INC.
COMMON STOCK

We may sell from time to time shares of our common stock, par value $.01 per share, in one or more offerings with a maximum aggregate offering price of $50,000,000. This means:

- we will provide a prospectus supplement each time we issue common stock; and
- the prospectus supplement will inform you about the specific terms of that offering and may also add, update or modify information contained in this document.

Our common stock is traded on the Nasdaq National Market under the symbol NVAX. On August 8, 2003, the closing price of our common stock as reported on the Nasdaq National Market was $5.66 per share.

Our principal offices are located at 8320 Guilford Road, Columbia, Maryland 21046. Our telephone number is (301) 854-3900.

INVESTING IN OUR COMMON STOCK INVOLVES A HIGH DEGREE OF RISK.
SEE "RISK FACTORS" BEGINNING ON PAGE 6.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

THE DATE OF THIS PROSPECTUS IS _____, 2003.

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You should rely only on the information contained in this prospectus and in any prospectus supplement. We have not authorized anyone to provide you with information different from that contained in this prospectus or any prospectus supplement. We are offering to sell our common stock, and seeking offers to buy, only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of our common stock.

In this prospectus, the "Company," "we," "us" and "our" refer to Novavax, Inc., together with its subsidiaries, unless the context otherwise requires.

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere or incorporated by reference in this prospectus, and may not contain all of the information that is important to you. For a more complete understanding of this offering, you should read this entire document carefully before deciding to invest in our common stock, including the "Risk Factors" section below, and those additional documents to which we refer you. See "Where You Can Find More Information" on page 22.

OUR BUSINESS

Novavax is a fully-integrated specialty pharmaceutical company focused on the research, development and commercialization of products utilizing our proprietary drug delivery and vaccine technologies for large and growing markets, concentrating on the areas of women's health and infectious diseases. Our lead product candidate, ESTRASORB(TM), is the first topical emulsion for estrogen replacement therapy for which a New Drug Application has been accepted for review by the Food and Drug Administration. The NDA for ESTRASORB was submitted in June 2001 and was accepted for review in August 2001. In April 2002, we were informed by the FDA that the agency had completed its review of the NDA for ESTRASORB. At that time, the agency did not raise any issues regarding the efficacy or safety of ESTRASORB, but did request additional information with respect to the Chemistry, Manufacturing and Controls section of the filing. We determined that the most advantageous approach to resolving the outstanding CMC questions was to voluntarily withdraw the NDA and resubmit it once all of the responses to the CMC questions had been prepared. In September 2002, we re-submitted the NDA, which was accepted for review by the FDA in November 2002. In June 2003, the agency informed us that it would need additional time for a full review of our Estradiol Partner Transfer Study Report submitted in May of this year. Under the Prescription Drug User Fee Act the statutory minimum extension time is 90 days, which thus results in a new goal date for a decision on the approvability of ESTRASORB of no later than October 10, 2003. We are seeking FDA approval of ESTRASORB for the reduction of hot flushes in menopausal women and, if approved, we believe ESTRASORB will be competitively positioned to address the estimated $1.8 billion estrogen replacement therapy market in the United States.

Our micellar nanoparticle technology involves the use of our patented oil and water emulsions that we believe can be used as vehicles for the topical delivery of a wide variety of drugs and other therapeutic products, including hormones. We believe that our technology represents the first time that ethanol soluble hormones, such as estrogen and testosterone, have been encapsulated and delivered topically. In addition to ESTRASORB, our product candidates using these technologies include ANDROSORB(TM), a topical testosterone emulsion that has completed two Phase I clinical trials; TESTESTRASORB(TM), a topical estrogen and testosterone emulsion; PROGESTSORB(TM) NE, a topical progestin emulsion; and

PROESTRASORB(TM), a topical estrogen and progestin emulsion. Other drug delivery technologies, such as our Novasome(R) and Sterisome(R) technologies, are being utilized to develop other products. Novasomes are used as adjuvants to enhance vaccine effectiveness. Sterisomes are being used for, among other things, subcutaneous injections that can deliver long-acting drug effects. We also conduct research and development on preventative vaccines and proteins for a variety of infectious diseases and immunotherapies.

Over the past three years we have entered into a co-promotion agreement with King Pharmaceuticals, Inc. for the promotion and marketing of ESTRASORB and ANDROSORB within the United States and Puerto Rico, and we have licensed to King the right to sell these products outside the United States. Our relationship with King has the potential to provide us with broader women's health market coverage for ESTRASORB and ANDROSORB. Under the terms of our co-promotion agreement with King, we will record all of the product sales, returns and allowances, and cost of sales for ESTRASORB and ANDROSORB in the United States and Puerto Rico. The resultant gross margin will be shared equally with King and the payment to King will be recorded as a selling and marketing expense on our statement of operations. In addition, following product approval by the FDA, both parties will share equally in approved marketing expenses for the products. All direct marketing expenses will be recorded by us, for which King will reimburse us fifty percent. We received licensing fees of $3.0 million and milestone payments totaling $5.0 million from King upon the submission to the FDA and acceptance for review of the ESTRASORB NDA. We have also received from King $20.0 million in December 2000, $10.0 million in September 2001 and $10.0 million in June 2002, in the form of convertible note financings.

We currently market, sell and distribute a line of prescription pharmaceuticals through our 64 person sales force that has extensive experience selling to obstetricians, gynecologists, managed care organizations, wholesalers and retail pharmacies throughout the United States. In 2002, these products generated revenues of $12.8 million. If we receive marketing approval from the FDA, we expect to sell ESTRASORB through both our sales force and King's sales force. We intend to manufacture ESTRASORB for commercial sale in our dedicated, state-of-the-art, 24,000 square foot facility in Philadelphia, Pennsylvania, which was substantially completed in December 2002.

Our principal executive offices are located at 8320 Guilford Road, Columbia, MD 21046. Our telephone number is (301) 854-3900. We are incorporated under the laws of the State of Delaware.

