NOVAVAX INC
Form 424B5
July 09, 2013

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Registration No. 333-189371

PROSPECTUS

OFFER TO EXCHANGE

15,672,591 shares of its common stock
for
all of the outstanding shares and stock options of Isconova AB

We are offering to exchange 1.2388 shares of common stock of Novavax, Inc., or Novavax, for each outstanding share of Isconova AB, or Isconova, a company organized under the laws of Sweden and 0.6232 shares of common stock of Novavax for each outstanding stock option for Isconova shares surrendered in connection with the offer, which we refer to collectively as the Exchange Offer. In connection with the Exchange Offer, we also intend to pay cash in the amount of SEK 0.74 in exchange for each outstanding 2005-I warrant in Isconova and SEK 3.78 in exchange for each outstanding 2005-II warrant in Isconova. We are conducting the Exchange Offer to acquire Isconova as a wholly owned subsidiary of Novavax.

Our common stock is traded on the NASDAQ Global Select Market under the symbol NVAX. On July 2, 2013, the closing price of our common stock as reported on the NASDAQ Global Select Market was $2.25 per share.

We have issued a press release that states the terms and conditions of the Exchange Offer. Novavax obligation to pay for and to exchange shares of its common stock for shares of Isconova and outstanding stock option for Isconova shares, and to pay cash for warrants to purchase Isconova shares, is subject to the conditions listed herein under Terms of the Exchange Offer Conditions to the Exchange Offer. This prospectus provides information about Novavax and Isconova and the Exchange Offer that Isconova shareholders should know when they decide whether or not to tender their shares and warrants or surrender their stock options in the Exchange Offer.

Please read this entire prospectus carefully, including the section entitled *Risk Factors* beginning on page 16 of this prospectus.

Neither the Securities and Exchange Commission (SEC) nor any state securities commission 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.

Notice to U.S. Investors: This Exchange Offer is made for the securities of a foreign company. The offer is subject to disclosure requirements of a foreign country that are different

from those of the United States. It may be difficult for you to enforce your rights and any claim you may have arising under the federal securities laws because Isconova is located in a foreign country and, some or all of its officers or directors may be residents for a foreign country. You may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the U.S. securities laws. It may be difficult to compel a foreign company or its affiliates to subject themselves to a U.S. court s judgment.

The Rules concerning takeover bids for shares in Swedish companies whose shares are traded on certain trading platforms, issued by the Swedish Corporate Governance Board (Sw. *Kollegiet för svensk bolagsstyrning*) on 27 March 2012 (the Takeover Rules) and the Swedish Securities Council s (Sw: Aktiemarknadsnämnden) rulings regarding interpretation and application of the Takeover Rules are applicable to the Exchange Offer.

The date of this prospectus is July 9, 2013

In addition to this prospectus, a Swedish offer document/prospectus has been filed for approval and registration with the Swedish Financial Supervisory Authority in accordance with Chapter 2 the Swedish Financial Instruments Trading Act (1991:980). The Swedish offer document/prospectus will be filed with the Securities and Exchange Commission once it has been filed in final form with the Swedish Financial Supervisory Authority.

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You should rely only on the information contained in this prospectus, including the documents incorporated by reference. We have not authorized anyone to provide you with any different information. We are offering to exchange Isconova shares for shares of Novavax common stock only in jurisdictions where the Exchange Offer is permitted. The information contained in this prospectus is accurate only as of the date of such document, and the information contained in any document incorporated herein by reference is accurate only as of the date of such document incorporated by reference. Our business, financial condition, liquidity, results of operations, and prospects may have changed since those dates.

This prospectus incorporates important business and financial information about us that is not included or delivered with this prospectus. This information is available without charge to security holders upon written or oral request. Requests for copies should be directed to Novavax, Inc., 9920 Belward Campus Drive, Rockville, Maryland 20850, Attention: Investor Relations, Telephone: (240) 268-2000. To obtain timely delivery, security holders must request the information no later than five business days before July 30, 2013, the date they must make their investment decision. These filings are also made available, free of charge, on our website at *www.novavax.com*. The information contained in, and that can be accessed through, our website is not incorporated into and does not form a part of this prospectus.

Trademarks

This prospectus contains the trademarks of Isconova, which, to our knowledge, are the property of Isconova. Solely for convenience, the trademarks of Isconova referred to in this prospectus are listed without the ® and ™ symbols.

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SUMMARY

This summary provides an overview of selected information and does not contain all the information you should consider. For a more complete understanding of the Exchange Offer, you should carefully read the entire prospectus, including the section entitled Risk Factors *and the financial data and other documents incorporated by reference in this prospectus, and the Swedish offer document/prospectus that has been filed for approval and registration with the Swedish Financial Supervisory Authority.*

Unless otherwise indicated or unless the context requires otherwise, all references in this prospectus to the Company, Novavax, we, us and our refer to Novavax, Inc. and our board of directors refers to the board of directors of Novavax, Inc. All references to Isconova refer to Isconova AB (or its subsidiaries when applicable).

References in this prospectus to USD or to $ are to United States dollars. References in this prospectus to SEK are to Swedish kronas.

The Companies

Novavax, Inc.

Novavax is a clinical-stage biopharmaceutical company creating vaccines to address a broad range of infectious diseases worldwide. Using innovative recombinant nanoparticle technology, as well as new and efficient manufacturing approaches, the Company produces vaccine candidates to combat diseases, with the goal of allowing countries to better prepare for and more effectively respond to rapidly spreading infections. Novavax is committed to using its technology platform to create geographic-specific vaccine solutions and is therefore involved in several international partnerships, including collaborations with Cadila Pharmaceuticals of India, LG Life Sciences of Korea and PATH. Together, these organizations support Novavax worldwide commercialization strategy and have the global reach to create real and lasting change in the biopharmaceutical field.

Novavax was incorporated in 1987 under the laws of the State of Delaware. Our principal executive offices are located at 9920 Belward Campus Drive, Rockville, Maryland, 20850. Our telephone number is (240) 268-2000 and our website address is www.novavax.com. The information contained in, and that can be accessed through, our website is not incorporated into and does not form a part of this prospectus.

Additional information concerning Novavax is included in Novavax reports filed under the Exchange Act that are incorporated by reference into this prospectus. See the section entitled Where You Can Find More Information on page 67.

Isconova AB

Isconova is an international vaccine adjuvant company with extensive knowledge of vaccine systems. The company, located in Uppsala, Sweden, has a patented technology platform, Matrix,which is used for the development of vaccines in the human and veterinary fields. The company has developed several adjuvants, all of which are based on the proprietary immune-stimulating technology platform, Matrix. Isconova has a patented technology, a robust product platform, production and sale of adjuvants and a number of collaboration projects with leading international vaccine and pharmaceutical companies.

The principal executive offices of Isconova are located at Kungsgatan, 109, SE-753 18, Uppsala, Sweden. Its telephone number is (+46) 18 16 17 00 and its website address is www.isconova.com. The information contained in, and that can be accessed through, its website is not incorporated into and does not form a part of this prospectus.

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SUMMARY OF THE EXCHANGE OFFER

The following summary contains the principal terms of the Exchange Offer and is not intended to be complete. It does not contain all of the information that is important to you. For a more detailed description of the Exchange Offer, please refer to the section entitled Terms of the Exchange Offer in this prospectus.

We are offering to exchange 1.2388 shares of common stock of Novavax, Inc., or Novavax, for each outstanding share of Isconova AB, or Isconova, a company organized under the laws of Sweden and 0.6232 shares of common stock of Novavax for each outstanding stock option for Isconova shares surrendered in connection with the offer, which we refer to collectively as the Exchange Offer. In connection with the Exchange Offer, we also intend to pay cash in the amount of SEK 0.74 in exchange for each outstanding 2005-I warrant in Isconova and SEK 3.78 in exchange for each outstanding 2005-II warrant in Isconova. We are conducting the Exchange Offer to acquire Isconova as a wholly owned subsidiary of Novavax.

Upon expiration of the acceptance period in the Exchange Offer, assuming the satisfaction or waiver of the conditions to the completion of the Exchange Offer, Novavax will publicly announce the outcome of the Exchange Offer and will promptly begin settlement. The acceptance period expires at 24:00, Central European Summer Time (6:00 pm, Eastern Time) on July 30, 2013, three weeks following the mailing of the Swedish offer document/prospectus, unless Novavax exercises its right to extend the acceptance period. Upon the successful completion of the Exchange Offer, Novavax intends to initiate a compulsory acquisition process under Swedish law so that Novavax may acquire any securities that remain outstanding after the completion of the Exchange Offer.

Conditions to the Exchange Offer

The Exchange Offer is subject to a number of conditions described in more detail later in this prospectus under the heading *Terms of the Exchange Offer Conditions of the Exchange Offer*.

Material U.S. Federal Income Tax Considerations

For a discussion of the material federal income tax considerations relating to the Exchange Offer, see *Certain Material U.S. Federal Income Tax Considerations*.

Material Swedish Tax Considerations

For a discussion of the material Swedish tax considerations relating to the Exchange Offer, see *Certain Material Swedish Tax Considerations*.

Anticipated Accounting Treatment

The acquisition of Isconova shares, options and warrants acquired in the Exchange Offer will be accounted for under the purchase method of accounting under accounting principles generally accepted in the U.S. (U.S. GAAP), which means that Isconova s results of operations will be consolidated with Novavax from the date of the closing of the Exchange Offer and their respective assets and liabilities, including identified intangible assets, will be recorded at their then fair values at the same time with the excess purchase price allocated to goodwill.

Regulatory Approvals

No filing under the Hart-Scott-Rodino Antitrust Improvements Act, or the HSR Act, or under Swedish or European Union law, is required in connection with the Exchange Offer. However, the Antitrust Division of the Department of Labor and the Federal Trade Commission, which regulate the HSR Act, may challenge the Exchange Offer on antitrust grounds notwithstanding the fact that no filings were required. Additionally, at any time before or after the completion of the Exchange Offer, any state could take action under the antitrust laws as it deems necessary or desirable in the public interest,

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or other persons could take action under the antitrust laws, including seeking to enjoin the Exchange Offer. We cannot assure you that a challenge to the Exchange Offer will not be made, or that, if a challenge is made, we will prevail. We do not believe any other regulatory filings are required in connection with the Exchange Offer that would materially affect our ability to complete the Exchange Offer or affect the post-closing operations of the combined business.

Appraisal Rights

Novavax stockholders are not entitled to any rights to seek appraisal of their shares or to exercise any preemptive rights in connection with the issuance of shares of Novavax common stock in connection with the Exchange Offer. If Novavax acquires more than 90% of the outstanding shares in Isconova on a fully diluted basis (including all issued and outstanding warrants and options), Novavax intends to exercise its right to a compulsory acquisition under Swedish law to acquire the shares of Isconova shareholders who did not tender such shares in the Exchange Offer. For a discussion of Isconova shareholders appraisal rights, see *Terms of the Exchange Offer Appraisal Rights.*

Ownership of Directors and Officers

At the close of business on April 16, 2013, directors and executive officers of Novavax and their affiliates beneficially owned and were entitled to vote approximately 10.6% of the 151,259,817 shares of Novavax common stock outstanding on that date. At the close of business on March 31, 2013, directors and executive officers of Isconova and their affiliates beneficially owned and were entitled to vote approximately 12.7% of the 12,475,356 Isconova shares outstanding on that date. Neither a vote of Novavax stockholders nor a vote of Isconova shareholders is required to approve the Exchange Offer.

Irrevocable Undertakings

In connection with the Exchange Offer, each of InnKap 4 Partners L.P. (InnKap), Farstorps Gård AB and, together, LMK Ventures AB, LMK Forward AB and Peter Ragnarsson have executed Irrevocable Undertakings pursuant to which they have agreed (i) not to sell, transfer, encumber or grant any option or other right over or otherwise deal with or dispose of any Isconova shares, other than pursuant to the Exchange Offer, (ii) not to accept any other offer in respect of shares in Isconova, by whatever means it is to be implemented, (iii) not to solicit or encourage any third party to initiate or proceed with a public offer for or other purchase of any securities in Isconova, (iv) not to make any public offer for or purchase any securities in Isconova, (v) not to take any action or make any statement which may be prejudicial to the success of the Exchange Offer, (vi) not to make any public announcement or communication in connection with the Exchange Offer, or concerning Isconova which may be material to the Exchange Offer, without Novavax prior consent and (vii) to exercise all voting rights in Isconova shares to enable the Exchange Offer. These undertakings are conditional upon no other party announcing a

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competing offer at a price which is at least 5% higher than the Exchange Offer, which Novavax decides not to match (i.e., offer a price that at least corresponds to the price in the competing offer at the date of the announcement of such competing offer) within five business days.

In addition, the Irrevocable Undertaking from InnKap provides that for a period of three months from the date of the closing of the Exchange Offer, InnKap will not, without the prior written consent of Novavax, transfer its shares of Novavax common stock held as of the date of the closing of the Exchange Offer. InnKap may transfer its shares under certain circumstances, including gifts, transfers by will or intestate succession.

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SELECTED HISTORICAL FINANCIAL DATA OF NOVAVAX

The following table sets forth the selected historical financial data of Novavax for the three months ended March 31, 2013 and 2012 and for each of the years in the five-year period ended December 31, 2012. The information with respect to each of the years ended December 31, 2012, 2011 and 2010 and as of December 31, 2012 and 2011 have been derived from Novavax audited financial statements contained in its Annual Report on Form 10-K for the year ended December 31, 2012, which is incorporated by reference in this prospectus. The selected historical financial data for the years ended December 31, 2009 and 2008 and as of December 31, 2010, 2009 and 2008 have been derived from Novavax audited consolidated financial statements as of such dates and for those years, which have not been incorporated by reference in this prospectus. The selected historical financial data as of March 31, 2013 and for the three months ended March 31, 2013 and 2012 are derived from Novavax unaudited financial statements as of such dates and for those periods, which have been incorporated by reference in this prospectus. In the opinion of Novavax management, all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of the financial data for the three months ended March 31, 2013 and 2012 have been reflected therein. The information set forth below is only a summary and is not necessarily indicative of the results to be expected in the future and results of interim periods are not necessarily indicative of results for the entire year. You should read the following information together with Novavax audited financial statements, the related notes and the section entitled Management s Discussion and Analysis of Financial Condition and Results of Operations contained in Novavax Annual Report on Form 10-K for the year ended December 31, 2012 and Quarterly Report on Form 10-Q for the three months ended March 31, 2013, which are incorporated by reference in this prospectus. For more information, see the section entitled Where You Can Find More Information beginning on page 67.

	For the Three Months Ended and as of March 31, (unaudited)		For the Years Ended and as of December 31,				
	2013	2012	2012	2011	2010	2009	2008
	(in thousands, except per share amounts)						
Statements of Operations Data:							
Revenue	$3,833	$4,642	$22,076	$14,688	$343	$325	$1,064
Loss from continuing operations	(9,996)	(7,336)	(28,507)	(19,364)	(35,708)	(40,346)	(34,784)
Income from discontinued operations							273
Net loss	$(9,996)	$(7,336)	$(28,507)	$(19,364)	$(35,708)	$(40,346)	$(34,511)
Basic and diluted net loss per share:							
Loss per share from continuing operations	$(0.07)	$(0.06)	$(0.22)	$(0.17)	$(0.34)	$(0.47)	$(0.51)
Income per share from discontinued operations							
Basic and diluted net loss per share	$(0.07)	$(0.06)	$(0.22)	$(0.17)	$(0.34)	$(0.47)	$(0.51)
Weighted average shares used in computing basic and diluted net	148,448	120,558	131,726	113,610	104,768	85,555	68,174

loss per share							
Balance Sheet Data:							
Cash and investments[1]	$45,396	20,720	50,344	18,309	31,676	42,950	33,900
Total current assets	51,722	26,442	50,408	26,109	33,337	44,503	35,096
Working capital[2]	42,469	18,601	38,733	18,530	23,071	36,476	7,379
Total assets	98,704	68,637	102,345	66,576	74,844	85,605	76,625
Long-term debt, less current portion	1,512	400	990	300	320	406	480
Accumulated deficit	(368,159)	(336,992)	(358,163)	(329,656)	(310,292)	(274,584)	(234,238)
Total stockholders equity	77,568	54,324	80,240	53,849	59,050	69,952	42,948

(1) Includes non-current investments of $1,117 and $6,233 at March 31, 2013 and December 31, 2012, respectively.

(2) Working capital is computed as the excess of current assets over current liabilities.

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SELECTED HISTORICAL FINANCIAL DATA OF ISCONOVA

The following table sets forth the selected historical financial data of Isconova for the three months ended March 31, 2013 and 2012 and for each of the years in the five-year period ended December 31, 2012. The information with respect to the year ended December 31, 2012 and 2011 and as of December 31, 2012 and 2011 has been derived from Isconova s consolidated financial statements included in this prospectus. This information has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by IASB. The selected historical financial data for the years ended December 31, 2010, 2009 and 2008 and as of December 31, 2010, 2009 and 2008 have been derived from Isconova s consolidated financial statements as of such dates and for those years, which are not included in this prospectus. This information has been prepared in accordance with generally accepted accounting principles in Sweden, or Swedish GAAP. A discussion of significant differences between U.S. GAAP and Swedish GAAP as they relate to the Isconova financial statements is included below. The selected historical consolidated financial data as of March 31, 2013 and for the three months ended March 31, 2013 and 2012 are derived from Isconova s consolidated financial statements as of such dates and for those periods included in this prospectus. This information has been prepared in accordance with IFRS as issued by IASB. In the opinion of Isconova s management, all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of the financial data for the three months ended March 31, 2013 and 2012 have been reflected therein. The information set forth below is only a summary and is not necessarily indicative of the results to be expected in future and results of interim periods are not necessarily indicative of results for the entire year. You should read the following information together with Isconova s financial statements, the related notes and the section entitled Management s Discussion and Analysis of Financial Condition and Results of Operations included in this prospectus.