SUMMARY CONSOLIDATED FINANCIAL DATA

The historical consolidated financial data presented below as of and for each of the periods ended December 31, 2002, 2001 and 2000 were derived from our audited consolidated financial statements. The summary consolidated financial data is only a summary and should be read in conjunction with our consolidated financial statements and related notes that we incorporate by reference in this prospectus. For copies of the financial information we incorporate by reference, see "Where You Can Find More Information" on page 22.

Information as of June 30, 2003 and for the six months ended June 30,

2003 and 2002 has been derived from our consolidated financial statements, which are unaudited but which in the opinion of management have been prepared on the same basis as the audited consolidated financial statements and include all adjustments necessary (consisting of normal recurring adjustments) for a fair presentation of the results for such periods. The results of operations for the quarter ended June 30, 2003 are not necessarily indicative of the results to be expected for the entire year ending December 31, 2003 or any future period.

	(AMOUNTS IN THOUSANDS, EXCEPT NUMBER OF SHARES AND PER SHARE I				
	for the six months ended June 30,		for the years ended December 31,		
	2003	2002	2002	2001	2000
	(unaudited)	(unaudited)	(restated)		
STATEMENT OF OPERATIONS DATA:					
Revenues	$ 3,469	$10,177	$15,005	$24,066	$ 2,475
Loss from operations	(10,033)	(10,990)	(21,558)	(9,255)	(12,742)
Net loss	(10,830)	(11,500)	(22,697)	(9,745)	(12,191)
Per share information:					
Net loss per share	$ (0.38)	$ (0.48)	$ (0.93)	$ (0.43)	$ (0.64)
Weighted average number of shares outstanding	28,489,651	24,209,198	24,433,868	22,670,274	19,015,719

	As of June 30,		As of December 31,			
	2003	2002	2002	2001	2000	199
	(unaudited)	(unaudited)	(restated)			
BALANCE SHEET DATA:						
Total current assets	$ 12,837	$21,100	$ 6,242	$25,027	$ 17,036	$ 1,
Working capital	8,646	13,326	378	18,030	12,331	(
Total assets	63,908	69,387	57,505	67,115	56,529	4,
Convertible debt	40,000	40,000	40,000	30,000	20,000	
Stockholders' equity	16,122	19,113	8,073	27,493	31,824	2,

RISK FACTORS

You should carefully read the following risk factors in addition to the remainder of this prospectus before purchasing any shares of our common stock. Some of the following risks relate principally to our business and the industry in which we operate. Other risks relate principally to the securities market and ownership of our common stock. If any of the following risks occur, our business, financial condition and/or operating results could be adversely affected. In that case, the trading price of our common stock could decline, and you could lose all or part of your investment.

OUR SUCCESS IS HEAVILY DEPENDENT ON FDA APPROVAL AND MARKET ACCEPTANCE OF ESTRASORB.

Our New Drug Application for ESTRASORB was accepted for review by the FDA in November 2002. There is no guarantee that the FDA will approve our application and allow us to begin selling ESTRASORB in the United States. If we do not receive FDA approval of our application, our inability to sell ESTRASORB in the United States would have a significant negative effect on our business and results of operations. Even if ESTRASORB is approved by the FDA, there is no guarantee that we and King Pharmaceuticals, Inc., our marketing partner for ESTRASORB, will be able to successfully commercialize ESTRASORB. Many factors could negatively affect our ability to successfully commercialize ESTRASORB, including:

- a failure or delay in ESTRASORB gaining a meaningful share of the estrogen replacement therapy market, which currently is dominated by Premarin(R), an oral estrogen tablet sold by Wyeth, and estrogen patches sold by several companies including Novartis Pharma AG, Berlex Laboratories, Inc. and Forest Pharmaceuticals, Inc.;

- our inability to effectively promote and sell ESTRASORB with King in the United States, or King's inability to do so in the rest of the world;

- delays in the manufacture of ESTRASORB in commercial quantities; and

- the inability to obtain coverage and favorable reimbursement rates for ESTRASORB from insurers and other third party payors.

WE WILL FACE SUBSTANTIAL COMPETITION IN CONNECTION WITH THE SALE OF ESTRASORB AND OUR OTHER PRODUCT CANDIDATES.

We compete with numerous other companies worldwide that have developed or are developing products that compete or may compete with our product candidates. These competitors include both large and small pharmaceutical companies, biotechnology firms, universities and other research institutions. We may not succeed in developing technologies and products that are more effective than those being developed by our competitors.

Many large companies currently produce and sell estrogen products for clinical indications identical to those that we seek for ESTRASORB. In the oral product segment of the estrogen replacement therapy market, which accounts for approximately 74% of the market according to 2002 IMS Health Incorporated data, Wyeth commits significant resources to the sale and marketing of its product, Premarin(R), in order to maintain its market leadership position. Warner-Chillcot also competes in the branded oral product segment with its product, Estrace(R). In addition, ESTRASORB will compete with products produced and sold by generic manufacturers in the oral product segment of the market, such as Watson Pharmaceutical, Inc.'s generic product, Estropipate(R). In the patch segment of the market, which according to IMS Health accounts for approximately 15% of the estrogen replacement therapy market, several companies market transdermal estrogen patches with which ESTRASORB will compete, if approved. For example, Novartis Pharma AG currently markets and sells its Vivelle(R) and Estraderm(R) patches and Berlex Laboratories, Inc. and Forest Pharmaceuticals Inc. co-promote the Climara(R) transdermal patch. Several companies also currently market ethanol-based estrogen gels and ointments outside the United States. For example, Schering Canada sells its estrogen gel, Estrogel(R), in Canada. These and other products sold by our competitors have all been approved for sale and have achieved some degree of market penetration. If ESTRASORB is approved for sale in the Untied States, it will compete for market share with these products and we cannot guarantee that, together with King, we will be able to effectively promote ESTRASORB against these competitive

products. In order to

effectively compete, we may make substantial investments in sales and marketing. Many of these products are sold by companies with greater resources than we have and there is no assurance that we will be successful in gaining significant market share for ESTRASORB or in earning a return on that investment.

Our technologies and products may be rendered obsolete or noncompetitive as a result of products introduced by competitors. Most of our competitors have substantially greater financial and technical resources, production and marketing capabilities, and related experience than we do. The greater resources, capabilities and experience of our competitors may enable them to develop, manufacture and market their products more successfully and at a lower cost than we can. In addition, many of our competitors have significantly greater experience than we do in conducting preclinical testing and clinical trials of human pharmaceuticals and obtaining regulatory approvals to market such products. Accordingly, our competitors may succeed in obtaining FDA approval for products more rapidly than we will, which may give them an advantage over us in achieving market acceptance of their products.

WE WOULD NEED ADDITIONAL CAPITAL TO GROW AND OPERATE OUR BUSINESS IN THE EVENT WE WERE UNABLE TO RAISE CAPITAL IN THIS OFFERING, AND WE ARE UNCERTAIN ABOUT OBTAINING FUTURE FINANCING.

We estimate that our existing cash resources will be sufficient to finance our operations at current and projected levels of development and general corporate activity for the next 5 to 7 months. We cannot be certain that we will be able to generate revenues from product sales in the near term or at all sufficient to fund our operations. If w were unable to raise capital in this offering, we would require additional funds to continue our research and development, commence future preclinical and clinical trials, seek regulatory approvals, establish commercial-scale manufacturing capabilities, and market our products. We may seek additional funds through public or private equity or debt financings, collaborative arrangements with pharmaceutical companies and other sources. We cannot be certain that adequate additional funding will be available to us on acceptable terms, if at all. If we cannot raise the additional funds we may need to continue our current and anticipated operations, we may be required to delay significantly, reduce the scope of, or eliminate one or more of, our research or development programs. If that is the case, we will seek other alternatives to avoid insolvency, including arrangements with collaborative partners or others that may require us to relinquish rights to certain of our technologies, product candidates or products.

WE HAVE A HISTORY OF LOSSES AND OUR FUTURE PROFITABILITY IS UNCERTAIN.

Our expenses have exceeded our revenues since our formation in 1987, and our accumulated deficit at June 30, 2003 was $98.4 million. Our revenues for the last three years were $15.0 million in 2002, $24.0 million in 2001 and $2.5 million in 2000. For the six months ended June 30, 2003 and 2002, our revenues were $3.5 million and $10.2 million, respectively. Sales of products that we acquired as a result of our acquisition of Fielding Pharmaceutical Company in 2000 have generated modest revenues, but based on our current business plan these revenues will not be sufficient to offset our expenses in the future. We cannot be certain when or if we will generate substantial revenues from the sale of ESTRASORB. We have received a very limited amount of product-related revenue from research contracts, licenses and agreements to provide vaccine products, services and adjuvant technologies. We cannot be certain that we will be

successful in entering into strategic alliances or collaborative arrangements with other companies that will result in other significant revenues to offset our expenses. Our net losses for the last three years were $22.7 million in 2002, $9.7 million in 2001 and $12.1 million in 2000, while they were $10.8 million and $11.5 million for the six months ended June 30, 2003 and 2002, respectively. Our losses have resulted from research and development expenses, pre-launch sales and marketing expenses in the anticipation of FDA approval for ESTRASORB, protection of our intellectual property, and other general operating expenses. Our annual losses may increase depending on the timing of the FDA approval and launch of ESTRASORB as we expand our manufacturing capacity, sales and marketing capabilities and conduct additional and larger clinical trials for other product candidates. Therefore, we expect our cumulative operating loss to increase until such time, if ever, as product sales, licensing fees and royalty payments generate sufficient revenue to fund our continuing operations. We cannot predict when, if ever, we might achieve profitability and cannot be certain that we will be able to sustain profitability, if achieved.

We intend to allocate a significant portion of our sales force's time to the product launch of ESTRASORB, if and when it is approved by the FDA. Accordingly, the sales of our other women's health products could be adversely affected by the efforts we allocate to the ESTRASORB product launch. The costs of maintaining our own

sales force to market our current products and ESTRASORB, if approved, may in the future exceed product revenues. If we continue to market ESTRASORB or future products directly, significant additional expenditures and management resources may be required to increase the size of our internal sales force.

OUR SALES AND MARKETING PLAN FOR ESTRASORB DEPENDS IN LARGE PART ON THE SUCCESS OF OUR RELATIONSHIP WITH KING.

We have entered into a co-promotion agreement with King for the marketing and promotion of ESTRASORB in the United States using our sales and marketing personnel and King's sales and marketing personnel. We have also granted King exclusive rights to promote, market and distribute ESTRASORB outside the United States. In return, we received certain milestone payments and the agreement to pay potential future milestone payments and licensing fees and royalties on future sales. While our agreements with King give us some limited protections with respect to King's marketing and sales efforts and, we believe, create financial incentives for King consistent with our own, we cannot control the amount and timing of marketing efforts that King devotes to ESTRASORB or make any assurances that our and King's co-promotion of ESTRASORB in the United States and King's marketing of ESTRASORB in the rest of the world will be successful.

Our success in marketing other potential future products will also depend in large part on our relationship with King. Our co-promotion agreement with King also provides for co-promotion in the United States with King of our product candidate ANDROSORB(TM). If this product is approved for marketing by the FDA, King has an exclusive worldwide license, except in the United States, to market this future product. Under our co-promotion agreement, King has the right to co-promote certain future hormone replacement therapy products in the field of women's health. In the future, we might enter into other licensing or co-promotion arrangements with King or other third parties for the marketing and sale of other future products. Any revenues we receive from sales of ANDROSORB and other future products will depend in large part on the terms of these agreements and the efforts of King and any other third-party marketing partners.

OUR AGREEMENTS WITH KING REDUCE THE LIKELIHOOD THAT WE COULD BE ACQUIRED BY ANOTHER COMPANY.