	For the Three Months Ended March 31, (unaudited)		For the Years Ended December 31,	
				(unaudited)
	2013	2012	2012	2011
	(in SEK 000s, except per share amounts)			
Statement of Operations Data:				
Net sales	7,085	5,737	18,511	22,967
Loss from continuing operations	(8,273)	(10,412)	(37,885)	(33,941)
Net loss	(8,273)	(10,412)	(37,885)	(33,941)
Net loss per share:				
Basic net loss per share	(0.66)	(2.50)	(7.81)	(8.29)
Diluted net loss per share	(0.66)	(2.50)	(7.81)	(8.29)
Weighted average shares used in computing:				
Basic net loss per share	12,475	4,158	4,851	4,093
Diluted net loss per share	12,565	4,158	4,851	4,093
Balance Sheet Data:				
Cash and cash equivalents	35,050	27,917	46,160	37,582
Total current assets	48,956	38,165	57,756	51,705
Working capital[(1)]	32,860	24,371	40,736	33,594
Total assets	55,738	46,760	64,914	60,238
Long-term debt, less current portion	1,310	2,463	1,225	2,673
Accumulated deficit	(169,940)	(133,683)	(161,668)	(123,783)

Total stockholders equity	28,180	20,131	36,372	30,032

(1) Working capital is computed as the excess of current assets over current liabilities.

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	For the Years Ended December 31, (unaudited)		
	2010	2009	2008
	(in SEK 000s, except per share amounts)		
Statements of Operations Data:			
Net sales	17,809	28,160	13,960
Loss from continuing operations	(28,558)	(17,892)	(19,967)
Net loss	(30,525)	(18,237)	(20,275)
Net loss per share:			
Basic net loss per share	(13.19)	(13.78)	(19.00)
Diluted net loss per share	(13.19)	(13.78)	(19.00)
Weighted average shares used in computing:			
Basic net loss per share	4,012	1,323	1,323
Diluted net loss per share	4,028	1,338	1,338
Balance Sheet Data:			
Cash and cash equivalents	67,645	11,210	10,426
Total current assets	78,903	19,379	19,088
Working capital[(1)]	61,193	(8,676)	7,274
Total assets	81,646	22,851	22,937
Long-term debt, less current portion	2,850	4,000	2,200
Total stockholders equity	61,356	(9,205)	8,922

(1) Working capital is computed as the excess of current assets over current liabilities.

Exchange Rate Information

The following table shows, for the periods indicated, information concerning the exchange rate between Swedish krona (SEK) and U.S. dollars. The information in the following table is expressed in SEK per U.S. dollars and is based on the exchange rate from Sveriges Riksbank. The high and low rates for the monthly periods presented in these tables were calculated by taking the high and low of the exchange rates for each month during the previous six months. The average rates for the five most recent financial years and subsequent interim periods for which financial statements are presented were calculated by taking the simple average of the exchange rates on the last day of each month during the relevant period.

On June 3, 2013, the exchange rate was SEK 6.6023 per $1.00. These translations should not be construed as a representation that the SEK amounts actually represent, or could be converted into, U.S. dollars at the rates indicated.

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	Average Rate	High	Low
Recent Monthly Data			
June 2013		6.7396	6.4225
May 2013		6.6965	6.5053
April 2013		6.6346	6.3608
March 2013		6.5162	6.3366
February 2013		6.4735	6.2940
January 2013		6.5663	6.3600
Interim Period Data			
Three months ended March 31, 2013	6.4371		
Three months ended March 31, 2012	6.6438		
Annual Data (Year ended December 31,)			
2012	6.6029		
2011	7.6340		
2010	7.2154		
2009	6.4664		
2008	6.7213		

Overview of Significant Differences between U.S. GAAP and Swedish GAAP

The financial information of Isconova for fiscal years 2008 through 2010 included in this prospectus have been derived from consolidated financial statements that were prepared and presented in accordance with Swedish GAAP. Certain differences exist between U.S. GAAP and Swedish GAAP that might be material to the financial information included in this prospectus for such periods. The principal significant differences between U.S. GAAP and Swedish GAAP that we believe would be material in the preparation of Isconova s consolidated financial statements are described below. However, the following summary does not include all differences between U.S. GAAP and Swedish GAAP and is not intended to provide a comprehensive listing of all such differences, but rather it is a listing of potential significant differences in accounting principles related to the consolidated financial statements of Isconova for those periods presented above.

Revenue recognition

Under U.S. GAAP, revenue is generally realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists; (ii) delivery has occurred or services have been rendered; (iii) the seller s price to the buyer is fixed or determinable; and (iv) collectability is reasonably assured. Impact of acceptance clauses and installation can result in deferral of entire revenue amount until installation is complete and final acceptance by customer.

If an arrangement includes multiple elements, the fee should be allocated to the various elements based on vendor-specific objective evidence of fair value, regardless of any separate prices stated within the contract for each element.

The revenue recognition criteria under Swedish GAAP is based on the probability that the economic benefits associated with the transaction will flow to the entity, and that the revenue and costs can be measured reliably.

Swedish GAAP also requires that the seller has transferred the significant risks and rewards of ownership to the buyer and retains neither management involvement in, nor control over the goods.

Life sciences companies often enter into complex arrangements that present unique revenue recognition issues. Because the products and services delivered under these arrangements are unique, determining the appropriate accounting requires an understanding of the specific facts and circumstances of each arrangement and careful analysis of the relevant accounting guidance. While the general concepts are similar, there are currently differences in the application of U.S. GAAP and Swedish GAAP revenue recognition standards, generally caused by the more prescriptive nature of U.S. GAAP as compared to Swedish GAAP, which contains less detailed application and implementation guidance.

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Other than the general provisions of Swedish GAAP, there exists no specific guidance on the treatment of upfront license fees associated with research and development (R&D) collaboration arrangements. Generally, upfront license fees are recognized on contract signing (delivery) due to the non-refundable nature of the license fee, or deferred and recognized as revenue over the estimated development period.

Under U.S. GAAP, upfront license fees associated with R&D collaboration arrangements are generally deferred and recognized as revenue over the estimated development period even if the amount is non-refundable because such licenses generally lack standalone value. Unless the up-front payment is in exchange for a product, service or right and represents the culmination of a separate earnings process, the upfront fee should be deferred over the longer of the contractual life of an arrangement or the customer relationship life. The customer s perception of value received is paramount in this assessment.

Under Swedish GAAP, milestone payments associated with R&D collaboration arrangements are generally recognized as revenue when it is probable that the economic benefits will flow to the company and the other criteria under Swedish GAAP are met.

Under U.S. GAAP, payments received upon the achievement of substantive milestones associated with R&D collaboration arrangements are generally recognized as revenue when the milestones are achieved. If the milestone is not substantive, the payment is generally recognized as revenue over the remaining service period.

Deferred taxes

In accordance with U.S. GAAP, all deferred tax liabilities and assets resulting from temporary differences in financial and tax reporting are recognized together with deferred tax assets relating to tax losses carried forward. Deferred tax amounts are calculated using enacted tax rates. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are classified as current or non-current based on the classification of the related assets or liabilities.

Swedish GAAP recognizes and records all deferred tax assets and liabilities resulting from temporary differences in financial and tax reporting and from unused tax losses carried forward. Deferred tax assets relating to the carry forwards of unused tax losses are recognized to the extent that it is probable that future taxable income will be available against which the unused tax losses can be utilized. Deferred tax amounts are calculated using tax rates that have been determined or have been announced and are almost certain to be approved. Deferred tax assets and liabilities are classified as non-current in the balance sheet. For fiscal years 2008 through 2010, Isconova had tax losses carry forward, but did not recognize a deferred tax asset for such loss carry forward.

Research and development costs

Under U.S. GAAP all research and development costs are expensed as incurred.

Under Swedish GAAP development cost can be capitalized, but there is no requirement to do so. Development costs can be capitalized if the entity can demonstrate all of the following: (i) cost should be identifiable-possible to separate (defined); (ii) the future use should be determined; (iii) the ability to use or sell it; (iii) how the intangible will generate future economic benefits (future income or cost reduction); (iv) the availability of adequate resources to complete development. For fiscal years 2008 through 2010, Isconova used the capitalization model, but didn t capitalize any development costs since Isconova did not met the criteria for capitalization. Costs for the development of new patents are capitalized when they arise.

Leasing arrangements

Under U.S. GAAP, leases are classified as capital leases if they meet at least one of the following criteria: (i) the leased asset automatically transfers title at the end of the lease term; (ii) the lease contains a bargain purchase option; (iii) the lease term equals or exceeds 75% of the remaining estimated economic life of the leased asset; (iv) or the present value of the minimum lease payments equals or exceeds 90% of the excess of fair value of the leased property. If none of the above criteria is met, the lease is accounted for as an operating lease.

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All lease contracts are classified as operational leases under Swedish GAAP. Rental expense under an operating lease is generally recognized on a straight-line basis over the lease term.

Equity Instruments

Under U.S. GAAP, stockholders equity is analyzed between capital stock (showing separate categories for non-redeemable preferred stock and common stock) and other categories of stockholders equity. Mandatorily redeemable financial instruments, obligations to repurchase own shares by transferring assets, and certain obligations to issue a variable number of shares are not classified as equity, but are considered to be liabilities.

Under Swedish GAAP, all different categories of shares, including preference shares and preference shares with mandatory redemption, are included as a component of share capital.

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SUMMARY UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA

The Unaudited Pro Forma Condensed Combined Statements of Operations (pro forma statements of operations) combine the historical statements of operations of Novavax and Isconova for the three months ended March 31, 2013 and the year ended December 31, 2012 and gives pro forma effect to the combination as if it had been completed as of the beginning of each period. The Unaudited Pro Forma Condensed Combined Balance Sheet (pro forma balance sheet) combines the historical balance sheets of Novavax and Isconova as of March 31, 2013 and gives pro forma effect to the combination as if it had been completed on March 31, 2013. This information has been prepared under U.S. GAAP.

The pro forma financial statements have been presented for illustrative purposes only and are not necessarily indicative of results of operations and financial position that would have been achieved had the entities been combined on the dates indicated during the periods presented, or the future consolidated results of operations or financial position of the combined company. Future results may vary significantly from the results reflected because of various factors, including those discussed in the section entitled Risk Factors beginning on page 16. The following selected unaudited pro forma condensed combined financial information should be read in conjunction with the section entitled Unaudited Pro Forma Condensed Combined Financial Statements and related notes included in this prospectus beginning on page 48.

	Three Months Ended March 31, 2013	Year Ended December 31, 2012
	(in thousands, except per share data)	
Pro Forma Condensed Combined Statements of Operation Data:		
Total revenue	$ 4,934	$ 24,808
Operating loss	(11,334)	(35,742)
Net loss	(11,342)	(34,595)
Basic and diluted net loss per share	(0.07)	(0.23)
Basic and diluted weighted average number of common shares	164,121	147,399
Pro Forma Condensed Combined Balance Sheet Data:		
Cash and investments	$ 50,754	
Total current assets	59,214	
Working capital(1)	44,743	
Total assets	132,555	
Long-term debt, less current portion	1,713	
Accumulated deficit	(370,906)	
Total stockholders equity	104,442	

(1) Working capital is computed as the excess of current assets over current liabilities.

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COMPARATIVE PER SHARE DATA (UNAUDITED)

The following table sets forth certain historical and unaudited pro forma combined and pro forma equivalent financial information. The unaudited pro forma combined and pro forma equivalent basic and diluted net loss per share data assumes that the Exchange Offer was completed at the beginning of the respective periods. The Isconova pro forma equivalent data was calculated by multiplying the corresponding combined company unaudited pro forma data by an exchange ratio of 1.2388.

The unaudited pro forma combined and pro forma equivalent basic and diluted net loss per share data for the year ended December 31, 2012 was prepared based on the audited financial statements for Novavax and Isconova for the year ended December 31, 2012.

The unaudited pro forma combined and pro forma equivalent basic and diluted net loss per share data for the three months ended March 31, 2013 was prepared based on the unaudited condensed financial statements for Novavax and Isconova for the three months ended March 31, 2013. The pro forma combined and pro forma equivalent net book value per share data as of March 31, 2013 was prepared based on the unaudited balance sheet of Novavax and Isconova as of March 31, 2013.

The information below should be read in conjunction with the audited and unaudited financial statements of Novavax and Isconova referenced above and the accompanying notes to such financial statements, all of which are incorporated by reference and/or included in this prospectus. See the section entitled Where You Can Find Additional Information beginning on page 67. You are urged to also read the section entitled Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 48.

	Novavax, Inc. Historical	Isconova AB Historical	Unaudited Pro Forma Combined[1]	Unaudited Pro Forma Isconova AB Equivalent[2]
Per share information for the three months ended March 31, 2013:				
Basic and diluted net loss per share	$ (0.07)	$ (0.10)	$ (0.07)	$ (0.09)
Book value per share[3]	$ 0.51	$ 0.35	$ 0.63	$ 0.78
Cash dividends[4]	$	$	$	$
Per share information for the year ended December 31, 2012:				
Basic and diluted net loss per share	$ (0.22)	$ (1.15)	$ (0.23)	$ (0.29)
Book value per share[3]	$ 0.54	$ 0.45	N/A	N/A
Cash dividends[4]	$	$	$	$

(1) Pro forma combined basic and diluted net loss per share is computed by dividing pro forma combined net loss by the weighted average pro forma number of shares outstanding during the periods presented. Pro forma combined book value per share is computed by dividing pro forma book value by the pro forma number of shares outstanding during the periods presented.

(2) Isconova pro forma equivalent amounts are calculated by multiplying pro forma combined per share amounts by the Exchange Ratio of 1.2388.

(3) Book value per share is computed by dividing total stockholders' equity by the number of shares of common stock outstanding.

(4) Novavax and Isconova have not paid dividends in the historical periods presented.

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MARKET PRICES

Novavax common stock trades on the NASDAQ Global Select Market under the symbol NVAX. Isconova s shares are traded on NASDAQ OMX First North Premier under the symbol ISCO.

The following table presents closing sale price for Novavax common stock and Isconova shares on June 3, 2013, the last trading day before the public announcement of the Exchange Offer and July 2, 2013 the latest practicable trading day before the date of this prospectus. This table also presents the equivalent market value per share of Isconova shares on June 3, 2013 and July 2, 2013 as determined by multiplying the closing sale price per share of Novavax common stock on those dates by the exchange ratio of 1.2388 and converted to SEK.

Although the exchange ratio is fixed, the market prices of Novavax common stock and Isconova shares will fluctuate before the Exchange Offer is completed. The market value of the consideration ultimately received by Isconova shareholders and option holders will depend on the closing price of Novavax common stock on the day such shareholders and option holders receive their shares of the combined company.

	Novavax Common Stock	Isconova Shares	Equivalent Per Share of Isconova Shares
June 3, 2013	$ 1.89	SEK 12.20	SEK 15.46
July 2, 2013	$ 2.25	SEK 14.80	SEK 18.58

The following table presents the high and low closing prices for Novavax common stock as reported on The NASDAQ Global Select market for each quarter in the two most recent years and the subsequent period.

Novavax Common Stock

	High	Low
Fiscal Year Ending December 31, 2013		
Third Quarter (through July 2, 2013)	$ 2.25	$ 2.11
Second Quarter	$ 2.69	$ 1.79
First Quarter	$ 2.28	$ 1.72
Fiscal Year Ended December 31, 2012		
Fourth Quarter	$ 2.39	$ 1.57
Third Quarter	$ 2.23	$ 1.71
Second Quarter	$ 1.56	$ 1.16
First Quarter	$ 1.52	$ 1.23
Fiscal Year Ended December 31, 2011		
Fourth Quarter	$ 1.71	$ 1.25
Third Quarter	$ 2.13	$ 1.18
Second Quarter	$ 2.61	$ 1.97
First Quarter	$ 2.96	$ 2.15

Novavax has never paid cash dividends on its common stock. We currently anticipate that we will retain any earnings for use in the development of our business and do not anticipate paying any cash dividends in the foreseeable future.

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The following table presents the high and low closing prices for Isconova shares for the five most recent financial years, for each quarter of the two most recent financial years and the subsequent period and the most recent six months.

Isconova Shares

	High	Low
Most Recent Six Months Ended June 30, 2013		
June	SEK 14.80	SEK 12.20
May	SEK 12.35	SEK 10.25
April	SEK 10.70	SEK 10.00
March	SEK 10.00	SEK 9.00
February	SEK 10.35	SEK 9.10
January	SEK 10.70	SEK 8.00
Fiscal Year Ending December 31, 2013		
Third Quarter (through July 2, 2013)	SEK 14.80	SEK 14.50
Second Quarter	SEK 14.80	SEK 10.00
First Quarter	SEK 10.70	SEK 8.00
Fiscal Year Ended December 31, 2012	SEK 15.20	SEK 5.40
Fourth Quarter	SEK 8.00	SEK 5.40
Third Quarter	SEK 12.65	SEK 6.85
Second Quarter	SEK 13.25	SEK 9.55
First Quarter	SEK 15.20	SEK 11.50
Fiscal Year Ended December 31, 2011	SEK 44.80	SEK 12.85
Fourth Quarter	SEK 26.20	SEK 12.85
Third Quarter	SEK 29.50	SEK 18.90
Second Quarter	SEK 36.40	SEK 27.50
First Quarter	SEK 44.80	SEK 34.20
Fiscal Year Ended December 31, 2010	SEK 53.00	SEK 41.20

Isconova has never paid dividends on its shares and does not intend to pay dividends during 2013.

Isconova shares were listed on NASDAQ OMX First North since November 10, 2010. On April 5, 2013, Isconova shares began trading on NASDAQ OMX First North Premier.

In October 2012, Isconova shares were diluted when Isconova implemented a new rights issue, with preferential rights for existing shareholders in which each existing share had subscription rights for two new shares at a subscription price of SEK 6.00 per share. The share issue was fully subscribed, whereby (i) 5,399,801 shares, corresponding to approximately 64.9% of the issued shares, were subscribed for with subscription rights, (ii) 41,371 shares, corresponding to approximately 0.5% of the issued shares, were subscribed for without subscription rights and (iii) the remaining 2,875,732 shares, corresponding to 34.6% of the issued shares, were subscribed for by the investors who committed to underwrite the issuance. As a result of the rights issue, the share capital increased by SEK 8,316,904 to SEK 12,475,356.

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NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained or incorporated by reference herein constitute forward-looking statements. In some cases, these statements can be identified by the use of forward-looking terminology such as expect(s), intends, plans, seeks, estimates, could, should, feel(s), believe(s), will, would, may, can, anticipate(s), expressions or the negative of these terms. Such forward-looking statements are subject to risks and uncertainties that may cause the actual results, performance or achievements of Novavax, or industry results, to be materially different from those expressed or implied by such forward-looking statements.

Important factors that could cause our actual results to differ include, but are not limited to, the following:

- the potential for our stock price to decline as a result of the Exchange Offer;
- the ability of Novavax and Isconova to integrate operations and retain key personnel;
- our ability to achieve the anticipated strategic benefits of our proposed combination with Isconova;
- our ability to timely process and report the combined business s financial results;
- expenses associated with the Exchange Offer;
- conditions to, and the timetable for, completing the Exchange Offer;
- our ability to manage a more international and widespread organization;
- the efficacy of Isconova adjuvants for our vaccine development programs;
- satisfaction of closing conditions to the Exchange Offer; and
- other risk factors referenced herein.

Any or all of our forward-looking statements in this prospectus may turn out to be inaccurate. These forward-looking statements may be affected by inaccurate assumptions or by known or unknown risks and uncertainties, including the risks, uncertainties and assumptions identified under the heading Risk Factors in this prospectus. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus may not occur as contemplated, and actual results could differ materially from those anticipated or implied by the forward-looking statements.

Novavax assumes no obligation to update any such forward-looking statements, except as specifically required by law. We caution readers not to place considerable reliance on the forward-looking statements contained in this prospectus.

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RISK FACTORS

In addition to the other information included or incorporated by reference in this prospectus, including the matters addressed in the section entitled Note Regarding Forward-Looking Statements beginning on page 15, you should carefully consider the following risks. In addition, you should read and consider the risks associated with Novavax because the risks will also affect the combined company. These risks can be found in the Annual Report on Form 10-K for the fiscal year ended December 31, 2012, as such risks may be updated or supplemented in each company s subsequently filed Quarterly Reports on Form 10-Q or Current Reports on Form 8-K, which are incorporated by reference into this prospectus. You should also read and consider the other information in this prospectus and the other documents incorporated by reference in this prospectus. See the section entitled Where You Can Find More Information beginning on page 67.

Risks Relating to the Exchange Offer

The exchange ratios are fixed and will not be adjusted on fluctuations in our stock price. The market price of our common stock may decline as a result of the Exchange Offer, and in particular may decline if Isconova shareholders or option holders choose not to hold Novavax common stock received in the Exchange Offer.

In connection with the Exchange Offer, we could issue as many as 15,672,591 shares to Isconova shareholders and option holders if all Isconova shareholders and option holders elect to tender their shares or surrender their stock options in exchange for shares of Novavax common stock. Our common stock issued in the Exchange Offer, subject to the contractual limitations on InnKap pursuant to its irrevocable undertaking, will be freely-tradable upon consummation of the Exchange Offer. Further, holders who tender their Isconova shares or surrender their stock options may elect for their shares of Novavax common stock that they receive as consideration to be sold by a financial institution on behalf of such holders. The acquisition of our common stock by Isconova shareholders and option holders who may not wish to hold shares in a U.S. company, as well as the increase in the outstanding number of shares of our common stock, may lead to sales of such shares or the perception that such sales may occur, either of which may adversely affect the market for, and the market price of, our common stock. In addition, the market price of Novavax common stock may decline following the closing of the Exchange Offer for a number of reasons, including if the integration of Isconova s business is unsuccessful or we do not achieve the anticipated financial and strategic benefits of our acquisition of Isconova as rapidly or to the extent anticipated by stock market analysts or investors. The closing price of Novavax common stock was $1.89 per share on June 3, 2013, the last day of trading prior to the announcement of the proposed Exchange Offer. Since that date, our stock has fluctuated from a low of $1.68 per share to a high of $2.25 per share.

We may not be able to successfully integrate our business with the business of Isconova.

This transaction involves the integration of two companies based in different countries that currently operate independently. This integration will be a complex, costly and time-consuming process. Following the business combination with Isconova, we may encounter difficulties in integrating our operations, technology and personnel with those of Isconova and this may continue for some time. Our management has limited experience integrating operations as substantial and geographically diverse as those of Isconova. The combined business may not successfully integrate the operations of Novavax and Isconova in a timely manner, or at all. The failure to successfully integrate the two businesses operations could adversely affect our business, financial condition and results of operations. The anticipated benefits relate to utilizing Isconova s proprietary adjuvants with one or more of Novavax product candidates and retaining the full economics and developmental control of these adjuvanted vaccines, as well as other opportunities resulting from Novavax and Isconova s complementary product candidates, industry specialties and technology platforms. However, these anticipated benefits are based on projections and assumptions, not actual experience, and assume a successful integration. Only a small fraction of biopharmaceutical development programs ultimately result in commercial products or even product candidates and a number of events could delay our development efforts and negatively impact our ability to obtain regulatory approval for, and to manufacture, market and sell, a vaccine.

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As a result of the combination with Isconova, we may face risks upon entering into areas of vaccine development for which we have limited or no experience.

Isconova specializes in developing and commercializing adjuvants and has focused substantial efforts and gained expertise in veterinary vaccines. The development and improvement of vaccines for the global veterinary market is a new area of vaccine development for which we have limited or no experience. As such, we do not have the experience and knowledge involved in successfully developing animal vaccines. Similarly, while we have used adjuvants in both research and clinical development, we have not developed or sought to commercialize adjuvants in our human vaccine program, and thus we do not have this experience and knowledge. This lack of experience may have a detrimental impact to operations.

Isconova adjuvants, including Matrix-M, may prove to have limited or no benefit to our vaccine development programs.

In connection with its approval of the Exchange Offer, our board of directors considered the anticipated strategic benefit of owning an adjuvant that would complement and benefit certain of Novavax current and anticipated vaccine candidates. We cannot guarantee that Matrix-M, or any other of Isconova s saponin-based adjuvants, will offer immunogenic benefits to any of our vaccine programs until such adjuvants are tested in clinical trials.

We may not be able to achieve the anticipated strategic benefits of our proposed combination with Isconova.

Among the factors considered by our board of directors in connection with its approval of the Exchange Offer were the anticipated strategic benefits of the acquisition of Isconova, including the opportunities for cost savings from operational efficiencies. We are not able to guarantee that these savings will be realized within the time periods contemplated or that they will be realized at all. We are not able to guarantee that the combination of Novavax and Isconova will result in the realization of the full benefits.

Adjuvants, including saponin-based adjuvants such as Matrix-M, are likely to face increased regulatory scrutiny and may prove to be unpopular with vaccine-using consumers and advocacy groups.

Regulatory agencies, including the U.S. FDA, have been cautious in approving adjuvants for use in commercial vaccines. Recent reports on an adjuvant that contain squalene, a commercially extracted adjuvant derived from shark liver oil, as an active ingredient, and links to neurological disorders like narcolepsy may cause regulatory agencies to increase their scrutiny of all adjuvants, whether they contain squalene or not. Although none of the adjuvants made by Isconova contain squalene, the impact of such regulatory scrutiny may be detrimental to vaccine products containing non-squalene adjuvants. In addition, adjuvant usage has been unpopular with a small group of vaccine advocacy and consumer groups who oppose the addition of further active ingredients in vaccines; their opposition may gain support and have a detrimental impact on commercialization efforts and opportunities.

The uncertainties associated with our combination with Isconova may cause key personnel to leave Isconova or us.

Our employees and the employees of Isconova may perceive uncertainty about their future role with the combined business until strategies with regard to the combined business are announced or executed. Any uncertainty may affect either company s ability to attract and retain key management, sales, marketing, technical and financial personnel. Isconova s technology is based, in part, on trade secret and know-how, so if we are not able to retain key technical employees, we might have difficulties in continuing to develop and maintain Isconova s proprietary adjuvants, which may impede the achievement of our objectives with this acquisition.

Our stockholders will suffer immediate and substantial dilution to their equity and voting interests as a result of the Exchange Offer.

In connection with the Exchange Offer, we will issue approximately 15,672,591 shares to the Isconova shareholders and option holders if all Isconova shareholders and option holders elect to tender their shares or surrender their options, as the case may be, in exchange for shares of our common stock. This means that the

The uncertainties associated with our combination with Isconova may causekey personnel to leave Isconova or us.

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Isconova shareholders and option holders could own approximately 8.9%, and Novavax stockholders could own approximately 91.1%, in each case of the total number of shares of Novavax outstanding common stock on a fully diluted basis (including outstanding and vested stock options and warrants as of March 31, 2013) following the Exchange Offer. Accordingly, the Exchange Offer will have the effect of substantially reducing the percentage of equity and voting interest held by each of our current stockholders.

We will encounter material adverse consequences if we are unable to timely process and report the combined business s financial results under U.S. GAAP and SEC requirements.

Because the Exchange Offer will significantly increase the complexity of our global operations, we will need to develop and implement worldwide procedures designed for accurate and timely financial reporting under U.S. GAAP and SEC requirements. In addition, we will need to train the staff of the combined business to comply with these requirements on a global basis. If we are unable to close our books and prepare financial reports on a timely basis, we would be required to seek a reporting extension under applicable SEC rules. A reporting extension could adversely impact the trading of our stock, erode investor confidence and result in other material adverse consequences.

The unaudited pro forma condensed combined financial information included in this prospectus are presented for illustrative purposes only and may not represent the actual financial positions or results of operations of the combined company following the Exchange Offer.

The unaudited pro forma condensed combined financial information contained in this prospectus are presented for illustrative purposes only, contain a variety of adjustments, assumptions and preliminary estimates and may not represent the actual financial position or results of operations of the combined company following the Exchange Offer for several reasons. See the sections entitled Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 48. The actual financial positions and results of operations of Novavax and Isconova prior to the Exchange Offer and that of the combined company following the Exchange Offer may not be consistent with, or evident from, the unaudited pro forma combined financial information included in this prospectus. In addition, the assumptions used in preparing the unaudited pro forma combined financial information included in this prospectus may not prove to be accurate and may be affected by other factors. Significant changes in the share price at closing of the Exchange Offer of Novavax may cause a significant change in the purchase price and the pro forma financial information.

Intangibles we aquire under the Exchange Offer may subsequently be impaired and, if so, could increase our net losses.

We are accounting for the combination with Isconova under the purchase method of accounting in accordance with U.S. GAAP. The purchase price of Isconova will be allocated to the fair value of the identifiable tangible and intangible assets and liabilities that we acquire from Isconova. The excess of the purchase price over Isconova s tangible net assets will be allocated to goodwill and identifiable intangible assets. We are required to perform periodic impairment tests on goodwill and certain intangibles to evaluate whether the intangible assets and goodwill as a result of the Exchange Offer continue to have fair values that meet or exceed the amounts recorded on our balance sheet. If the fair values of such assets decline below their carrying value on our balance sheet, we may be required to recognize an impairment charge related to such decline. We cannot predict whether or when there will be an impairment charge, or the amount of such charge, if any. However, if the charge is significant, it could cause the market price of our common stock to decline.

If as of the closing of the Exchange Offer, there are unknown liabilities in connection with Isconova s business, and those liabilities are not reflected on the closing date balance sheet, we may be required to record a charge during each period when those liabilities became known, probable and estimable. Those charges, if material, could have an unanticipated and significant adverse effect on our financial results and stock price.

In addition, we will incur transaction and integration costs in connection with our combination with Isconova that may delay and reduce our profitability in the accounting period in which the Exchange Offer is consummated.

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Intangibles we aquire under the Exchange Offer may subsequently beimpaired and, if so, could increase our net los

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We expect to expend cash in connection with the Exchange Offer, which will partially deplete our cash balance.

We intend to cash out all outstanding warrants at fair market value in connection with the Exchange Offer. Additionally, if we acquire more than 90% of the outstanding shares in Isconova, which is necessary to initiate compulsory acquisition proceedings under Swedish law, we intend to purchase the remaining shares for cash, pursuant to such compulsory acquisition proceedings under Swedish law. The actual price per share purchased pursuant to Swedish compulsory acquisition proceedings, initiated after a share exchange offer, is typically based on the average closing price for the bidder s stock during the acceptance period. In addition, interest will accrue on the purchase price from the day the compulsory acquisition proceedings are initiated. Assuming 90.01% of each of the outstanding shares and voting power in Isconova are tendered in the Exchange Offer and the price that is required to be paid pursuant to the Swedish compulsory acquisition proceedings for the remaining approximately 10% of the shares equals SEK 15.46 per share, we could be obligated to pay approximately $2,921,239 (approximately SEK 19,286,900 assuming a currency exchange rate of SEK 6.6023 to $1.00 as of June 3, 2013) plus interest for Isconova shares purchased in the compulsory acquisition. This cash expenditure would normally occur between one and three years after the closing of the Exchange Offer. However, Novavax may be required to make a payment for part of the acquisition sum at an earlier stage. Following the entering into force of an award on advance acquisition of the minority shareholders shares, the arbitration tribunal may at the request of a party to the proceedings or the legal representative for the minority shareholders issue a separate award in respect of the acquisition sum accepted by Novavax. Thus, Novavax may be obligated to settle such part of the acquisition sum prior to the final arbitration award. Therefore, the total amount payable by Novavax under the compulsory acquisition proceedings could be greater than or less than $2,921,239.

We estimate that the total cash expenses to be incurred by Novavax and Isconova for the Exchange Offer will be approximately $3 million, including investment banking fees, accounting, legal fees and other out-of-pocket transaction costs. We will have approximately $50.8 million in available cash, cash equivalents and investments based on the amount of cash, cash equivalents and investments that we and Isconova had as of March 31, 2013.

Full integration of our business with Isconova s business may not be achieved if we cannot compulsorily acquire the remaining shares of Isconova shareholders.

Our obligation to consummate the Exchange Offer is subject to a condition that, before the end of the Exchange Offer period, there shall have been validly tendered and not properly withdrawn greater than 90% of the outstanding shares in Isconova on a fully diluted basis (including all issued and outstanding warrants and options). In addition, the compulsory acquisition proceedings may be time-consuming. To effect the compulsory acquisition under Swedish law, we are required to have a beneficial interest in greater than 90% of the outstanding shares in Isconova. It is possible that, at the end of the Exchange Offer period, we will elect to waive the above condition and consummate the Exchange Offer, even though we do not hold more than 90%. As a result, we would not be able to effect a compulsory acquisition of the remaining outstanding shares of Isconova. This could prevent or delay us from realizing some or all of the anticipated strategic benefits of our acquisition of Isconova (e.g., by being somewhat limited in our freedom to manage Isconova by the shareholder minority protection rules in the Swedish Companies Act).

As a result of the Exchange Offer, we are likely to conduct more of our business internationally, which will expose us to additional and increased risks.

We will increase our international operations upon consummation of the Exchange Offer, particularly in Europe. There are many risks that may impact our international business. These risks include the following:

differences in intellectual property protections in Europe;
difficulties in staffing and managing foreign operations in Europe;
compliance with multiple and potentially conflicting regulations in Europe and the U.S., including export requirements, tariffs, import duties and other trade barriers, as well as health and safety requirements;
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currency fluctuations and resulting losses on currency translations;
competition for foreign-based suppliers in Europe;
overlapping or differing tax structures;
the impact imposed by the regulations of foreign governments and U.S. regulations governing foreign conduct (such as the Foreign Corrupt Practices Act);
differences in economic conditions between U.S. and Europe;
cultural and language differences among the U.S. and Europe;
restrictions on downsizing foreign operations in Europe and expenses and delays associated with any such activities;
potential labor strikes, lockouts, work slowdowns and work stoppages at U.S. and European ports;
longer accounts receivable collection cycles in Europe; and
political or civil turmoil.