Our co-promotion agreement and license agreement with King for the marketing of ESTRASORB and ANDROSORB contain several provisions that would take effect upon a change of control of the Company. One provision allows King several options in the event of a change in control of Novavax including (i) terminating our right to co-promote King products, (ii) terminating our rights to promote ESTRASORB and ANDROSORB and certain other hormone therapies for women, or (iii) requiring Novavax to assign and transfer to King all related rights of ownership for ESTRASORB and ANDROSORB and certain other hormone replacement therapies for women and license to King on an exclusive and perpetual basis all intellectual property rights and know-how. If King chooses to exercise its rights under either clause (ii) or (iii) above, King will pay us royalties on net sales of the products. In addition, King will pay us for the cost of manufacturing, plus a markup consistent with the terms of the license agreement for the handling costs. King could also require that we redeem the outstanding promissory notes, currently in the amount of $40.0 million, at 101% of the outstanding principal and accrued interest. These provisions may have the effect of making us less attractive as an acquisition candidate.

WE NEED ADDITIONAL MANUFACTURING CAPABILITY TO COMMERCIALIZE OUR PRODUCTS.

We do not have any experience with the large capacity manufacturing required for commercial sale of a product. Although we have had the ability to produce the limited quantities of products needed to support our current research and development program and clinical trials (including utilizing contract manufacturing organizations), we will need more production capacity for larger, later-stage clinical studies and commercial sales. Our potential products may be too difficult or costly to manufacture on a large scale, to develop into commercially viable products or to market.

We have validated our manufacturing methods for ESTRASORB, which has been produced in 100-kilo size batches. Such validation is required under FDA guidelines, and we have received preliminary FDA approval of these methods. We currently manufacture ESTRASORB at a facility of Cardinal Health, Inc. in Philadelphia, Pennsylvania. In February 2002, we entered into an agreement with Cardinal Health to lease approximately 24,000 square feet of space within their facility. Under the terms of this agreement, Cardinal Health will also provide

packaging services for the product we manufacture in their facility. We have substantially completed the build out of the facility to meet our requirements and have installed manufacturing equipment at this facility with the capacity required for commercial production of ESTRASORB. Now that this new equipment is installed, we need to validate that the ESTRASORB made using this new equipment is identical to that used in our clinical trials. If we are unable to make ESTRASORB on a commercial scale or are delayed in validating the product manufactured with our new equipment, the commercialization of ESTRASORB would be delayed.

In the near term, we will be manufacturing ESTRASORB only in the Philadelphia facility. If ESTRASORB is approved by the FDA, we plan to qualify at least one additional site for the manufacture of ESTRASORB. If we are unable to utilize the Philadelphia facility to manufacture ESTRASORB prior to our qualification of a second site, however, we would not have immediate access to ESTRASORB and would be required to reestablish our validation process at a

different facility that would cause us to lose sales of ESTRASORB and would adversely affect our business.

We currently utilize third party contract manufacturers to manufacture our other products. Any contract manufacturer's facility that we may use, including the Cardinal Health facility, must adhere to the FDA's regulations on current good manufacturing practices, which are enforced by the FDA through its facilities inspection program. These facilities are subject to periodic inspection by the FDA. The manufacture of products at these facilities will be subject to strict quality control testing and record-keeping requirements. We may not be able to enter into alternative manufacturing arrangements at commercially acceptable rates, if at all. Moreover, the manufacturers we use may not provide sufficient quantities of product to meet our specifications or our delivery, cost and other requirements.

If we decide to manufacture our own products, we will need to acquire additional manufacturing facilities and to improve our manufacturing technology. Establishing additional manufacturing facilities will require us to spend substantial funds, hire and retain a significant number of additional personnel and comply with extensive regulations applicable to such facilities here and abroad, including the current good laboratory practices and good manufacturing practices required by the FDA. If we elect to or need to manufacture our own products, we risk the possibility that we may not be able to do so in a timely fashion at acceptable quality and prices or in compliance with good laboratory practices and good manufacturing practices.

WE HAVE NOT COMPLETED THE DEVELOPMENT OF MANY OF OUR PRODUCTS AND WE MAY NOT SUCCEED IN OBTAINING THE FDA APPROVAL NECESSARY TO SELL ANY ADDITIONAL PRODUCTS.

The development, manufacture and marketing of our pharmaceutical products are subject to government regulation in the United States and other countries. In the United States and most foreign countries, we must complete rigorous preclinical testing and extensive human clinical trials that demonstrate the safety and efficacy of a product in order to apply for regulatory approval to market the product. Only a few of our products have been approved for sale and our application to sell ESTRASORB in the United States is currently being reviewed by the FDA. Our product candidate, ANDROSORB, has completed two Phase I human clinical studies. Our other product candidates are in preclinical laboratory or animal studies. Before applying for FDA approval to market any additional product candidates, we must conduct larger-scale Phase II and III human clinical trials that demonstrate the safety and efficacy of our products to the satisfaction of the FDA or other regulatory authorities. These processes are expensive and can take many years to complete. We may not be able to demonstrate the safety and efficacy of our products to the satisfaction of the FDA or other regulatory authorities. We may also be required to demonstrate that our proposed products represent an improved form of treatment over existing therapies and we may be unable to do so without conducting further clinical studies.

We may fail to obtain regulatory approval for our products on a timely basis. Delays in obtaining regulatory approval can be extremely costly in terms of lost sales opportunities and increased clinical trial costs. The speed with which we complete our clinical trials and our applications for marketing approval will depend on several factors, including the following:

- the rate of patient enrollment, which is a function of many factors, including the size of the patient population, the proximity of patients to clinical sites, the eligibility criteria for the study and the nature of the protocol;

- institutional review board approval of the protocol and the informed consent form;

- prior regulatory agency review and approval;

- analysis of data obtained from preclinical and clinical activities that are susceptible to varying interpretations, which interpretations could delay, limit or prevent regulatory approval;

- changes in the policies of regulatory authorities for drug approval during the period of product development; and

- the availability of skilled and experienced staff to conduct and monitor clinical studies and to prepare the appropriate regulatory applications.