Any failure on our part to manage these risks effectively would seriously reduce our competitiveness in the vaccine industry.

As a result of the Exchange Offer, we will have revenues and expenses outside of the U.S., so we will be subject to fluctuations in foreign currency rates, and if our management is unable to manage our exposure to foreign currencies successfully, our operating results will suffer.

As a result of the consummation of the Exchange Offer, we will be exposed to risks associated with the translation of Isconova s SEK-denominated financial results and balance sheet into U.S. dollars. Our reporting currency will remain as the U.S. dollar; however, a portion of our consolidated financial obligations will arise in other currencies, including Euros, British Pounds and SEK. In addition, the carrying value of some of our assets and liabilities will be affected by fluctuations in the value of the U.S. dollar as compared to the Euro, British Pound and SEK. Any inability to successfully manage these fluctuations in foreign currency rates could have a material adverse effect on our results of operations after the Exchange Offer is consummated and, as a result, on the market price of our common stock.

Upon the receipt of Novavax shares in the Exchange Offer, Isconova s shareholders and option holders will become stockholders in a Delaware corporation, which will change certain rights and privileges that they hold as shareholders of a Swedish company.

We are governed by the laws of the United States, the State of Delaware and by our certificate of incorporation and bylaws. The Delaware General Corporation Law, referred to as the DGCL, extends to stockholders certain rights and privileges that may not exist under Swedish law and, conversely, does not extend certain rights and privileges that Isconova shareholders may have as shareholders of a company governed by Swedish law. Our organizational documents could hamper a third-party s attempt to acquire, or discourage a third-party from attempting to acquire control of, Novavax. Stockholders who wish to participate in these transactions may not have the opportunity to do so. These organizational documents also could limit the price investors are willing to pay in the future for our securities and make it more difficult to change the composition of Novavax board in any one year. Certain provisions include our staggered board with three classes of directors serving staggered three-year terms and advance notice requirements for stockholders to nominate directors and make proposals. Novavax also is afforded the protections of Section 203 of the Delaware General Corporation Law, which will prevent us from engaging in a business combination with a person who acquires at least 15% of our common stock for a period of three years from the date such person acquired such common stock, unless it receives prior approval from the board of directors or subsequent approval from the board of directors and 66 2/3% of the stockholders. Any delay or prevention of a change of control transaction or changes in our board or management could deter potential acquirers or prevent the completion of a transaction in which our stockholders could receive a substantial premium over the then-current market price for their shares. For a detailed discussion of the rights of our stockholders versus

Upon the receipt of Novavax shares in the Exchange Offer, Isconova sshareholders and option holders will become the rights of Isconova shareholders, see the section entitled Comparison of Rights of Holders of Novavax Common Stock and Isconova Shares beginning on page 28.

The Exchange Offer is subject to disclosure requirements of a foreign country that are different from those in the U.S.

This Exchange Offer is made for the securities of a foreign company. The offer is subject to disclosure requirements of a foreign country that are different from those of the U.S. It may be difficult for you to enforce your rights and any claim you may have arising under the federal securities laws because Isconova is located in a foreign country and, some or all of its officers or directors may be residents for a foreign country. You may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the U.S. securities laws. It may be difficult to compel a foreign company or its affiliates to subject themselves to a U.S. court s judgment.

Provisions of Novavax Certificate of Incorporation and Bylaws and Delaware law could delay or prevent the acquisition of Novavax, even if such acquisition would be beneficial to stockholders, and could impede changes in Novavax Board.

Our organizational documents could hamper a third-party s attempt to acquire, or discourage a third-party from attempting to acquire control of, Novavax. Stockholders who wish to participate in these transactions may not have the opportunity to do so. These organizational documents also could limit the price investors are willing to pay in the future for Novavax securities and make it more difficult to change the composition of Novavax board in any one year. Certain provisions include the right of the existence of a staggered board with three classes of directors serving staggered three-year terms and advance notice requirements for stockholders to nominate directors and make proposals. Novavax is also afforded the protections of Section 203 of the Delaware General Corporation Law, which will prevent us from engaging in a business combination with a person who acquires at least 15% of Novavax common stock for a period of three years from the date such person acquired such common stock, unless advance board or stockholder approval was obtained. Any delay or prevention of a change of control transaction or changes in our board or management could deter potential acquirers or prevent the completion of a transaction in which our stockholders could receive a substantial premium over the then current market price for their shares.

The integration of Novavax and Isconova s businesses will require significant focus on staffing, training and compliance procedures for our internal control over financial reporting.

As a Swedish company, Isconova has not had to comply with SEC requirements concerning the effectiveness of internal controls over financial reporting. Consequently, Isconova may not currently have the staff, experience, training or procedures to comply with these requirements. The integration of Novavax and Isconova will require significant focus on staffing and training to address these requirements. If we are unable to implement our compliance procedures and have a properly trained staff in place on a timely basis, we could encounter a significant deficiency or material weakness in our internal controls. If in the future we are unable to assert that our internal control over financial reporting is effective as of the end of the then current fiscal year or applicable quarter (or, if our independent registered public accounting firm is unable to attest that our management s report is fairly stated or they are unable to express an opinion on the effectiveness of our internal controls), we could lose investor confidence in the accuracy and completeness of our financial reports, which would have a negative market reaction.

Uncertainty regarding the completion of the Exchange Offer may have a negative impact on the price of Novavax common stock.

We have set up certain conditions for the completion of the Exchange Offer. Since the factors that these conditions are based upon are beyond our control, we cannot guarantee when the Exchange Offer will be completed, or that it will be completed at all. The uncertainty that may occur on the market in connection with this may result in a negative impact on the value of the shares in Novavax and/or Isconova.

Risks Relating to Novavax   Business

We are and will continue to be, subject to the risks described in Part I, Item 1A.   Risk Factors   in our Annual Report on Form 10-K for the year ended December 31, 2012, which we filed on March 12, 2013 with the SEC and incorporated by reference in this prospectus. Please see the section entitled   Where You Can Find More Information   beginning on page 67 for how you can obtain information incorporated by reference in this prospectus.

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Risks Relating to Isconova s Business

You should carefully consider the above risk factors along with the following risks in your evaluation of the Exchange Offer.

Isconova carries out and may carry out studies both in clinical and pre-clinical phases for a number of vaccines, the result of which may be unpredicted and thus Isconova s costs related thereto are associated with great risk.

Unpredicted study results may lead to a concept and study being reviewed. This may in turn entail new complementing studies at substantial cost or that the studies are entirely discontinued. This in turn, may entail delayed introductions or entirely failed registration of Isconova s products, which may affect its intended expansion rate, results and financial position negatively.

Isconova is dependent on maintaining adequate protection of its intellectual property rights.

Isconova s business is largely based on Isconova s intellectual property rights (patents and know-how), which protect Isconova s products and technology. Isconova, like other companies in the life science industry that are dependent on intellectual property rights, is exposed to potential demands from third parties who, for commercial or other reasons, may have reason to challenge Isconova s intellectual rights. As a result, there is a risk that Isconova s future revenues may decrease due to competition from other similar technologies or from so-called generics.

A number of Isconova s license agreements state that any rights arising from the cooperation between Isconova and its partners, and which cannot be separated, shall vest in the parties jointly. Owning intellectual property rights together with another party may subject Isconova to risks in particular if the commercialization of such rights would take place.

Isconova s remuneration from third parties is subject to change.

Some of Isconova s products are expected to be bought by, or given the right to the end customer to receive compensation from, certain third parties such as the public sector or private insurance companies. Any changes to such third parties policies and ability to affect the pricing and the demand for vaccines may affect Isconova s expected turnover, results and financial position negatively.

The continuance of Isconova s business is subject to permissions from regulatory authorities.

Isconova s business is dependent on permissions from different authorities both domestic and international (e.g. the European Medicines Agency, the FDA and the Swedish Medical Products Agency). Required permits may not be obtained without extensive investigations or costly adjustments to the business. Should any permission to the business be revoked, Isconova may be compelled to discontinue its business.

Isconova is exposed to product liability and product safety risks.

Since certain of Isconova s products are meant for human use, Isconova is exposed to the risks any producer in the pharmaceutical industry has with regard to product liability and product safety. These risks also arise in the veterinary area to a more limited extent.

Isconova s products are considered sold in the U.S. As a result, Isconova is exposed to the greater risks that normally exist in the U.S. for companies that sell products for human use, such as greater responsibility for the safety of the products and greater exposure to potential claims. The risks associated with product responsibility are mainly potential damages from patients with injuries or undesired side effects, claims from Isconova s customers/partners for faulty deliveries of products, costs for legal counsel or experts in connection with any proceedings and investigative and other costs upon withdrawal of products. Although Isconova has customary product liability insurance for a company of its size, type of product portfolio and sales activities, it does not currently supply products for commercial use in the U.S. and thus its insurance coverage does not currently cover product liability in the U.S.

The growth of Isconova is dependent on its co-operations with pharmaceutical and biotechnology companies.

Isconova s strategy to further develop and commercialize its products in the human and veterinary areas are based on co-operation agreements with international and regional pharmaceutical companies. Isconova s growth is thereby to a great extent dependent on the entering into and continuation of such co-operations. If important co-operations may not be entered into, cancelled or deemed unsatisfactory, this may affect Isconova s continued development, growth and financial position negatively.

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Isconova s business model is based, in part, on the sale of its products to international or regional pharmaceutical and biotechnology companies, with whom co-operation agreements have been entered into or are expected to be entered into. Generally, the partner will decide the price of the end product on the market. Furthermore, the sale of Isconova s products and thus its revenues, are dependent on the extent to which the partners themselves manage to work on and penetrate the markets concerned and sell their end products (of which Isconova s products are a part).

Isconova s business model is also based on the mass production of its products being carried out by established contractors with an efficient production. Outsourcing production may increase Isconova s profitability but also entails increased risk as the production is managed externally.

Isconova s licensing strategy is based on the licensee carrying out its own research in order to use the licensed technology (patent and know-how) and the related products, and such agreements can be cancelled at short notice by the licensee, causing Isconova to lose important sources of revenue upon short notice.

The license agreement is often entered into together with a supply agreement for the products included in the license. The licensor must generally guarantee long licenses, and it is difficult to predict the development of the products and the potential revenue. The time required for a licensee to develop a product may require most of the licensed patent s protection period. As a result, the licensor may only have one chance to find a licensee within a certain area of use. If the licensee does not fulfill the licensor s demands, the likelihood of finding a new licensee willing to risk the resources necessary for the development are relatively limited. The supply agreements Isconova has entered into with licensees do not generally include any minimum levels obliging the licensee to purchase a certain amount of products from the licensor.

License and distribution agreements generally contain both non-recurring payments upon entering into the agreement, milestone payments upon fulfillment of intermediate goals and royalty revenues based on the sale of products. Certain agreements also include compensation for research cooperation. However, this compensation may be set off against revenues expected in the future, such as milestone payments and royalties. If applicable, such compensation will be recorded as current liabilities as Isconova may become liable to repay such compensation if the expected milestone payments and royalty revenues fail.

Isconova is dependent on successful commercialization of its products, and if commercialization is not successful, revenues may decrease.

Isconova s business and revenue model is based partly on license and distribution agreements with milestone payments (in addition to non-recurring payments paid in connection with entering into the agreements). Such milestone payments are expected to constitute a substantial source of revenues until additional vaccines using Isconova s adjuvants have been approved by any regulating authorities and successfully commercialized, when royalties will be paid to Isconova based on the sale of vaccines and/or products. Even though milestone payments may be expected to become a substantial and important source of revenue in the short and intermediate term, they do not constitute the only source of Isconova s potential earnings. In the long run, Isconova is dependent on successful commercialization and the introduction of its products in the market.

The growth of Isconova is dependent on its co-operations withpharmaceutical and biotechnology companies.

Introduction of products may be delayed if Isconova does not find supply partners.

Since an important component of Isconova s products is extracted from trees (Quillaja saponins) grown in Chile, Isconova needs to establish a long term access to Quillaja extract with a sufficiently high and consistent quality. Isconova will need to find partners and make investments to secure the supply of raw material or the introduction of products may be delayed.

Implementation of full-scale production may be delayed and negatively affect Isconova s financial position.

Isconova s technology is of an industrial standard both for substances and for the finalized product, even though it is associated with special knowledge, developed internally by Isconova (and which constitutes an important part of the technology Isconova out-licenses). If it should prove harder than expected to use the technology on a larger scale, the implementation of a full-scale production may be delayed.

Such a delay may in turn affect the time for the introduction for Isconova s products with a negative effect on Isconova s result and financial position as a result.

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The failure of delivering products to a partner may result in the partner having the legal right to access Isconova s knowledge and know-how.

The difficulty to produce and deliver products may also make it difficult for Isconova to meet agreed delivery obligations to a partner. Such delays may subject Isconova to penalties for delays/damages or, the other party may cancel the agreement, and Isconova could lose important sources of revenues.

In a number of cases, such delivery problems may also allow Isconova s partner, in accordance with the agreement, to have the right to access Isconova s production knowledge and know-how so that the partner may continue production of the product itself. As a result, in the event of production problems, Isconova may also lose dependable sources of revenue or control over its production know-how.

Maintaining consistent product quality while implementing recent technology improvements has proved challenging and could impact the commercialization of Isconova s adjuvants.

In recent years, Isconova has invested in production improvements aimed at decreasing production costs and increasing capacity. These investments involve the implementation of new technology and automation of previously manual operations which achieve lower costs and higher production capacity but have the potential to diminish the company s ability to maintain consistent product quality. If diminished quality becomes a consistent problem, delayed production and delivery may result, which would have a negative impact on the company s ability to commercialize its adjuvants.

Outsourcing production may cause risk for circulation of Isconova s concepts and imposes higher demands on coordination.

The production of Isconova s products is mainly carried out by Isconova and at Isconova s premises (even though certain parts of the production are being handled by contractors).

Isconova s assessment is that production of larger volumes of adjuvants should be carried out by established contractors whereby certain technology must be transferred between Isconova and such a producer.

Production on contract involves risks because the production is being handled by an external party instead of by employed personnel. Outsourcing imposes higher demands on coordination and follow-up.

The transfer of technology and knowledge, which inevitably must be undertaken to outsourcers before and in connection with the production, involves a risk for uncontrolled copying and circulation of the concept, the methods and the processes attributable to Isconova s products, despite the patent protections. Even though Isconova enters into non-disclosure agreements and endeavors to keep knowledge about and the control of the most sensitive components of the production of Isconova s products, there are no guarantees that uncontrolled circulation and copying will not take place. Such uncontrolled circulation and copying would be detrimental to Isconova if it were used for production of competing pharmaceuticals or if it were otherwise used commercially without any financial compensation for Isconova. Another consequence of such uncontrolled circulation is that the know-how and other trade secrets licensed by Isconova, will no longer be considered as confidential, which may involve loss of revenues due to the licensee s obligation to pay royalties may cease.

Product introduction may be delayed if Isconova does not receive the required permits.

Permits are required for the production of pharmaceuticals, and upon registration of products, the applicable authorities must approve of the production in cooperation with customers and partners. These authorities must approve the products at the producer chosen by Isconova, and if the documentation is not complete, the introduction of the product may be delayed.

The loss of key personnel may cause disruption to Isconova s business.

Isconova is dependent on its executive management and other key persons. Should Isconova lose any of its key persons, it may cause delays or disruption to Isconova s production, development, commercialization or its business in general.

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TERMS OF THE EXCHANGE OFFER

Conditions to the Exchange Offer

The Exchange Offer is subject to the fulfillment or waiver of the following conditions at or prior to the expiration of the acceptance period of the Exchange Offer:

1. That the Exchange Offer is accepted to the extent that Novavax becomes the owner of shares representing more than 90% of each of the outstanding shares on a fully diluted basis (including all issued and outstanding warrants and stock options);
2. That all necessary regulatory, governmental or other similar clearances, approvals and decisions, including approvals from competition authorities, being obtained on terms which in the opinion of Novavax are acceptable;
3. That the Registration Statement on Form S-4, of which this prospectus forms a part, which registers the shares of Novavax common stock to be issued pursuant to the Exchange Offer, has become effective under the Securities Act of 1933, as amended, and is not the subject of any stop order or proceeding seeking a stop order;
4. That Isconova does not take any measures which are reasonably likely to have a material adverse effect (as defined below) on the satisfaction of the conditions to the Exchange Offer or its implementation, including any of the following that are reasonably likely to have such an effect: (i) disposing of a material part of Isconova s assets, (ii) declaring or paying any dividends on or make any other distributions (whether in cash, stock or property) in respect of any of Isconova s capital stock, (iii) increasing or agreeing to increase the compensation payable or to become payable to Isconova s officers or, except in accordance with past practice, employees, (iv) granting or agreeing to grant any severance or termination pay except in accordance with past practice or with the consent of Novavax, or (v) operating Isconova in a manner other than in the ordinary course of its business;
5. That, prior to the expiration of the acceptance period, the acquisition of Isconova by Novavax is not prohibited or significantly impaired, or the ownership or operation of Isconova by Novavax is not prohibited or significantly impaired, or, in either case, reasonably likely to be prohibited or significantly impaired, as the result of legislation, actions of a court or public authority, or similar events in Sweden, in the United States, or in another country, which have occurred or is expected to occur;
6. That no material adverse effect on Isconova s financial condition or operations has occurred or exists, where, for the purposes of this clause, material adverse effect shall mean any change, effect, event, state of facts or inaccuracy (including, without limitation, any inaccurate or misstated information made public by Isconova or any information which should have been made public by Isconova and has not been made public), that has not been made public or disclosed to Novavax prior to the announcement of the Exchange Offer and that has had a material adverse effect on Isconova s business, results of operations, or financial condition; provided, however, no changes, effects, events or state of facts related to any of the following shall be deemed to constitute, nor shall any of the following be taken into account in determining whether there has been, a material adverse effect: (a) conditions affecting the life science industry generally or the economy of any country where Isconova has conducted operations generally other than those that would have a disproportionate effect on Isconova; (b) the announcement or pendency of the Exchange Offer; (c) changes in applicable laws or accounting principles after the date of the announcement of the Exchange Offer; or (d) an outbreak or escalation of hostilities involving the United States or Sweden, the declaration of the United States or Sweden of a national emergency or war, or the occurrence of any acts of terrorism;

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7. That Isconova, after the date of the announcement of the Exchange Offer, has not issued any shares of its capital stock or granted any options, rights or warrants to purchase any such capital stock or any securities convertible into or exchangeable for any such capital stock, except upon the exercise of warrants, options or convertible securities outstanding on the date of the announcement or with Novavax prior written approval;
8. That no information made public by Isconova being materially inaccurate, incomplete or misleading, and Isconova having made public all such information that should have been made public by it under applicable rules; and
9. That no other party announcing an offer to acquire the shares in Isconova on terms that are more favorable to the shareholders of Isconova than the Exchange Offer.

Novavax may withdraw the Exchange Offer in the event that it is clear that any of the above conditions are not fulfilled or cannot be fulfilled. However, with regard to conditions 2 9, the Exchange Offer may only be withdrawn provided that the non-satisfaction of such condition is of material importance to Novavax combination with Isconova. Novavax reserves the right to waive, in whole or in part, one or more of the conditions set out above, other than condition 3, including, specifically, with respect to condition 1, the right to complete the Exchange Offer at a lower level of acceptance.

Novavax will issue a press release in the United States and Sweden once these conditions have been satisfied or waived, to the extent that they can be waived.

Novavax Reasons for the Exchange Offer

In reaching its decision to pursue a combination with Isconova, Novavax board of directors consulted with senior management and its financial and legal advisors and considered a number of material factors, set forth below. Novavax management believes that a combination with Isconova represents an opportunity to increase value for the stockholders of Novavax.

In reaching its conclusion to approve the Exchange Offer, Novavax board of directors considered the following factors, which were all material factors generally supporting its decision to approve the terms of the Exchange Offer:

- the complementary adjuvant technology to Novavax existing business plans;
- a wide-variety of Novavax vaccine candidates anticipate adjuvant use;
- the full economics of an adjuvanted vaccine would be retained by Novavax;
- Novavax would control full development and production of its vaccine candidates;
- Novavax would avoid the need to license worldwide rights to multiple indications;
- the structure of the Exchange Offer, the terms of the transaction including the exchange ratio, the dilution effects on common stockholders of Novavax, the Irrevocable Undertakings and expected capital structure of the combined business caused the board to conclude that the transaction was likely to be consummated, and that Novavax stockholders would benefit from the combination; and
- the historical and current market prices of Novavax common stock and Isconova shares, which provided a baseline for the board to evaluate whether the value to be paid for Isconova was reasonable in light of the board s judgment of the potential benefits from the combination.

The board of directors of Novavax considered potential risks associated with the transaction in connection with its deliberations of the proposed transaction, including:

- the possibility that the combination may not achieve anticipated strategic benefits;
- the challenges of integrating Novavax and Isconova s respective businesses, operations and workforces;

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the risk that the implementation of disclosure controls, internal controls and financial reporting systems at Isconova to comply with the requirements of U.S. GAAP and U.S. securities laws and regulations may be costly and time consuming and that the failure to implement these controls and systems could have an adverse effect on Novavax;

that the combination would increase Novavax exposure to the risks associated with operations in international markets;

the risks of additional dilution to the existing stockholders of Novavax; and

the need and ability to retain key technical and management of Novavax and Isconova.

Isconova s Reasons for the Exchange Offer

The board of directors of Isconova (the Isconova Board) issued a public statement on June 4, 2013 that was based on an assessment of a number of factors that the Isconova Board has considered relevant to the evaluation of Novavax offer, including, but not limited to, Isconova s present position, the expected future development of Isconova, the future financing requirements for maintaining Isconova s activities, and possibilities and risks in relation thereto.

The Isconova Board sees a strong strategic rationale for the combination of Isconova and Novavax. The transaction brings together Isconova s strong platform of commercially validated vaccine adjuvants with Novavax proven vaccine technology and candidate portfolio, including several vaccines in human clinical trials. The companies also have highly complementary expertise in all aspects of vaccine discovery, development and manufacturing and will benefit from a presence in both human and animal health segments. The Isconova Board believes that the transaction represents a logical step in Isconova s stated strategy to seek to maximize the value of its vaccine adjuvant Matrix platform in high value human indications.

The combined company is expected to have a strong financial position to support the future development of its project portfolio. Furthermore, the Isconova Board notes the higher trading liquidity of the Novavax share compared to the Isconova share, which the Isconova Board believes will benefit Isconova shareholders who will receive Novavax stock.

The Isconova Board notes that in each case based on the closing price of Novavax shares on 3 June 2013, the Exchange Offer represents.

a premium of 26.7 percent (or 35.2 percent based on the 15-trading day volume-weighted average share price (VWAP) of Novavax up to and including June 3, 2013) compared to Isconova s closing price on June 3, 2013, the last trading day prior to the announcement of the Exchange Offer;

a premium of 27.3 percent (or 35.9 percent based on the 15-trading day VWAP of Novavax up to and including June 3, 2013) compared to the 15-trading day VWAP of Isconova up to and including June 3, 2013; and

a premium of 49.0 percent (or 59.0 percent based on the 15-trading day VWAP of Novavax up to and including June 3, 2013) compared to Isconova s VWAP during the last three calendar months up to and including June 3, 2013.

Assuming that all holders of shares and warrants tender such instruments in the Exchange Offer and that all holders of stock options accept the private offer to waive their rights under the stock options, Novavax will issue 15,672,591 shares for the Isconova shares and stock options and pay SEK 140,277 for the Isconova warrants. Based on the closing price for Novavax share on June 3, 2013, the total offer value amounts to approximately USD 29.6 million (corresponding to approximately SEK 195.7 million).

The Isconova Board further notes that Novavax has undertaken to provide holders of shares and stock options the possibility to, under certain circumstances, elect that the Novavax shares received as consideration shall be sold commission free by a financial institution on a best efforts basis on behalf of such holders, and the proceeds will be paid in SEK to the holders.

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Under the Takeover Rules, the Isconova Board must also set out its views on the impact that completion of the Exchange Offer may have on Isconova, especially employment, and its views on Novavax strategic plans for Isconova and the impact these could be expected to have on employment and Isconova s business locations. The Isconova Board notes that Novavax has stated that the board of Novavax believes that the prospects for employees of Isconova will generally be enhanced through the strengthened market position and growth prospects of the combined company. Further, Novavax has stated that they currently have no intention to make any significant changes regarding Isconova s employees, their terms of employment or the location where Isconova conducts business. The Isconova Board assumes that the statements in the Exchange Offer announcement are correct and has in relevant respects no reason to have a different view.

On the basis of this, the Isconova Board has unanimously recommended holders of shares and warrants in Isconova to accept the Exchange Offer.

Comparison of Rights of Holders of Novavax Common Stock and Isconova Shares

Novavax is incorporated in the state of Delaware and the rights of Novavax stockholders are currently governed by the DGCL and by Novavax certificate of incorporation and bylaws. Isconova is organized under the laws of Sweden and the rights of Isconova shareholders are currently governed by Swedish law and Isconova s articles of association. After the completion of the transaction, shareholders of Isconova will become stockholders of Novavax and will become subject to the DGCL and the certificate of incorporation and the bylaws of Novavax. The description of rights of Novavax common stock will be substantially applicable to the shares of Novavax common stock to be received by Isconova shareholders in the Exchange Offer.

The following is a summary of the material differences between the rights of Novavax stockholders and the rights of Isconova shareholders. While Novavax and Isconova believe that this summary covers the material differences between the two, this summary may not contain all of the information that is important to you. This summary is not intended to be a complete discussion of the respective rights of Novavax stockholders and Isconova shareholders and it is qualified in its entirety by reference to Delaware law, Swedish law and the various documents of Novavax and Isconova referenced in this summary. You should carefully read this entire prospectus and the other documents referenced in this prospectus for a more complete understanding of the differences between being a stockholder of Novavax and being a shareholder of Isconova. See the section entitled Where You Can Find More Information on page 67.

	Novavax Common Stock	Isconova Shares
Capitalization	The authorized capital stock of Novavax consists of 300,000,000 shares of common stock, $0.01 par value and 2,000,000 shares of preferred stock, $0.01 par value. As of April 30, 2013, there were 152,464,007 shares of common stock outstanding and no shares of preferred stock outstanding.	The minimum share capital of Isconova per its articles of association is SEK 10,000,000 and the maximum is SEK 40,000,000, quota value SEK 1 per share. As of April 30, 2013, there were 12,475,356 shares outstanding.
Vote		

Holders of Novavax 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.	Shareholders of Isconova are entitled to one vote for each share held on all matters submitted to a vote of shareholders.

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	Novavax Common Stock	Isconova Shares
Dividends and Distributions	Holders of Novavax 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. Novavax has not paid any dividends to date. Upon the liquidation, dissolution, or winding up of Novavax, the holders of Novavax common stock are entitled to receive ratably the net assets of Novavax available after the payment of all debts and liabilities and subject to the prior rights of any outstanding preferred stock.	The shares of Isconova carry equal rights to dividends. Under the Swedish Companies Act, only a general meeting may authorize the payment of dividends, which may not exceed the amount recommended by the board of directors (except to a limited extent in the event of a demand by holders of at least 10% of the total number of issued shares) and which may be paid only from funds available for dividends. On the winding-up of a Swedish company, the liquidator must distribute the net assets equally among the shareholders in proportion to their respective holdings in accordance with the articles of association.
Pre-emptive Rights	Except as discussed below in Registration Rights, holders of Novavax common stock are not entitled to pre-emptive rights or any rights of conversion.	Under Swedish law, shareholders must approve (alternatively the shareholders may authorize the board of directors to approve or afterwards approve) each issuance of additional shares. Existing shareholders have, as a main rule, pre-emptive rights to subscribe for new securities in proportion to their current holdings with respect to issuances of shares, warrants and convertible securities. However, this shall not apply to non-cash consideration or if the pre-emptive rights are regulated differently in (i) the articles of associations, (ii) the decision of issuance or (iii) instructions made at an earlier issuance of warrants or convertibles. A resolution setting aside the pre-emptive rights for existing shareholders requires a majority of two-thirds of the votes cast as well as of the shares represented at the shareholders meeting. Any such pre-emptive rights are freely transferable and, if the rights are not exercised, they expire at the end of the relevant subscription period.
Listing	Novavax common stock is traded on the NASDAQ Global Select Market under the symbol NVAX. On July 2, 2013, the closing price of Novavax common stock as reported on the NASDAQ Global Select Market was $2.25 per share.	The shares of Isconova is traded on NASDAQ OMX First North Premier under the symbol ISCO . On July 2, 2013, the closing price of the shares of Isconova as reported on the NASDAQ OMX First North Premier was SEK 14.80 per share.

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	Novavax Common Stock	Isconova Shares
Registrar and Transfer Agent	The registrar and transfer agent for Novavax common stock is Computershare Limited, 250 Royall Street, Canton, MA 02021.	The central securities depository (CSD) for shares of Isconova is Euroclear Sweden AB, Klarabergsviadukten 63, Box 191, 101 23 Stockholm, Sweden.
Registration Rights	Holders of Novavax common stock issued in connection with the stock purchase agreement dated as of March 31, 2009, by and between Novavax and Satellite Overseas (Holdings) Limited (together with its affiliates and any assignees or transferees) are entitled to rights with respect to the registration under the Securities Act of their shares of common stock. The registration rights granted pursuant to the registration rights agreement will expire when the holder is able to sell all of its shares pursuant to Rule 144 under the Securities Act in any 90-day period.	Not applicable to Isconova shareholders.
Piggyback Registration Rights	If Novavax registers any securities for public sale, the holders with piggyback registration rights under the registration rights agreement have the right to include their shares in the registration, subject to specified exceptions. We must pay all expenses, except for taxes and underwriting discounts and commissions, incurred in connection with the exercise of piggyback registration rights. The underwriters in any underwritten offering have the right to limit the number of shares included in a registration statement filed in response to the exercise of these registration rights.	Not applicable to Isconova shareholders.

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	Novavax Common Stock	Isconova Shares
Staggered Board, Removal of Directors, and Charter Amendments relating to the Board	Novavax certificate of incorporation and amended and restated by-laws provide for the division of its board of directors into three classes, with no one class having more than one more director than any other class, serving staggered three year terms. Novavax certificate of incorporation provides that any amendments to the charter relating to the number, classes, election, term, removal, vacancies, and related provisions with respect to the board of directors may only be made by the affirmative vote of the holders of more than 50% of the shares of capital stock issued and outstanding and entitled to vote. These provisions may have the effect of making it more difficult for a third party to acquire control of the Company, or of discouraging a third party from attempting to acquire control of the Company.	Pursuant to the article of association, the board of directors of Isconova shall consist of at least four directors and not more than seven directors with up to seven deputy directors. The members of Isconova s board of directors are elected at a shareholders meeting for a period until the next annual general meeting of shareholders. This general rule does not apply to those members that may be appointed by the local trade unions, in which case the union can set the member s term to anything less than four fiscal years. An amendment to the articles of association is normally valid only if shareholders representing two-thirds of the votes cast as well as two-thirds of the shares represented at the meeting vote in favor of such resolution. Under Swedish law, a member of the board of directors may be removed by the group that appointed the director which is, in most cases, the shareholders. There is no obligation for the shareholders to state any reasons for the removal.

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	Novavax Common Stock	Isconova Shares
Authorized but Unissued Shares	The authorized but unissued shares of Novavax common stock and preferred stock are available for future issuance without stockholder approval, subject to any limitations imposed by the NASDAQ Stock Market. These additional shares may be utilized for a variety of corporate purposes. In particular, Novavax board of directors could issue shares of preferred stock that could, depending on the terms of the series, impede the completion of a takeover effort. The board of directors may determine that the issuance of such shares of preferred stock is in the best interest of the Novavax and its stockholders. Such issuance could discourage a potential acquiror from making an unsolicited acquisition attempt through which such acquiror may be able to change the composition of the board, including a tender offer or other transaction a majority of the stockholders might believe to be in their best interest or in which stockholders might receive a substantial premium for their stock over the then-current market price.	Under Swedish law, issuances of new shares require, as a general rule, a resolution by the shareholders at a shareholders meeting. The board of directors may, within certain limits, be granted specific authority (limited in time until, at the longest the next annual general meeting of the shareholders) to approve an issuance of new shares, warrants, or convertible securities, as well as to approve such an issuance subsequent to approval by the shareholders. A resolution to not apply shareholders pre-emption rights in connection with a new issue of shares, warrants or convertible securities, to change the share capital in such a way that requires an amendment to the articles of association or to reduce the share capital, is normally valid only if shareholders representing two-thirds of the votes cast as well as two-thirds of the shares represented at the meeting vote in favor of such resolution.

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	Novavax Common Stock	Isconova Shares
Advance Notice Requirements for Stockholder Proposals and Director Nominations	Novavax amended and restated by-laws provide that a stockholder seeking to bring business before an annual meeting of stockholders, or to nominate candidates for election as directors, must provide timely notice of such stockholder s intention in writing. To be timely, a stockholder nominating individuals for election to the Board of Directors or proposing business must provide advanced notice to the Company not less than 60 days nor more than 90 days prior to the anniversary date of the prior year s annual meeting of stockholders or, in the case of any special meeting, not less than 60 days nor more than 90 days prior to the special meeting, unless, in the case of an annual meeting, such meeting occurs more than 30 days before or after such anniversary date, or, in the case of a special meeting, such meeting occurs less than 100 days after notice or public disclosure of the date of the special meeting is given or made, in which cases notice will be timely if received not later than the close of business on the tenth day after the day on which notice or public announcement of the date of such meeting was made.	A shareholder who wishes to have a matter addressed at a shareholders meeting shall submit a written demand to the board of directors. The matter shall be addressed at the shareholders meeting, provided the request was received by the board of directors: (i) no later than one week prior to the earliest time pursuant to when a notice should have been made or (ii) after the time specified in (i) but in due time for the matter to be included in the notice of the shareholders meeting. The Swedish Companies Act prescribes that the board members should be elected at a shareholders meeting.
Limits on Ability of Stockholders to Act by Written Consent	Novavax certificate of incorporation provides that its stockholders may not act by written consent. In addition, Novavax certificate of incorporation requires that special meetings of stockholders be called only by the board of directors, the chief executive officer, or the president if there is no chief executive officer. Further, business transacted at any special meeting of stockholders is limited to matters relating to the purpose or purposes stated in the notice of meeting. This limit on the ability of Novavax stockholders to act by written consent or to call a special meeting may lengthen the amount of time required to take stockholder proposed	Under Swedish law, shareholders make decisions at a shareholders meeting. However, a document stating the proposed decision may be circulated between all shareholders for their signing. Such written decision is only valid and binding if it is unanimous.Under Swedish law, the board of directors shall call an extraordinary general meeting if the board of directors finds it necessary. The board of directors also has an obligation to call a meeting on the request of the auditor or upon the request of shareholders holding at least 10% of the outstanding shares.