We have limited experience in conducting and managing the preclinical and clinical trials necessary to obtain regulatory marketing approvals. We may not be able to obtain the approvals necessary to conduct clinical studies. Also, the results of our clinical trials may not be consistent with the results obtained in preclinical studies or the results obtained in later phases of clinical trials may not be consistent with those obtained in earlier phases. A number of companies in the specialty pharmaceutical industry have suffered significant setbacks in advanced clinical trials, even after experiencing promising results in early animal and human testing. If regulatory approval of a drug is granted, such approval is likely to limit the indicated uses for which it may be marketed. Furthermore, even if a product of ours gains regulatory approval, the product and the manufacturer of the product will be subject to continuing regulatory review. We may be restricted or prohibited from marketing or manufacturing a product, even after obtaining product approval, if previously unknown problems with the product or its manufacture are subsequently discovered.

OUR SUCCESS DEPENDS ON OUR ABILITY TO MAINTAIN THE PROPRIETARY NATURE OF OUR TECHNOLOGY.

Our success will, in large part, depend on our ability to maintain the proprietary nature of our technology and other trade secrets. To do so, we must prosecute and maintain existing patents, obtain new patents and pursue trade secret protection. We also must operate without infringing the proprietary rights of third parties or letting third parties infringe our rights. We currently have 55 U.S. patents and approximately 150 foreign patents and patent applications covering our technologies. We recently filed eight new patent applications in the US and worldwide directed towards innovative discoveries made in the field of human Papillomavirus virus-like particles. However, patent issues relating to pharmaceuticals involve complex legal, scientific and factual questions. To date, no consistent policy has emerged regarding the breadth of biotechnology patent claims that are granted by the United States Patent and Trademark Office or enforced by the federal courts. Therefore, we do not know whether our applications will result in the issuance of patents, or that any patents issued to us will provide us with any competitive advantage. We also cannot be sure that we will develop additional proprietary products that are patentable. Furthermore, there is a risk that others will independently develop or duplicate similar technology or products or circumvent the patents issued to us.

There is a risk that third parties may challenge our existing patents or may claim that we are infringing their patents or proprietary rights. We could incur substantial costs in defending patent infringement suits or in filing

suits against others to have their patents declared invalid or claim infringement. It is also possible that we may be required to obtain licenses from third parties to avoid infringing third-party patents or other proprietary rights. We cannot be sure that such third-party licenses would be available to us on acceptable terms, if at all. If we are unable to obtain required third-party licenses, we may be delayed in or prohibited from developing, manufacturing or selling products requiring such licenses.

Although our patents include claims covering various features of our product candidates, including composition, methods of manufacture and use, our patents do not provide us with complete protection against the development of competing products. For example, our patents do not prohibit third parties from developing and selling products for estrogen replacement therapy that deliver estrogen through a topical emulsion, ointment or similar medium.

Some of our know-how and technology is not patentable. To protect our proprietary rights in unpatentable intellectual property and trade secrets, we require employees, consultants, advisors and collaborators to enter into confidentiality agreements. These agreements may not provide meaningful protection for our trade secrets, know-how or other proprietary information in the event of any unauthorized use or disclosure.

HEALTH CARE INSURERS AND OTHER PAYORS MAY NOT PAY FOR OUR PRODUCTS OR MAY IMPOSE LIMITS ON REIMBURSEMENT.

Our ability to commercialize ESTRASORB and our future products will depend, in part, on the extent to which reimbursement for such products will be available from third-party payors, such as Medicare, Medicaid, health maintenance organizations, health insurers and other public and private payors. If we succeed in bringing ESTRASORB or other products in the future to market, we cannot be assured that third-party payors will pay for ESTRASORB or will establish and maintain price levels sufficient for realization of an appropriate return on our investment in product development. For example, ESTRASORB, if approved for commercial sale in the United States, would be sold as an outpatient prescription drug. Medicare does not cover the costs of most outpatient prescription drugs. We expect that ESTRASORB will be treated the same as other estrogen replacement therapy products with respect to government and third-party payor reimbursement. However, we cannot be assured that ESTRASORB will receive similar reimbursement treatment.

Many health maintenance organizations and other third-party payors use formularies, or lists of drugs for which coverage is provided under a health care benefit plan, to control the costs of prescription drugs. Each payor that maintains a drug formulary makes its own determination as to whether a new drug will be added to the formulary and whether particular drugs in a therapeutic class will have preferred status over other drugs in the same class. This determination often involves an assessment of the clinical appropriateness of the drug and sometimes the cost of the drug in comparison to alternative products. We cannot be assured that ESTRASORB or any of our future products will be added to payors' formularies, that our products will have preferred status to alternative therapies, or that the formulary decisions will be conducted in a timely manner. We may also decide to enter into discount or formulary fee arrangements with payors, which could result in us receiving lower or discounted prices for ESTRASORB or future products.

WE MAY HAVE PRODUCT LIABILITY EXPOSURE.

The administration of drugs to humans, whether in clinical trials or after marketing clearances are obtained, can result in product liability claims. We maintain product liability insurance coverage in the total amount of $18.0 million for claims arising from the use of our currently marketed products and products in clinical trials prior to FDA approval. Coverage is becoming increasingly expensive, however, and we may not be able to maintain insurance at a reasonable cost. We cannot be assured that we will be able to maintain our existing insurance coverage or obtain coverage for the use of our other products in the future. This insurance coverage and our resources may not be sufficient to satisfy liabilities resulting from product liability claims. A successful claim may prevent us from obtaining adequate product liability insurance in the future on commercially desirable terms, if at all. Even if a claim is not successful, defending such a claim may be time-consuming and expensive and may damage our reputation in the marketplace.

WE HAVE MADE LOANS TO CERTAIN OF OUR DIRECTORS, AND HAVE GUARANTEED A BROKERAGE MARGIN LOAN FOR ONE OF THESE DIRECTORS THAT COULD HAVE A NEGATIVE IMPACT ON OUR STOCK PRICE.