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	Novavax Common Stock	Isconova Shares
Business Combinations	We are subject to Section 203 of the Delaware General Corporation Law, which prohibits a Delaware corporation from engaging in any business combination with an interested stockholder for three years following the date that the stockholder became an interested stockholder, unless:	Not applicable to Isconova shareholders.
	prior to the date of the transaction, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;	
	upon completion of the transaction that resulted in the interested stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding (1) shares owned by persons who are directors and also officers, and (2) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or	
	the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.	

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Novavax Common Stock	Isconova Shares
Generally, a business combination includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. An interested stockholder is any person who, together with such person s affiliates and associates (1) owns 15% or more of a corporation s voting securities or (2) is an affiliate or associate of a corporation and was the owner of 15% or more of the corporation s voting securities at any time within the three year period immediately preceding a business combination governed by Section 203. We expect the existence of this provision to have an anti-takeover effect with respect to transactions Novavax board of directors does not approve.	

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Appraisal Rights

Under Delaware law and our certificate of incorporation, Novavax stockholders are not entitled to any rights to seek appraisal of their shares or to exercise any pre-emptive rights in connection with the issuance of shares of Novavax common stock in connection with the Exchange Offer.

If Novavax acquires more than 90% of the outstanding shares in Isconova on a fully diluted basis (including all issued and outstanding warrants and options), Novavax intends to initiate compulsory acquisition proceedings under Swedish law to acquire the shares of Isconova from holders who did not tender such securities in the Exchange Offer. In the event that the minimum acceptance condition of the Exchange Offer is not met, Novavax reserves the right to waive the condition and proceed with a compulsory acquisition if permitted under Swedish law.

The actual price per share purchased pursuant to Swedish compulsory acquisition proceedings, initiated after a share exchange offer, is based on the average closing price for the bidder s stock during the acceptance period. In addition, interest will accrue on the purchase price from the day the compulsory acquisition proceedings are initiated. Assuming 90.01% of the outstanding shares (including all issued and outstanding warrants and options) in Isconova on a fully diluted basis are tendered in the Exchange Offer and the price that is required to be paid pursuant to the Swedish compulsory acquisition proceedings equals SEK 15.46 per share, Novavax could be obligated to pay approximately $2,921,239 (approximately SEK 19,286,900 assuming a currency exchange rate of SEK 6.6023 to $1.00 as of June 3, 2013) plus interest for the shares and warrants purchased in the compulsory acquisition. This cash expenditure would normally occur between one and three years after the closing of the Exchange Offer. However, Novavax may be required to make payment for part of the acquisition sum at an earlier stage. Following the entering into force of an award on advance acquisition of the minority shareholders shares, the arbitration tribunal may at the request of a party to the proceedings or the legal representative for the minority shareholders issue a separate award in respect of the acquisition sum accepted by Novavax. Thus, Novavax may be obliged to settle such part of the acquisition sum prior to the final arbitration award. The actual price for Isconova shares or warrants pursuant to the compulsory acquisition proceedings is to be determined by an arbitration panel, and the total amount payable by Novavax under the compulsory acquisition proceedings may be greater or lesser than $2,921,239.

Anticipated Accounting Treatment

The acquisition of Isconova shares and warrants acquired in the Exchange Offer will be accounted for under the purchase method of accounting under U.S. GAAP, which means that Isconova s results of operations will be consolidated with Novavax from the date of the closing of the Exchange Offer and their respective assets and liabilities, including identified intangible assets, will be recorded at their then fair values at the same time with the excess purchase price allocated to goodwill.

Irrevocable Undertakings

InnKap, Farstorps Gård AB and, together, LMK Ventures AB, LMK Forward AB and Peter Ragnarsson who own in the aggregate 6,902,912 shares in Isconova, have undertaken, pursuant to an agreement providing that the undertakings shall be irrevocable until the closing of the Exchange Offer, (i) not to sell, transfer, encumber or grant any option or other right over or otherwise deal with or dispose of any Isconova shares, other than pursuant to the Exchange Offer, (ii) not to accept any other offer in respect of shares in Isconova, by whatever means it is to be implemented, (iii) not to solicit or encourage any third party to initiate or proceed with a public offer for or other purchase of any securities in Isconova, (iv) not to make any public offer for or purchase any securities in Isconova, (v) not to take any action or make any statement which may be prejudicial to the success of the Exchange Offer (vi) not to make any public announcement or communication in connection with the Exchange Offer, or concerning Isconova which may be material to the Exchange Offer, without Novavax prior consent and (vii) to exercise all voting rights in Isconova shares to enable the Exchange Offer. These undertakings are conditional upon that no other party announces a competing offer at a price which is at least 5% higher than the Exchange Offer, which Novavax decides not to match (i.e. offer a price that at least corresponds to the price in the competing offer at the date of the announcement of such competing offer) within five business days.

In addition, the irrevocable undertaking from InnKap provides that for a period of three months from the date of the closing of the Exchange Offer, InnKap will not, without the prior written consent of Novavax,

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transfer its shares of Novavax common stock held as of the date of the closing of the Exchange Offer. InnKap may transfer its shares of Novavax common stock under certain circumstances, including gifts, transfers by will or intestate succession.

The descriptions of the irrevocable undertakings set forth in this section is a summary only and is qualified in its entirety by reference to the complete form of irrevocable undertaking included as an exhibit to the registration statement of which this prospectus forms a part and is incorporated herein by reference.

The Selling Facility

The shares issued by Novavax as consideration in the Exchange Offer cannot be received by holders of shares in Isconova who have their shares registered on a Securities Account with Euroclear Sweden AB. Such holders who tender their shares in the Exchange Offer may elect to open a custody account for purposes of receiving the Exchange Offer consideration, which is notified to Novavax, when the shares are tendered in the Exchange Offer. Alternatively, such holders may elect that the Novavax shares received as consideration shall be sold commission free by a financial institution appointed by Novavax on a best efforts basis on behalf of such holders, and the proceeds will be paid in SEK to the eligible parties. Also holders of shares in Isconova with custody accounts with a bank or stock broker will be able to sell such number shares of Novavax that equals no more than 10,000 shares in Isconova by using such commission free selling facility. Holders of stock options who surrender their options will also be eligible to sell shares of Novavax by using the commission free selling facility.

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Certain Material U.S. Federal Income Tax Consequences

The following discussion summarizes certain U.S. federal income tax considerations relevant to holders of Isconova shares who exchange their shares of Isconova for Novavax common stock in connection with the Exchange Offer. This discussion is based upon the Internal Revenue Code of 1986, as amended (the Code), Treasury Regulations, judicial authorities, published positions of the Internal Revenue Service (IRS), and other applicable authorities, all as currently in effect and all of which are subject to change or differing interpretations (possibly with retroactive effect).

This summary is not a complete description of all the tax consequences of the Exchange Offer and, in particular, may not address U.S. federal income tax considerations applicable to holders of Isconova shares who are subject to special treatment under U.S. federal income tax law, including, but not limited to, financial institutions; tax-exempt organizations; insurance companies; regulated investment companies; S corporations; partnerships and other pass-thru entities; trusts; employees or other persons who acquired their Isconova shares as compensation, including upon the exercise of stock options; persons that are broker-dealers; traders in securities who elect the mark-to-market method of accounting for their securities; U.S. Holders (as defined below) that have a functional currency other than the U.S. dollar; holders of more than five percent (5%) of a class of Isconova stock or Novavax stock or stockholders holding their shares of Isconova as part of a straddle, hedge, conversion transaction or other integrated transaction. This discussion assumes that a holder holds its Isconova shares as a capital asset within the meaning of Code Section 1221. It does not address the tax treatment of option holders or holders of warrants.

In addition, this discussion does not address other U.S. federal taxes (such as gift or estate taxes or alternative minimum taxes); the tax consequences of the Exchange Offer under state, local or non-U.S. tax laws; or certain tax reporting requirements that may be applicable with respect to the Exchange Offer. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax consequences set forth below. Furthermore no opinion of counsel or ruling has been, or is expected to be, rendered with respect to the tax consequences of the Exchange Offer.

HOLDERS OF ISCONOVOA SHARES ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE EXCHANGE OFFER IN LIGHT OF THEIR PERSONAL CIRCUMSTANCES AND THE CONSEQUENCES OF THE EXCHANGE OFFER UNDER U.S. FEDERAL NON-INCOME TAX LAWS AND STATE, LOCAL, AND NON-U.S. TAX LAWS.

For purposes of this discussion, the term U.S. Holder means a beneficial owner of Isconova shares (other than an entity treated as a partnership for U.S. federal income tax purposes) that is for U.S. federal income tax purposes:

(i) an individual citizen or resident of the United States;

(ii) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) organized under the laws of the United States, any state or the District of Columbia;

(iii) an estate that is subject to U.S. federal income tax on its worldwide income regardless of its source; or

(iv) a trust that (a) is subject to primary supervision by a U.S. court and for which U.S. persons control all substantial decisions or (b) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds Isconova common stock, the tax treatment of a partner in the partnership (or any equity owner of such other entity) will generally depend upon the status of such partner and the activities of the partnership (or other entity treated as a partnership for U.S. federal income tax purposes). If a U.S. Holder is a partner in a partnership holding Isconova shares, the U.S. Holder should consult its tax advisors.

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Tax Considerations for U.S. Holders

The Exchange

Although not free from doubt, the exchange of shares of Isconova for shares of Novavax common stock is expected to be a taxable transaction for U.S. federal income tax purposes. In general, a U.S. Holder will recognize gain or loss in an amount equal to the difference, if any, between (1) the sum of the fair market value of the shares of Novavax common stock received by such U.S. Holder pursuant to the Exchange Offer and (2) such U.S. Holder s adjusted tax basis in the shares of Isconova exchanged pursuant to the Exchange Offer. A U.S. Holder s adjusted tax basis in its Isconova shares generally will equal the price the U.S. Holder paid for such stock. Any net gain or loss recognized by a U.S. Holder generally will be capital gain or loss and generally will be treated as long-term gain or loss if the shares of Isconova exchanged were held for more than one year as of the date of the closing of the Exchange Offer, or the Closing Date. If the U.S. Holder has held its shares of Isconova for one year or less as of the Closing Date, any capital gain or loss will be short-term capital gain or loss. The deductibility of capital losses is subject to certain limitations. A U.S. Holder who acquired different blocks of Isconova at different times and at different prices must calculate separately the realized gain or loss for each block of shares exchanged in the Exchange Offer. A U.S. Holder s aggregate tax basis in the shares of Novavax common stock it receives pursuant to the Exchange Offer will equal the fair market value of such stock at the time of the exchange, and the U.S. Holder s holding period for such stock will begin on the day after the Closing Date.

Tax Considerations for Owners of Novavax Common Stock

As a result of the Exchange Offer, current Isconova stockholders will hold shares of Novavax common stock. In general, distributions with respect to Novavax common stock will constitute dividends to the extent made out of current or accumulated earnings and profits, as determined under U.S. federal income tax principles. If a distribution exceeds Novavax current and accumulated earnings and profits, the excess will be treated as a non-taxable return of capital to the extent of a U.S. Holder s adjusted tax basis in its shares and thereafter as capital gain from the sale or exchange of such shares. Dividends received by a corporate U.S. Holder will be eligible for the dividends-received deduction, provided such a corporate U.S. Holder meets certain holding period and other applicable requirements. Dividends received by certain non-corporate U.S. Holders may qualify for taxation at preferential rates provided such a non-corporate U.S. Holder meets certain holding period and other applicable requirements. Novavax does not anticipate declaring or paying dividends in the foreseeable future.

Upon the sale or other disposition of shares of Novavax common stock, a U.S. Holder generally will recognize capital gain or loss equal to the difference between the amount realized and the adjusted tax basis in its shares of Novavax common stock. Such capital gain or loss will generally be long-term if the selling stockholder s holding period in respect of such shares (as discussed under The Exchange above) is more than one year. Certain non-corporate U.S. Holders (including individuals) may be eligible for preferential tax rates in respect of long-term capital gain. The deductibility of capital losses is subject to limitations.

United States Tax Considerations for Non-U.S. Holders

A Non-U.S. Holder is a beneficial owner of shares of Isconova (other than an entity treated as a partnership for U.S. federal income tax purposes) that is not a U.S. Holder.

The Exchange

Any gain a Non-U.S. Holder recognizes from the exchange of shares of Isconova for shares of Novavax common stock pursuant to the Exchange Offer generally will not be subject to U.S. federal income tax unless (a) the gain is effectively connected with a trade or business conducted by the Non-U.S. Holder in the United States, or (b) in the case of a Non-U.S. Holder who is an individual, such holder is present in the United States for 183 days or more in the taxable year of the sale and other conditions are met.

Non-U.S. Holders described in (a) above will be subject to tax on net gain recognized at normal U.S. federal income tax rates. In addition, Non-U.S. Holders that are corporations (or treated as corporations for U.S. federal income tax purposes) may be subject to an additional branch profits tax equal to 30% (or lesser rate under an applicable income tax treaty) on effectively connected earnings and profits for the taxable year, which would include such gain. Non-U.S. Holders described in (b) above will be subject to a flat 30%

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tax on any gain recognized, which may be reduced by an applicable income tax treaty or offset by U.S.-source capital losses, provided that the Non-U.S. Holder timely files U.S. federal income tax returns with respect to such losses or properly claims treaty benefits, as applicable.

Tax Considerations for Owners of Novavax Common Stock

Immediately after the Exchange Offer, current Isconova stockholders will hold shares of Novavax common stock. Subject to the discussion below with respect to FATCA, dividends paid to Non-U.S. Holders (to the extent paid out of Novavax current or accumulated earnings and profits, as determined for U.S. federal income tax purposes) with respect to such shares of Novavax common stock generally will be subject to withholding at a 30% rate or such lower rate as may be specified by an applicable income tax treaty unless the dividends are effectively connected with the conduct of a trade or business within the United States (and, if required under an applicable tax treaty, are attributable to a U.S. permanent establishment), as discussed below. Even if a Non-U.S. Holder is eligible for a lower treaty rate, Novavax will generally be required to withhold at a 30% rate (rather than the lower treaty rate) on dividend payments unless Novavax has timely received a properly completed valid IRS Form W-8BEN or other documentary evidence establishing entitlement to a lower treaty rate with respect to such payments.

If a Non-U.S. Holder is subject to withholding at a rate in excess of a reduced rate for which it is eligible under a tax treaty or otherwise, it may be able to obtain a refund of or credit for any amounts withheld in excess of the applicable rate. Investors are encouraged to consult with their own tax advisors regarding the possible implications of these withholding requirements.

Dividends that are effectively connected with the conduct of a trade or business within the United States (and, if required under an applicable tax treaty, are attributable to a U.S. permanent establishment), are not subject to withholding tax (provided that the certifications described above are satisfied), but instead are subject to U.S. federal income tax on a net income basis at normal rates. Any such effectively connected dividend received by a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may be subject to an additional branch profits tax at a 30% rate (or such lower rate as may be specified by an applicable income tax treaty). Novavax does not anticipate declaring or paying dividends in the foreseeable future. Subject to the discussion below with respect to FATCA, any gain a Non-U.S. Holder recognizes on the sale or other taxable disposition of Novavax common stock generally will not be subject to U.S. federal income tax unless (a) the gain is effectively connected with a trade or business conducted by the Non-U.S. Holder in the United States, or (b) in the case of a Non-U.S. Holder who is an individual, such holder is present in the United States for 183 days or more in the taxable year of the sale and other conditions are met.

Additional Withholding and Information Reporting Requirements

Under Sections 1471 through 1474 of the Internal Revenue Code and related Treasury guidance (FATCA), a withholding tax of 30% will be imposed in certain circumstances on payments of (a) dividends on our common stock on or after January 1, 2014, and (b) gross proceeds from the sale or other disposition of our common stock on or after January 1, 2017. In the case of payments made to a foreign financial institution as defined under FATCA (including, among other entities, an investment fund), as a beneficial owner or as an intermediary, the tax generally will be imposed, subject to certain exceptions, unless such institution (i) enters into (or is otherwise subject to) and complies with an agreement with the U.S. government (a FATCA Agreement) or (ii) complies with applicable foreign law enacted in connection with an intergovernmental agreement between the United States and a foreign jurisdiction (an IGA), in either case to, among other things, collect and provide to the U.S. or other relevant tax authorities certain information regarding U.S. account holders of such institution. In the case of payments made to a foreign entity that is not a foreign financial institution (as a beneficial owner), the tax generally will be imposed, subject to certain exceptions, unless such foreign entity provides the withholding agent with a certification that it does not have any substantial U.S. owner (generally, any specified U.S. person that directly or indirectly owns more than a specified percentage of such entity) or that identifies its substantial U.S. owners. If our common stock is held through a foreign financial institution that enters into (or is otherwise subject to) a FATCA Agreement, such foreign financial institution (or, in certain cases, a person paying amounts to such foreign financial institution) generally will be required, subject to certain exceptions, to withhold such tax on payments of dividends and proceeds described above made to (x) a person (including an individual) that fails to comply with certain information requests or (y) a foreign financial institution that has not entered into (and

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is not otherwise subject to) a FATCA Agreement and is not required to comply with FATCA pursuant to applicable foreign law enacted in connection with an IGA. Each Non-U.S. Holder should consult its own tax advisor regarding the application of FATCA to the ownership and disposition of our common stock, including through an intermediary.

Information Reporting and Backup Withholding

In general, information reporting requirements may apply to the amounts paid to U.S. Holders and Non-U.S. Holders in connection with the consideration received in connection with the Exchange Offer, dividends paid with respect to shares of Novavax common stock, and proceeds received from the sale or exchange of shares of Novavax common stock, unless an exemption applies. Backup withholding may be imposed (currently at a 28% rate) if the holder fails to provide a valid taxpayer identification number and comply with certain certification procedures, or otherwise establish an exemption from backup withholding. Backup withholding is not an additional U.S. federal income tax. Rather, the U.S. federal income tax liability of the person subject to backup withholding will be reduced by the amount of tax withheld. If backup withholding results in an overpayment of taxes, a refund may be obtained provided that the required information is timely furnished to the IRS.

THE FOREGOING DISCUSSION OF UNITED STATES FEDERAL INCOME TAX CONSEQUENCES IS FOR GENERAL INFORMATION PURPOSES ONLY AND IS NOT INTENDED TO CONSTITUTE A COMPLETE DESCRIPTION OF ALL TAX CONSEQUENCES RELATING TO THE EXCHANGE OFFER. TAX MATTERS ARE VERY COMPLICATED, AND THE TAX CONSEQUENCES OF THE EXCHANGE OFFER TO HOLDERS WILL DEPEND UPON THE FACTS OF THEIR PARTICULAR SITUATION. BECAUSE INDIVIDUAL CIRCUMSTANCES MAY DIFFER, HOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE APPLICABILITY TO THEM OF THE RULES DISCUSSED ABOVE AND THE PARTICULAR TAX EFFECTS TO THEM OF THE EXCHANGE OFFER, INCLUDING THE APPLICATION OF STATE, LOCAL AND NON-U.S. TAX LAWS.

Certain Material Swedish Tax Considerations

The following is a summary of certain Swedish tax consequences related to the Exchange Offer for shareholders and holders of warrants who are resident (or domiciled) in Sweden for tax purposes, unless otherwise stated. The summary does not deal comprehensively with all tax consequences that may occur in this context. Amongst the provisions not covered are the rules applying in cases where shares are held as current assets in a business operation or held by a partnership. Particular tax consequences that are not described below may also apply for certain categories of taxpayers, including investment companies, mutual funds and persons not resident in Sweden.

Each Isconova shareholder or holder of warrants is recommended to consult a tax adviser for information with respect to any tax consequences that may arise as a result of the Exchange Offer to exchange shares in Isconova for shares in Novavax or to sell shares in Novavax, including the applicability and effect of foreign income tax legislation, provisions contained in tax treaties and other rules that may be applicable.

General information on the disposal of shares

Calculation of capital gains and capital losses

Shareholders who sell shares are in general subject to tax on any capital gains that may arise. Capital gains and capital losses are normally calculated as the sales price less the sales costs, such as brokerage, less the acquisition cost. The sales price for the shares in this Exchange Offer will be the fair market value of the shares in Novavax at the time of the exchange. Novavax intends to seek general advice from the Swedish Tax Agency to establish the sales price for the shares in Isconova.

The acquisition cost includes expenses associated with the initial acquisition, such as brokerage. The acquisition cost is calculated using the average method. This method implies that the acquisition cost per share based instrument amounts to the average cost for all instruments of the same kind and class based on the historical acquisition cost of each purchase and taking into account changes during the holding period. For listed shares the standardized method may be used as an alternative when calculating the acquisition cost. This alternative method prescribes that 20% of the sales proceeds, less sales costs, may be used as the acquisition cost.

An exchange of shares is regarded as a sale of shares. However, there are certain rules regarding so called roll-over relief that can be applicable and that is an exception of immediate taxation (see further under heading Tax consequences for shareholders accepting the Exchange Offer).

Individuals

Capital gains are subject to 30% tax for individuals and estates of deceased persons. Capital losses on sales of listed shares are for the fiscal year fully deductible against capital gains on other listed share based instruments and against the taxable part of capital gains on unlisted shares. For remaining capital losses, 70% are deductible against other taxable capital income.

If the capital losses incurred for a fiscal year exceed all capital income, a tax reduction is granted against the tax on salary income, business income as well as real estate tax and municipal real estate fee. The tax reduction amounts to 30% of the loss that does not exceed SEK 100,000 and 21% of the remaining loss. Losses cannot be carried forward to another income year.

Limited liability companies

Limited liability companies and other legal entities apart from estates are in general taxed on capital gains as business income with a tax rate of 22% for financial years beginning as from January 1, 2013 (for financial years beginning prior to January 1, 2013 a tax rate of 26.3% applies). Deductions for capital losses on shares are only allowed against capital gains on other share based instruments. If a capital loss cannot be deducted by the company that has incurred the loss, it can be deducted against capital gains on share based instruments earned by other companies in the same group, provided that the companies can exchange group contributions and that both companies apply for this treatment for the same fiscal year. Capital losses on share based instruments that are not utilized in one fiscal year can be carried forward and set off against capital gains on other share based instruments in future years. Losses may be brought forward indefinitely.

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If the holding is considered as business-related there is no tax on the capital gain and, accordingly, a loss is not deductible. Certain prerequisites need to be fulfilled in order for a holding to be business-related. For instance, a listed share is business-related if the owner (i) represents at least 10% of the company s voting rights or (ii) the holding is necessary for the business conducted by the shareholding company or any of its affiliates. The holding must, at the time of the sale, have been business-related for at least one year. These rules do not apply for shares regarded as inventory.

Tax consequences for shareholders accepting the Exchange Offer

Individuals

An acceptance of the Exchange Offer and disposing shares in Isconova in exchange for shares in Novavax will not trigger immediate taxation, in accordance with the tax provisions on roll-over relief. The shares received in Novavax are considered to have been acquired for an acquisition cost equal to the acquisition cost of the disposed shares in Isconova. It should be noted that according to the Swedish Tax Agency the standardized method may not be used when calculating the acquisition cost in a roll-over relief situation. A taxable capital gain or deductible capital loss will, however arise when an individual later disposes of all or part of the shares in Novavax, unless the provisions of another roll-over relief are applicable. A deferred capital gain will also be taxable if an individual who has received roll-over relief ceases to have his or hers permanent home, or ceases to permanently stay in a state within the European Economic Area (EEA). Any taxable capital gain or deductible capital gain in these cases is calculated according to the rules described above.

In order for the rules for deferred taxation to apply it is further required that Novavax will own shares representing more than 50% of the total number of votes in Isconova at the end of the calendar year when the exchange takes place.

Only whole number of shares in Novavax will be distributed to shareholders in Isconova who accept the Exchange Offer. In case shareholders in Isconova receive a fraction of a new share in Novavax, the fraction received will be added together with other such fractions and disposed of for the shareholders account. Any cash received from such disposal will be subject to immediate taxation without deduction of the corresponding part of the acquisition cost of the shares formerly held in Isconova.

The rules for roll-over relief are applied by the Swedish Tax Agency regardless of any request from the individual shareholder. However, any disposal of the received fractions of the shares in Novavax, that are disposed of for the shareholders account must be reported for the fiscal year when the disposal takes place.

Limited liability companies

An acceptance of the Exchange Offer and disposal of shares in Isconova in exchange for shares in Novavax will in general trigger taxation. As noted above, however, if the holding is considered as business-related there is no tax on the capital gain. A taxable capital gain or deductible capital loss is calculated as the difference between the sales price less the sales costs for the received shares in Novavax less the acquisition cost for the shares in Isconova, calculated according to the rules described above.

Limited liability companies realizing a capital gain through the exchange of shares may, however, invoke the rules for deferred taxation by applying for a tax deferral for such gain in their income tax return, provided that certain criteria are met. For instance, it is required that the capital gain exceeds any cash component received. The capital gain (less any cash received) will then be allocated pro rata to the shares received in Novavax for which the deferred amount is claimed. The deferred amount will become taxable at the latest when the received shares in Novavax are disposed of or cease to exist. This does not apply, however, if the received shares in Novavax are disposed of in a subsequent exchange, provided that certain criteria for a continued deferred taxation are met.

In order for the rules of deferred taxation to apply, it is further required that Novavax will own shares representing more than 50% of the total number of votes in Isconova at the end of the calendar year when the exchange takes place.

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Only whole number of shares in Novavax will be distributed to shareholders in Isconova who accept the Exchange Offer. In case shareholders in Isconova receive a fraction of a new share in Novavax, the fraction received will be added together with other such fractions and disposed of for the shareholders account. Any cash received from such disposal will be subject to immediate taxation without deduction of the corresponding part of the acquisition cost of the shares formerly held in Isconova.

Taxation Upon Disposal of Warrants

If the holders of warrants to subscribe for shares in Isconova accept the offer to receive cash as compensation for their warrants in Isconova, taxation will normally be triggered on the difference between the acquisition price paid for the warrant (including any taxable benefit recognized at acquisition) and the sales price for the warrant. Any taxable capital gain or deductible capital loss is calculated according to the general rules described under the heading General information on the disposal of shares above. The rules regarding business-related holdings, however, might be applicable if the warrants are attributable to a business-related holding.

Holding of Novavax shares by Swedish residents

Disposal of shares

Normally, an exchange of shares does not trigger immediate taxation. In respect of limited liability companies, if the holding is considered as business-related there is no tax on the capital gain and, accordingly, a loss is not deductible. Instead the shareholder is granted a deferral until the shares in Novavax are divested. The shares received in Novavax are deemed acquired for a value equivalent to the tax base value of the shares in Isconova.

If the shareholder, at the time of the share exchange, held shares of the same class and type as the shares received in the Exchange Offer, or acquire such shares after the share exchange the shares in Novavax shall be deemed disposed of in the following order: (1) Shares acquired prior to the Exchange Offer, (2) Shares received in the Exchange Offer, and (3) Shares acquired after the Exchange Offer.

Should the provisions on tax deferral not apply the Exchange Offer will trigger taxation. In that case the shares in Novavax will be deemed acquired at market value, and the shares in Isconova will be deemed disposed of for the same price. The shareholder will be taxed on the difference between the market value of the shares in Novavax and the tax base value of the shares in Isconova.

Novavax intends to ask the Swedish Tax Agency to establish the market value of the shares in Novavax in a General Advice.

Taxation of Dividends

A distribution paid by Novavax with respect to its shares will be treated as a dividend for United States federal income tax purposes to the extent of Novavax current or accumulated earnings and profits (as determined under the United States Internal Revenue Code). Novavax generally will be required to withhold United States federal income tax at a rate of 30% on the gross amount of any dividend paid to a shareholder who is a resident of Sweden. However, the rate of United States withholding tax generally is reduced to 15% if the shareholder is entitled to the benefits of the Sweden-United States income tax treaty and complies with certain certification requirements (generally by completing and delivering an IRS Form W-8BEN to Novavax). For corporations that hold shares representing at least 10% of the total number of votes in Novavax, the tax rate is generally reduced to 5%.

The gross dividend is also taxable in Sweden as income from capital at a 30% rate for individuals and as income from business operations at a rate of 22% for corporations for financial years beginning as from January 1, 2013 (for financial years beginning prior to January 1, 2013 a tax rate of 26.3% applies). If a holding is business-related, however, the dividend is free of income tax in Sweden.

A credit for U.S. withholding tax may be requested in the Swedish tax return or in a separate form filed to the Swedish Tax Agency during the same year as the income is accounted for in the income tax return. If a tax credit for foreign withholding tax cannot be utilized in a given year, the credit may be carried forward and be utilized in any of the following three years. Alternatively, the withholding tax may be deducted when the

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taxable income of the shareholder is computed. Individuals (and estates of the deceased) should make the deduction under the category income from capital and corporations under the category income from business operations.

If a U.S. withholding tax has been withheld at 15%, a Swedish preliminary tax of another 15% will normally be withheld by Euroclear Sweden on dividends to individuals.

Tax considerations for shareholders residing outside Sweden

Generally, individual shareholders who are resident outside Sweden are not liable to Swedish tax on the disposal of Swedish shares.

However, individuals with their tax residence outside of Sweden may be liable to Swedish tax on the disposal of Swedish securities if they have been residents of Sweden during the calendar year of the sale or at any time during the 10 calendar years immediately preceding that year. The application of this rule is, however, in many cases limited by tax treaties between Sweden and other states. It should be noted that the rules on roll-over relief in connection with an exchange of shares are not applicable to individuals residing outside Sweden. For such individuals, to the extent they are subject to tax in Sweden, tax is payable at the time of the disposal.

In general, foreign corporate entities are not liable to pay tax on capital gains on Swedish shares, unless such gains are attributable to a permanent establishment in Sweden. In that case, the rules on deferred taxation described under the heading Tax consequences for shareholders accepting the Exchange Offer Limited liability companies above may apply. Furthermore, if there is a permanent establishment, the rules concerning business-related holdings may be applicable with certain limitations.

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INFORMATION REGARDING ISCONOVA

Isconova s Business

Isconova AB is a leading international vaccine adjuvant company with broad experience in vaccine adjuvant systems. Adjuvants are substances that, when added to vaccines, make the antigens more immunogenic and improve the quality and magnitude of the immune response. Isconova has a patented adjuvant technology platform, Matrix, that is used for development of efficient vaccines against human and animal diseases.

Several Matrix adjuvants have been developed, all of which are based on the proprietary immune-stimulating technology platform. Isconova s patented technology comprises a robust production platform with adjuvant sale and a number of collaboration projects with leading international vaccine and pharmaceutical companies. Isconova is based in Uppsala, Sweden and shares are traded on NASDAQ OMX First North Premier under the symbol ISCO.

Isconova s adjuvant technology is based on the matrix complex, a 40-nanometer particle that is formed by mixing Quillaja saponins, cholesterol and phospholipids. Selected saponins are extracted from the tree *Quillaja saponaria* Molina for development of modern, multi-purpose, immune-stimulating adjuvant products for a broad range of applications within vaccine development, antibody production and immunological research.

Since Isconova was founded in 1999, Isconova has developed and manufactured adjuvants for the animal vaccine market. During 2009, Isconova expanded its focus to adjuvants for human vaccines, while continuing commercialization and development of animal vaccines.

Products

Matrix-M is the latest generation of Isconova s adjuvant products. The novel formulation is at least as potent but appears to have an improved safety profile. During 2009, a phase I study on avian influenza was performed with Matrix-M. The study fulfilled all predefined efficacy criteria for pandemic vaccines. The safety profile was good with predominantly mild to moderate adverse advents reported. There were no serious adverse events.

Matrix-M enhances both cell-mediated and antibody mediated immune response. Increased levels of responses also increase the duration of immune protection and reduce the number of vaccine doses needed to gain protection. With its potent immune stimulation combined with a good safety profile, Matrix-M is the basis for agreements and research collaborations in the human market.

Matrix-C is used in a vaccine against influenza for horses. Matrix-C is also used in a vaccine against Strangles that is under development in partnership with the Swedish company Intervacc.

In addition, adjuvants may be used for a variety of research and development purposes. Isconova s AbISCO adjuvants are research reagents suitable for experimental studies on humoral and cell mediated immune responses in laboratory animals.

Collaboration partners

Isconova seeks to commercialize its adjuvants and develop effective vaccines, primarily in collaboration with partners.

Crucell. Isconova s license agreement with Crucell, an affiliate of Johnson & Johnson, includes the use of Matrix-M in influenza, HIV and malaria vaccines.

Genocea. Isconova s collaboration with Genocea Biosciences includes the use of Matrix-M in vaccines under development against eight different infectious disease targets, including herpes-simplex virus-2, chlamydia trachomatis, streptococcus pneumonia, malaria and gonorrhea. In August 2012, Genocea Biosciences received approval from the FDA to begin a clinical Phase I/IIa study. The study involves a therapeutic vaccine (GEN 003) for treatment of herpes simplex virus-2 (HSV-2), the most common cause of genital herpes, a sexually transmitted disease. The purpose of the study is to evaluate the safety and tolerability of the vaccine, its ability to stimulate the immune system as well as determining the vaccine s

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impact on virus shedding, which is considered as a marker for relapse and transmission. No preventive or therapeutic vaccine against HSV-2 currently exists. HSV-2 is the most common cause of Genital Herpes, a sexually transmitted disease.