In 2002, pursuant to our Stock Option Plan, we approved the payment of the exercise price of options by two directors through the delivery of full recourse interest bearing promissory notes, in the aggregate amount of approximately $1.5 million, secured by a pledge of the underlying shares. In addition, in 2002 we executed a conditional guaranty of a brokerage margin account for a director in the amount of $500,000. Due to heightened sensitivity in the current environment surrounding related party transactions, these transactions could be viewed negatively in the market and our stock price could be negatively affected.

THE PRICE OF OUR COMMON STOCK HAS BEEN, AND MAY CONTINUE TO BE, VOLATILE.

Historically, the market price of our common stock has fluctuated over a wide range. In fiscal 2002, our common stock traded in a range from a low of $1.59 to a high of $14.00. In fiscal 2003, our common stock has traded in a range from a low of $2.52 to a high of $6.87 as of August 8, 2003. It is likely that the price of our common stock will fluctuate in the future. The market prices of securities of small capitalization specialty pharmaceutical companies, including ours, from time to time experience significant price and volume fluctuations unrelated to the operating performance of particular companies. In particular, over the next year, the market price of our common stock may fluctuate significantly due to a variety of factors, including:

- governmental agency actions, including the FDA's determination with respect to our pending NDA for ESTRASORB;
- our ability to obtain financing; and
- sales of our products, particularly ESTRASORB, if it is approved for sale.

In addition, the occurrence of any of the risks described in this "Risk Factors" section could have a dramatic and adverse impact on the market price of our common stock.

OUR SUBSTANTIAL DEBT COULD ADVERSELY AFFECT OUR CASH FLOW AND PREVENT US

FROM FULFILLING OUR OBLIGATIONS.

We currently have $41.6 million of outstanding debt. Our substantial amount of debt could have important consequences to you. For example, it:

- could increase our vulnerability to general adverse economic and industry conditions;

- will require us to dedicate a substantial portion of our cash flow from operations to service payments on our debt, reducing the availability of our cash flow to fund future capital expenditures, working capital, execution of our growth strategy, research and development costs and other general corporate requirements;

- could limit our flexibility in planning for, or reacting to, changes in our business and the pharmaceutical industry, which may place us at a competitive disadvantage compared with competitors that have less debt; and

- could limit our ability to borrow additional funds, even when necessary to maintain adequate liquidity.

We may incur additional debt for various reasons, which, if over a certain amount, must be approved by King. Any such additional debt could be senior to the common stock being offered in this offering and would increase the risks associated with our substantial leverage.

OUR INABILITY TO RECRUIT AND RETAIN MEMBERS OF OUR MANAGEMENT TEAM AND KEY PERSONNEL COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS.

Our future success will depend in part on our ability to attract and retain highly skilled employees, particularly those in management, sales, regulatory, manufacturing and technical positions. The loss of services of members of our management team could adversely affect our business and impede or delay achievement of our corporate mission. Furthermore, recruiting and retaining qualified scientific and other key employees will be critical to our success, and competition for such employees in our targeted industry and in our geographic regions is intense. In addition, many of the companies with which we compete for highly qualified personnel have greater financial and other resources than we do. We may be unable to attract and retain key employees on acceptable terms given the level and nature of such competition.

ANTI-TAKEOVER PROVISIONS COULD MAKE A THIRD-PARTY ACQUISITION OF US MORE DIFFICULT.

In 2002, we adopted a Shareholder Rights Plan that provided for the issuance of rights to purchase shares of Series D Junior Participating Preferred Stock of the Company. Under the plan, we distributed one preferred share purchase right for each outstanding share of common stock. Each purchase right entitles the holder to purchase from the Company one one-thousandth (1/1000th) of a preferred share at a price of $40 per one one-thousandth (1/1,000th) of a share, subject to adjustment. The rights become exercisable, with certain exceptions, ten business days after any party, without prior approval of our Board of Directors, acquires or announces an offer to acquire beneficial ownership of 15% or more of the Company's common stock. In the event that any

party acquires 15% or more of the Company's common stock, the Company enters into a merger or other business combination, or if a substantial portion of the Company's assets is sold after the time that the rights become exercisable, the rights provide that the holder will receive, upon exercise, shares of the common stock of the surviving or acquiring company, as applicable, having a market value of twice the exercise price of the right. The Shareholder Rights Plan may discourage or prevent certain types of transactions involving an actual or potential change in control, which transactions may be beneficial to our shareholders, by causing substantial dilution to a party that attempts to acquire us on terms not approved by our Board.

ABOUT THIS PROSPECTUS

This prospectus is part of a "shelf" registration statement that we filed with the Securities and Exchange Commission (the "SEC"). By using a shelf registration statement, we may, from time to time, sell shares of our common stock in one or more offerings with a maximum aggregate offering price of $50,000,000. Each time we sell any of our common stock, we will provide a prospectus supplement that will contain specific information about the offering. This prospectus and the prospectus supplements provide you with a general description of the company and our common stock; for further information about our business and our securities, you should refer to the registration statement, the reports incorporated by reference in this prospectus, and its exhibits. The exhibits to our registration statement contain the full text of certain contracts and other important documents we have summarized in this prospectus. Since these summaries may not contain all the information that you may find important in deciding whether to purchase the securities we may offer, you should review the full text of these documents. The registration statement can be obtained from the SEC as indicated under the heading "Where You Can Find More Information."

You should rely only on the information contained or incorporated by reference in this prospectus and the prospectus supplement. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We will not make an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus, as well as information we previously filed with the SEC and incorporated by reference in this prospectus, is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

We caution you that this prospectus contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management's beliefs and assumptions and on information currently available to management, and use words such as "expect," "anticipate," "intend," "plan," "believe," "estimate," "may," "could," "possible," "forecast," or similar words and expressions. Forward-looking statements include information concerning possible or assumed future results of operations, future product development and related clinical trials and statements regarding future research and development. Forward-looking statements

are only predictions, and necessarily involve risks and uncertainties and other factors that may cause the actual results, performance or achievements of Novavax, or industry results, to be materially different from those anticipated in the forward-looking statements. These risks and uncertainties are discussed in the "Risk Factors" section and elsewhere in this prospectus.

USE OF PROCEEDS

Except as otherwise described in an applicable prospectus supplement, we currently intend to use the net proceeds from this offering for general corporate purposes, including but not limited to:

- our internal research and development programs, such as preclinical and clinical testing and studies of our product candidates and the development of new technologies,

- pre-launch, marketing, and other expenses related to product candidate ESTRASORB, if approved by the FDA,

- general working capital, and

- possible future acquisitions of complementary businesses, product lines or technologies, although no such transactions are currently under negotiation.

We have not determined the amounts we plan to spend on any of the areas listed above or the timing of these expenditures, which may vary significantly depending on various factors such as our research and development results, regulatory approvals, competition, marketing and sales, and the market acceptance of any products introduced by us. As a result, our management will have broad discretion to allocate the net proceeds from this offering. Pending application of the net proceeds as described above, we intend to invest the net proceeds of this offering in short-term, interest-bearing, investment-grade securities.

PLAN OF DISTRIBUTION

We may sell the securities being offered hereby from time to time in one or more of the following ways:

- through one or more underwriters,

- through dealers, who may act as agents or principal (including a block trade in which a broker or dealer so engaged will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction),

- directly to one or more purchasers,

- through agents,

- in privately negotiated transactions, and

- in any combination of these methods of sale.

We will set forth in a prospectus supplement the terms of the offering of securities, including:

- the name or names of any agents, underwriters or dealers,

- the purchase price of the common stock being offered and the proceeds we will receive from the sale,

- any underwriting discounts and commissions or agency fees and other items constituting underwriters' or agents' compensation,

- any over-allotment options under which underwriters may purchase additional securities from us, and

- any discounts or concessions allowed or reallowed or paid to dealers.

The distribution of the common stock may be effected from time to time in one or more transactions at a fixed price or prices, which may be changed, at market prices prevailing at the time of sale, at prices related to the prevailing market prices, or at negotiated prices.

Underwriters, dealers and agents that participate in the distribution of the common stock may be underwriters as defined in the Securities Act of 1933, as amended (the "Securities Act") and any discounts or commissions they receive from us and any profit on their resale of the common stock may be treated as underwriting discounts and commissions under the Securities Act. We will identify in the applicable prospectus supplement any underwriters, dealers or agents and will describe their compensation. We may have agreements with underwriters, dealers and agents to indemnify them against specified civil liabilities, including liabilities under the Securities Act. Underwriters, dealers and agents may engage in transactions with or perform services for us in the ordinary course of their businesses. We have not entered into any agreements, understandings or arrangements with any underwriters or broker-dealers regarding the sale of their securities. As of the date of this prospectus, there are no special selling arrangements between any broker-dealer or other person and the Company. No period of time has been fixed within which the shares will be offered or sold.

If required under applicable state securities laws, we will sell the common stock only through registered or licensed brokers or dealers. In addition, in some states, we may not sell shares of common stock unless they have been registered or qualified for sale in the applicable state or unless we have complied with an exemption from any registration or qualification requirements.

AGENTS

We may designate agents who agree to solicit purchases for the period of their appointment or to sell common stock on a continuing basis. Unless the prospectus supplement provides otherwise, agents will act on a best efforts basis for the period of their appointment. Agents may receive compensation in the form of commissions, discounts or concessions from us. Agents may also receive compensation from the purchasers of the common stock for whom they sell

as principals. Each particular agent will receive compensation in amounts negotiated in connection with the sale, which might be in excess of customary commissions.

UNDERWRITERS

If we use underwriters for a sale of common stock, the underwriters will acquire the common stock for their own account. The underwriters may resell the common stock in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The obligations of the underwriters to purchase the common stock will be subject to the conditions set forth in the applicable underwriting agreement. Unless the prospectus supplement provides otherwise, underwriters will be obligated to purchase all of the shares of common stock offered by the prospectus supplement. We may change from time to time any initial public offering price and any discounts or concessions the underwriters allow or reallow or pay to dealers. We may use underwriters with whom we have a material relationship, and we may offer the securities to the public through an underwriting syndicate or through a single underwriter. We will describe in the prospectus supplement naming the underwriter the nature of any such relationship and underwriting arrangement.

DEALERS

We also may sell securities to a dealer as principal. If we sell our common stock to a dealer as a principal, then the dealer may resell those shares to the public at varying prices to be determined by such dealer at the time of resale. The name of the dealer and the terms of the transactions will be set forth in the applicable prospectus supplement.

DIRECT SALES AND INSTITUTIONAL PURCHASES

We may also sell common stock directly to one or more purchasers, in which case underwriters or agents would not be involved in the transaction.

Further, we may authorize agents, underwriters or dealers to solicit offers by certain types of institutional investors to purchase common stock from us at the public offering price set forth in the prospectus supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future. We will describe the conditions to these contracts and the commissions we must pay for solicitation of these contracts in the prospectus supplement.

STABILIZATION ACTIVITIES

Any underwriter may engage in overallotment, stabilizing transactions, short covering transactions and penalty bids in accordance with Regulation M under the Exchange Act of 1934, as amended (the "Exchange Act"). Overallotment involves sales in excess of the offering size, which create a short position. Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Short covering transactions involve purchases of the common stock in the open market after the distribution is completed to cover short positions. Penalty bids permit the underwriters to reclaim a selling concession from a dealer when the common stock originally sold by the dealer are purchased in a covering transaction to cover short positions. Those activities may cause the price of the common stock to be higher than it would otherwise be. If commenced, the underwriters may discontinue any of the activities at any time. These transactions may be effected on the Nasdaq Stock Market or otherwise.

PASSIVE MARKET MAKING

Any underwriters who are qualified market markers on the Nasdaq National Market may engage in passive market making transactions in the common stock on the Nasdaq National Market in accordance with Rule 103 of Regulation M, during the business day prior to the pricing of the offering, before the commencement of offers or sales of the common stock. Passive market makers must comply with applicable volume and price limitations and must be identified as passive market makers. In general, a passive market maker must display its bid at a price not in excess of the highest independent bid for such security; if all independent bids are lowered below the passive market maker's bid, however, the passive market maker's bid must then be lowered when certain purchase limits are exceeded.

COSTS

We will bear all costs, expenses and fees in connection with the registration of the common stock, as well as the expense of all commissions and discounts, if any, attributable to the sales of the common stock by us.

DESCRIPTION OF OUR CAPITAL STOCK

Our authorized capital stock consists of: (i) 50,000,000 shares of common stock, par value $.01 per share, of which 30,142,300 shares were outstanding as of August 8, 2003, and (ii) 2,000,000 shares of preferred stock, par value $.01 per share, none of which are outstanding.

Our common stock is traded on the Nasdaq National Market under the symbol NVAX. On August 8, 2003, the closing price of our common stock as reported on the Nasdaq National Market was $5.66 per share.

COMMON STOCK

Holders of common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders and do not have cumulative voting rights. Accordingly, holders of a majority of the shares of our common stock entitled to vote in any election of directors may elect all of the directors standing for election. Holders of our common stock are entitled to receive ratably such dividends, if any, as may be declared by the Board of Directors out of funds legally available therefor, subject to any preferential dividend rights of any outstanding preferred stock. Upon the liquidation, dissolution or winding up of our Company, the holders of our common stock are entitled to receive ratably the net assets of our Company available after the payment of all debts and liabilities and subject to the prior rights of any outstanding preferred stock. Shares of our common stock are, and the shares being distributed in this offering will be, when issued, fully paid and nonassessable. The rights, preferences and privileges of holders of our common stock are subject, and may be adversely affected by, the rights of holders of shares of any series of preferred stock which we may designate and issue in the future.

PREFERRED STOCK

The Board of Directors may, without further action by the stockholders

of our Company, issue preferred stock in one or more series and fix the rights and preferences thereof, including the dividend rights, dividend rates, conversion rights, voting rights, pre-emptive rights, terms of redemption (including sinking fund provisions), redemption prices and liquidation preferences. Our Amended and Restated Certificate of Incorporation grants the Board of Directors authority to issue preferred stock and to determine its rights and preferences without the need for further stockholder approval to eliminate delays associated with a stockholder vote on specific issuances. The issue of preferred stock, while providing desirable flexibility in connection with possible financings, could have the effect of making it more difficult for a third party to acquire, or of discouraging a third party from acquiring, a majority of the outstanding voting stock of our Company. We have no present plans to issue any shares of preferred stock.

OPTIONS AND WARRANTS

The Novavax 1995 Stock Option Plan (the "Plan") was adopted by the Board of Directors and approved by the stockholders in September, 1995 and will terminate in 2005. The Plan was amended by resolution of the Board of Directors adopted in March 1998 and approved by the stockholders in May 1998 to increase the number of shares as to which options may be granted from 4,000,000 to 4,400,000. The Plan was again amended by resolution of the Board of Directors adopted in March 2000 and approved by the stockholders in May 2000 to increase the number of shares as to which options may be granted from 4,400,000 to 6,000,000. The Plan was again amended by resolution of the Board of Directors adopted in March 2002 and approved by the stockholders in May 2002 to increase the number of shares as to which options may be granted from 6,000,000 to 8,000,000. Most recently, the Plan was amended by resolution of the Board of Directors adopted in March 2003 and approved by the stockholders in May 2003 to increase the number of shares as to which options may be granted from 8,000,000 to 9,000,000.

Options granted under the Plan may be either incentive stock options within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, or options that do not meet the requirements for incentive stock option treatment, to officers, directors, employees and consultants or advisors to our Company and any present or future subsidiary to purchase a maximum of 9,000,000 shares of our common stock. As of August 8, 2003, under both this plan and a prior stock option plan for directors, there were outstanding options to purchase 4,684,908 shares of our common stock at an average exercise price of $5.46 per share. There were 1,819,009 shares available for future grant as of August 8, 2003.

In addition, we have granted warrants to consultants. At August 8, 2003, there were outstanding warrants to purchase 70,000 shares of our common stock at an exercise price of $6.00 per share.

CONVERTIBLE NOTES

We have issued four convertible notes to King Pharmaceuticals, Inc. that are currently convertible into an aggregate of 5,075,241 shares of our common stock. The conversion price of each of the notes represents an 18% premium to the 20 day trading average preceding the agreed-upon lock-in dates prior to the issuance of each of the notes. The notes carry a 4% coupon payable semi-annually in cash and stock. The notes allow the Company the option, under certain circumstances, to pay up to 50% of the interest due in our common stock.

We can require King to convert the notes into our common stock at any time from January 1, 2002 through December 31, 2004 if the closing price of our common stock exceeds 180% of the conversion price then in effect for at least 30 trading days in any period of 45 consecutive trading days. After December 31, 2004, we can redeem the notes at 102%, 101% and 100% of face value during the years ended December 31, 2005, 2006 and 2007, respectively.

SHAREHOLDER RIGHTS PLAN

We have adopted a Shareholder Rights Plan pursuant to which the Board of Directors declared a dividend distribution of one preferred stock purchase right for each outstanding share of common stock. Each right, once exercisable, entitles the holder to purchase from us one one-thousandth (1/1,000th) of a share of Series D Junior Participating Preferred Stock (the "Preferred Stock"), at a price of $40.00, subject to certain adjustments.

The rights, unless earlier redeemed by the Board, become exercisable upon the close of business on the day which is the earlier of (i) the tenth business day following a public announcement that a person or group of affiliated or associated persons (with certain exceptions) has acquired beneficial ownership of 15% or more of the outstanding voting stock of the Company, and (ii) the tenth business day after the date of the commencement by any person of a tender or exchange offer, the consummation of which would result in such person or g