Jenner Institute. In October 2012, the Jenner Institute received permission from the British Medicines and Healthcare Products Agency to initiate a Phase I study involving a malaria vaccine candidate containing Matrix-M. The Phase I study includes 25 study participants and is expected to be completed mid-2013. The purpose of this study is to evaluate safety and vaccine candidate s ability to stimulate the immune system. There is no vaccine against malaria on the market today.

Fraunhofer USA Center for Molecular Biotechnology. In December 2012, the Fraunhofer USA Center for Molecular Biotechnology announced that it will receive up to $9.9 million from the U.S. National Institute of Health to develop a vaccine against anthrax containing Isconova s Matrix-M adjuvant. The parties plan to enter into a collaboration agreement.

Virbac, S.A. In 2012, Isconova began collaborating with Virbac, a leading pharmaceutical company in the field of veterinary medicine.

Intervacc AB. Intervacc is developing a vaccine, Strangvac, against equine strangles using the Matrix adjuvant. The vaccine is now in a late stage development phase.

PHARMAQ. Isconova and PHARMAQ have collaborated for several years with the goal of developing effective adjuvants for the fishing industry.

Merck Animal Health. Isconova supplies Merck Animal Health with Matrix-C for the equine influenza vaccine Equilis Prequenza. The vaccine was launched in 2006, and Isconova has since produced millions of doses of Matrix-C for Equilis Prequenza, which has become a leading equine influenza vaccine in Europe.

VetBioChem. Since 2010, Isconova and VetBioChem have collaborated on the development of rabies vaccines for dogs and cats. These vaccines, Rabix and Rabifel, were launched February 2012 and are the first marketed veterinary vaccines using Isconova s adjuvant Matrix-M Vet.

Pfizer Inc. (PfizerAnimal Health is now Zoetis). Isconova s adjuvant product platform is included in four of Pfizer s marketed veterinary vaccines. These vaccines, Equip, Canvac CCi, Pestiguard and Equity, are available on the European and Australian markets.

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following Unaudited Pro Forma Condensed Combined Financial Statements (pro forma financial statements) give effect to the combination of Novavax and Isconova in a transaction to be accounted for under the purchase method of accounting in accordance with Accountinig Standards Codification 805, *Business Combinations*, with Novavax treated as the acquirer. These pro forma financial statements have been derived from the historical financial statements of Novavax and Isconova incorporated by reference and/or included in this prospectus and are prepared in accordance with the rules and regulations of the SEC.

The Unaudited Pro Forma Condensed Combined Statements of Operations (pro forma statements of operations) combines the historical statements of operations of Novavax and Isconova for three months ended March 31, 2013 and the year ended December 31, 2012 and gives pro forma effect to the combination as if it had been completed as of the beginning of each period. The Unaudited Pro Forma Condensed Combined Balance Sheet (pro forma balance sheet) combines the historical balance sheets of Novavax and Isconova as of March 31, 2013 and gives pro forma effect to the combination as if it had been completed on March 31, 2013.

The historical financial information has been adjusted in the pro forma financial statements to give effect to pro forma events that are: (1) directly attributable to the combination, (2) factually supportable; and (3) with respect to the statements of operations, expected to have a continuing impact on the combined results of Novavax and Isconova. As such, the impact from combination-related expenses is not included in the accompanying pro forma statements of operations. However, the impact of these expenses is reflected in the pro forma balance sheet as an increase to accrued expenses and an increase to accumulated deficit.

The pro forma financial statements do not reflect any cost savings (or associated costs to achieve such savings) from operating efficiencies or synergies that could result from the combination.

Assumptions and estimates underlying the pro forma adjustments are described in the accompanying notes, which should be read in connection with the pro forma financial statements. Since the pro forma financial statements have been prepared based on preliminary estimates, the final amounts recorded at the date of closing of the Exchange Offer may differ materially from the information presented. These estimates are subject to change pending further review of the assets acquired and liabilities assumed and the final purchase price and its allocation thereof.

The pro forma financial statements have been presented for illustrative purposes only and are not necessarily indicative of results of operations and financial position that would have been achieved had the entities been combined on the dates indicated during the periods presented, or the future consolidated results of operations or financial position of the combined company.

The following pro forma financial statements should be read in conjunction with:

the accompanying notes to the Unaudited Pro Forma Condensed Combined Financial Statements;

the unaudited financial statements of Novavax as of and for the three months ended March 31, 2013 included in Novavax Quarterly Report on Form 10-Q and incorporated by reference into this prospectus;

the audited financial statements of Novavax as of and for the year ended December 31, 2012 included in Novavax Annual Report on Form 10-K and incorporated by reference into this prospectus;

the unaudited consolidated financial statements of Isconova as of and for the three months ended March 31, 2013 included in this prospectus;

the audited consolidated financial statements of Isconova as of and for the year ended December 31, 2012 included in this prospectus; and

the other information contained in or incorporated by reference into this prospectus.

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Novavax, Inc. and Isconova AB Unaudited Pro Forma Condensed Combined Balance Sheet March 31, 2013 (in thousands)

	Novavax, Inc.	Isconova AB	Pro Forma Adjustment	Notes	Pro Forma Combined
Assets					
Cash and cash equivalents	$9,023	$5,379	$(21)	A	$14,381
Short-term investments available-for-sale	35,256				35,256
Accounts and unbilled receivables	4,173	603			4,776
Prepaid expenses and other current assets	3,270	1,531			4,801
Total current assets	51,722	7,513	(21)		59,214
Investments available-for-sale	1,117				1,117
Property and equipment, net	11,617	189			11,806
Intangible assets, net		840	(840)	D	
			12,050	D	12,050
Goodwill	33,141		14,108	E	47,249
Other non-current assets	1,107	12			1,119
Total assets	$98,704	$8,554	$25,297		$132,555
Liabilities and Stockholders' Equity					
Accounts payable	$2,173	$825	$		$2,998
Accrued expenses and other current liabilities	6,631	1,468	2,747	B	10,846
Current portion of notes payable and capital leases	449	178			627
Total current liabilities	9,253	2,471	2,747		14,471
Non-current portion of notes payable and capital leases	1,512	201			1,713
Other non-current liabilities	10,371	1,558			11,929
Total liabilities	21,136	4,230	2,747		28,113
Commitments and contingencies					
Stockholders' equity:					
Preferred stock					
Common stock	1,517	1,914	157	A	1,674
			(1,914)	C	
Additional paid-in capital	446,191	28,490	29,464	A	475,655
			(28,490)	C	
Accumulated deficit	(368,159)	(26,080)	(2,747)	B	(370,906)
			26,080	C	
Treasury stock, cost basis	(2,450)				(2,450)
Other comprehensive income	469				469
Total stockholders' equity	77,568	4,324	22,550		104,442

Total liabilities and stockholders' equity	$98,704	$8,554	$25,297	$132,555

See accompanying Notes to the Unaudited Pro Forma Condensed Combined Financial Statements that are an integral part of these statements.

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Novavax, Inc. and Isconova AB Unaudited Pro Forma Condensed Combined Statement of Operations For the Three Months Ended March 31, 2013 (in thousands, except per share data)

	Novavax, Inc.	Isconova AB	Pro Forma Adjustment	Notes	Pro Forma Combined
Total revenue	$3,833	$1,101	$		$4,934
Costs and expenses:					
Cost of revenue	1,712	497			2,209
Research and development	9,432	1,050	137	D	10,619
Selling, general and administrative	2,694	824	(78)	B	3,440
Total costs and expenses	13,838	2,371	59		16,268
Loss from operations before other income (expense)	(10,005)	(1,270)	(59)		(11,334)
Other income (expense)	26	(15)			11
Loss from operations before income tax	(9,979)	(1,285)	(59)		(11,323)
Income tax expense (benefit)	17	2			19
Net loss	$(9,996)	$(1,287)	$(59)		$(11,342)
Basic and diluted net loss per share	$(0.07)	$(0.10)		F	$(0.07)
Basic and diluted weighted average number of common shares outstanding	148,448	12,475	3,198	G	164,121

See accompanying Notes to the Unaudited Pro Forma Condensed Combined Financial Statements that are an integral part of these statements.

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Novavax, Inc. and Isconova AB
Unaudited Pro Forma Condensed Combined Statement of Operations
For the Year Ended December 31, 2012
(in thousands, except per share data)

	Novavax, Inc.	Isconova AB	Pro Forma Adjustment	Notes	Pro Forma Combined
Total revenue	$22,076	$2,732	$		$24,808
Costs and expenses:					
Cost of revenue	14,692	1,021			15,713
Research and development	26,061	4,575	497	D	31,133
Selling, general and administrative	10,988	2,716			13,704
Total costs and expenses	51,741	8,312	497		60,550
Loss from operations before other income (expense)	(29,665)	(5,580)	(497)		(35,742)
Other income (expense)	1,158	19			1,177
Loss from operations before income tax	(28,507)	(5,561)	(497)		(34,565)
Income tax expense (benefit)		30			30
Net loss	$(28,507)	$(5,591)	$(497)		$(34,595)
Basic and diluted net loss per share	$(0.22)	$(1.15)		F	$(0.23)
Basic and diluted weighted average number of common shares outstanding	131,726	4,851	10,822	G	147,399

See accompanying Notes to the Unaudited Pro Forma Condensed Combined Financial Statements that are an integral part of these statements.

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Notes to Unaudited Pro Forma Condensed Combined Financial Statements

1. Description of Transaction and Basis of Presentation

On June 4, 2013, Novavax announced it is offering to exchange 15,454,471 shares of Novavax common stock for all of the outstanding shares of Isconova, a company organized under the laws of Sweden, and 218,120 shares of Novavax common stock for all of the outstanding stock options for Isconova shares (Exchange Offer). In connection with the Exchange Offer, Novavax intends to pay cash in the aggregate amount of approximately $21,000 in exchange for outstanding warrants to purchase Isconova shares. Novavax is conducting the Exchange Offer to acquire Isconova as a wholly owned subsidiary. The transaction will be accounted for under the purchase method of accounting in accordance with Accounting Standards Codification 805, *Business Combinations* (ASC 805), with Novavax treated as the acquirer. Under the purchase method of accounting, all of Isconova's assets acquired and liabilities assumed in the transaction will be recorded by Novavax at their acquisition-date fair values while transaction costs associated with the transaction will be expensed as incurred. Although not free from doubt, the transaction is expected to be a taxable transaction for U.S. federal income tax purposes. Under the terms of the Exchange Offer, each share of Isconova outstanding at the announcement of the Exchange Offer will be converted into the right to receive 1.2388 shares of Novavax common stock (the Exchange Ratio). In addition, all Isconova holders of vested and unvested stock options who agree to waive their rights under their stock option agreement will receive 0.6232 shares of Novavax common stock for each stock option for Isconova shares. To the extent holders of shares and stock options are entitled to receive fractions of shares in Novavax, such fractions of shares will be sold commission free by a financial institution on a best efforts basis on behalf of such holders, and the proceeds will be paid in SEK to the eligible parties in lieu thereof. The Exchange Offer is subject to certain closing conditions, including the Exchange Offer being accepted by Isconova shareholders to the extent that Novavax becomes owner of shares representing more than 90 percent of the total number of shares in Isconova on a fully diluted basis and that there has been no material adverse effect on Isconova s financial condition or operations.

Isconova s financial statements as of and for the three months ended March 31, 2013 and the year ended December 31, 2012 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB and use the local currency, Swedish krona (SEK), as the reporting currency. As a result, Isconova s financial statements have been translated from IFRS to accounting standards generally accepted in the United States of America (U.S. GAAP) and SEK to U.S. Dollar (USD) for the presentation of such pro forma financial statements herein. No material adjustments were required to translate Isconova s financial statements from IFRS to U.S. GAAP. Isconova s unaudited consolidated statement of operations for the three months ended March 31, 2013 has been translated using the average exchange rate for such period of SEK 6.43 per USD for the Unaudited Pro Forma Condensed Combined Statement of Operations. Isconova audited consolidated statement of operations for the year ended December 31, 2012 has been translated using the average exchange rate for such period of SEK 6.78 per USD for the Unaudited Pro Forma Condensed Combined Statement of Operations. Isconova unaudited consolidated balance sheet as of March 31, 2013 has been translated using the period end exchange rate of SEK 6.52 per USD for the Unaudited Pro Forma Condensed Combined Balance Sheet.

2. Preliminary Purchase Price

The preliminary purchase price for the combination is estimated as follows:

Isconova shares outstanding as of June 3, 2013	12,475,356
Exchange Ratio	1.2388
Novavax shares issued for Isconova shares outstanding	15,454,471
Closing price of Novavax common stock on June 3, 2013	$ 1.89
Fair value of Novavax shares issued for Isconova shares outstanding	$ 29,208,950
Fair value of Novavax shares issued for Isconova stock options outstanding	$ 412,247
Cash paid for Isconova warrants outstanding	$ 21,226
Total preliminary preliminary purchase price	$ 29,642,423

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Notes to Unaudited Pro Forma Condensed Combined Financial Statements

2. Preliminary Purchase Price (continued)

The preliminary purchase price was computed using Isconova s shares outstanding as of June 3, 2013 adjusted for the Exchange Ratio. The preliminary purchase price reflects the market value of shares of Novavax common stock to be issued in connection with the Exchange Offer based on the closing price of Novavax common stock on June 3, 2013.

ASC 805 requires that the fair value of stock options attributable to pre-combination services be included in the consideration transferred. The $412,247 included in the estimated consideration transferred represents the fair value-based measure of Isconova's 350,000 stock options outstanding as of June 3, 2013.

3. Purchase Price Allocation

Based on the amounts reported in the statements of operations and balance sheets of Novavax and Isconova as of and for the three months ended March 31, 2013 and statements of operations for the year ended December 31, 2012, certain financial line items included in Isconova s historical presentation have been classified to conform to corresponding line items included in Novavax historical presentation. These classifications have no material impact on the historical operating loss, net loss, total assets, liabilities or stockholders equity reported by Novavax and Isconova. Additionally, based on a comparison of Isconova s summary of significant accounting policies disclosed in Isconova s financial statements with those of Novavax, the nature and amount of any adjustments to the historical financial statements of Isconova to conform its accounting policies to those of Novavax are not expected to be material, except that Isconova patent costs will be expensed rather than capitalized under Novavax. Upon completion of the Exchange Offer, further review of Isconova s accounting policies and financial statements may result in revisions to Isconova s policies and classifications to conform to Novavax accounting policies.

The preliminary purchase price allocation to the fair values of assets acquired and liabilities assumed includes preliminary adjustments to reflect the fair values of Isconova s assets and liabilities. The allocation of the preliminary purchase price (for financial accounting purposes) is as follows (in thousands):

Cash and cash equivalents	$ 5,379
Accounts and unbilled receivables	603
Prepaid expenses other current assets	1,531
Property and equipment, net	189
Intangible assets	12,050
Other non-current assets	12
Goodwill	14,108
Accounts payable	(825)
Accrued expenses and other current liabilities	(1,468)
Notes payable and capital leases	(379)
Other non-current liabilities	(1,558)
Total preliminary purchase price	$ 29,642

The allocation of consideration transferred is preliminary and the final determination will be based on (i) the fair values of assets acquired, including the fair values of the identifiable intangible assets, (ii) the fair values of liabilities assumed, and (iii) the fair value of common stock issued, as of the date that the Exchange Offer is consummated. The excess of consideration transferred over the fair value of assets and liabilities acquired is allocated to goodwill. It is expected that the transaction will be a taxable transaction for U.S. federal income tax purposes, meaning that goodwill and identified intangibles resulting from the transaction will be deductible for tax purposes. The purchase price allocation will remain preliminary until Novavax completes a final valuation of identifiable intangible assets acquired and determines the fair values of other assets and liabilities acquired. The final determination of the allocation of consideration transferred is expected to be completed as soon as practicable after consummation of the Exchange Offer, but in no event to exceed one year from the acquisition date. The final amounts allocated to assets acquired and liabilities assumed could differ significantly from the amounts presented in the pro forma financial statements.

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Notes to Unaudited Pro Forma Condensed Combined Financial Statements

3. Purchase Price Allocation (continued)

Identifiable Intangible Assets

The amount allocated to identifiable intangible assets has been attributed to the following categories (in thousands):

Proprietary technology	$ 9,680
Agreements	2,370
Total identifiable intangible assets	$ 12,050

The estimated fair values of the proprietary technology and agreements were determined based on estimates of expected future net cash flows. The present value of future net cash flows was then determined utilizing an estimate of the appropriate discount rate, which is consistent with the uncertainties of the cash flows utilized. For purposes of preparing the pro forma financial statements, Novavax used publicly available information, market participant assumptions, cost and development assumptions, expected synergies and other cost savings that a market participant would be expected to realize as a result of the combination and certain other high-level assumptions. The proprietary technology is amortized over the remaining life of the technology considering the remaining patent life and the eventual time when a replacement technology will be utilized by the company. The agreements are amortized over their remaining contractual terms. Amortization expense for intangible assets will be recorded on a straight-line basis over the expected lives of the assets, approximately ranging from seven to 20 years. The carrying value of the intangible assets will be periodically reviewed to determine if the facts and circumstances suggest that a potential impairment may have occurred. Impairment charges, if any, will be recorded in the period in which the impairment occurs.

4. Pro Forma Adjustments

The pro forma adjustments included in the pro forma financial statements are as follows: