NOVAVAX INC
Form S-3/A
December 17, 2001

As filed with the Securities and Exchange Commission on December 17, 2001

Registration No._____

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 1
TO
FORM S-3
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933
NOVAVAX, INC.
(Exact name of registrant as specified in its charter)

Delaware	**22-2816046**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

8320 Guilford Road
Columbia, MD 21046
(301) 854-3900
(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

John A. Spears
President and Chief Executive Officer
Novavax, Inc.
8320 Guilford Road
Columbia, MD 21046
(301) 854-3900
(Name, address, including zip code, and telephone number, including area code, of agent for service)

With a copy to:
David A. White, Esq.
White & McDermott, P.C.
65 William Street
Wellesley, Massachusetts 02481
(781) 431-1700

Approximate date of commencement of proposed sale to the public: As soon as practicable and from time to time after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. [ ]

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. [X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [ ]

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered (1)	Proposed maximum offering price per share (2)	Proposed maximum aggregate offering price	Amount of registration fee
Common Stock ($.01 par value)	860,490 shares	$ 11.37	$9,783,771	$2,446 (3)

(1) Pursuant to Rule 416, there are also being registered an indeterminate number of shares of common stock which may become issuable pursuant to the antidilution provisions of underlying convertible securities.

(2) Estimated solely for the purpose of calculating the amount of the registration fee and computed pursuant to Rule 457(c), based upon the average of the high and low prices reported on September 19, 2001, as reported by the Nasdaq National Market.

(3) Previously paid.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

PROSPECTUS

NOVAVAX, INC.

860,490 shares of Common Stock

December ____, 2001

Novavax, Inc. is registering the offer and sale from time to time of up to 860,490 shares of our common stock by the selling stockholder identified in the Selling Stockholders section of this prospectus.

Novavax will not receive any of the proceeds from the sale of the shares by the selling stockholder.

Our common stock is traded on the Nasdaq National Market under the symbol NVAX. On December 11, 2001, the closing price of the common stock as reported on the Nasdaq National Market, was $13.30 per share.

Novavax was incorporated in Delaware in 1987. The principal executive offices are currently located at 8320 Guilford Road, Columbia, Maryland 21046. The telephone number is (301) 854-3900.

INVESTING IN NOVAVAX COMMON STOCK INVOLVES A HIGH DEGREE OF RISK. SEE RISK FACTORS BEGINNING ON PAGE 3 OF THIS PROSPECTUS.

NEITHER THE SEC NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

You should rely only on the information contained or incorporated by reference in this prospectus and in any prospectus supplement. No one has been authorized to provide you with different information.

TABLE OF CONTENTS

	Page
Risk Factors	3
The Company	8
Incorporation of Documents by Reference	10
Special Note Regarding Forward Looking Statements	10
Selling Stockholders	11
Use of Proceeds	12
Plan of Distribution	12
Legal Matters	14
Experts	14
Available Information	14

Novavax, Inc.
860,490 shares of Common Stock
Prospectus

RISK FACTORS

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

WE HAVE NOT COMPLETED THE DEVELOPMENT OF MANY OF OUR PRODUCTS AND OUR ABILITY TO DO SO IS UNCERTAIN

Many of our potential products are in various stages of pre-clinical research or clinical trials. Significant further research and development, pre-clinical and clinical testing and regulatory approval are all necessary before the commercial sale of any of these products. We have completed Phase III clinical trials for our estrogen replacement therapy product, ESTRASORB , and submitted a New Drug Application to the FDA. There is no guarantee that the NDA will be approved. If the ESTRASORB NDA were not approved, our projected future earnings would be negatively affected. We have completed Phase I clinical trials for our transdermal lotion for testosterone replacement product, ANDROSORB , and expect to begin Phase II clinical trials in December 2001. In addition, Phase II clinical trials for our Human Papillomavirus VLP (mono) vaccine and Phase I clinical trials for our Hepatitis E vaccine are currently being conducted with collaborators at the National Institutes of Health. We are also engaged in pre-clinical testing for the following product candidates: our Malaria MSP-1 vaccine, through a contract funded by the NIH; our influenza vaccines, for use in future clinical trials, through a project awarded to us by the National Institute of Allergy and Infectious Diseases; our Human Papillomavirus (chimeric) vaccine, for the National Cancer Institute; and, our injectable testosterone therapy product, ANDRO-JECT . We have filed an Investigational New Drug Exemption for our Dengue Type 4 vaccine and intend to file an IND for ANDRO-JECT in the first quarter of fiscal year 2002. We cannot guarantee that these products will successfully pass such testing phases, and if so, will receive regulatory approval or result in commercially successful products. Clinical trial results are frequently susceptible to varying interpretations by scientists, medical personnel, regulatory personnel, statisticians and others which may delay, limit or prevent further clinical development or regulatory approvals of a product candidate. Also, the length of time that it takes for us to complete clinical trials and obtain regulatory approval for product marketing can vary by product and by the indicated use of a product. We are unable to predict the length of time before we complete the necessary clinical trials and obtain regulatory approval.

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

Our expenses have exceeded our revenues since our formation in 1987, and our accumulated deficit at June 30, 2001 was $59.1 million. Our revenues for the last three years were $0.7 million in 1998, $1.2 million in 1999 and $2.5 million in 2000. The Fielding

acquisition has generated revenue from commercial sales of products but we cannot be certain that these revenues will be sufficient to offset our expenses in the future. We have received a very limited amount of product-related revenue from research contracts, licenses and agreements to provide vaccine products, services and adjuvant technologies. We cannot be certain that we will be successful in entering into strategic alliances or collaborative arrangements with other companies that will result in other significant revenues to offset our expenses. Our net losses for the last three years were $4.8 million in 1998, $4.5 million in 1999 and $12.2 million in 2000. Our losses have resulted from research and development expenses, protection of our patents and other intellectual property and other general operating expenses. We expect that our annual losses will increase in the near term as we conduct additional and larger clinical trials and seek regulatory approval for advanced stage product candidates. Therefore, we expect our cumulative operating loss to increase until such time, if ever, as product sales, licensing fees and royalty payments generate sufficient revenue to fund our continuing operations. We cannot predict when, if ever, we might achieve profitability and cannot be certain that we will be able to sustain profitability, if achieved.

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

Our success will, in large part, depend on our ability to maintain the proprietary nature of our technology and other trade secrets. To do so, we must prosecute and maintain existing patents, obtain new patents and pursue trade secret protection. We also must operate without infringing the proprietary rights of third parties or letting third parties infringe our rights. We have 50 United States patents and 125 foreign patents covering our technologies, including our Novamix production equipment. However, patent issues relating to pharmaceuticals involve complex legal, scientific and factual questions. To date, no consistent policy has emerged regarding the breadth of biotechnology patent claims that are granted by the United States Patent and Trademark Office or enforced by the federal courts. Therefore, we do not know whether our applications will result in the issuance of patents, or that any patents issued to Novavax will provide us with any competitive advantage. We also cannot be sure that we will develop additional proprietary products that are patentable. Furthermore, there is a risk that others will independently develop or duplicate similar technology or products or circumvent the patents issued to Novavax.

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

Some of our know-how and technology is not patentable. To protect our proprietary rights in unpatentable intellectual property and trade secrets, we require employees, consultants, advisors and collaborators to enter into confidentiality agreements. These agreements may not

provide meaningful protection for our trade secrets, know-how or other proprietary information in the event of any unauthorized use or disclosure.

OTHER ORGANIZATIONS HAVE GREATER RESOURCES TO DEVELOP, MANUFACTURE AND MARKET COMPETITIVE PRODUCTS

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

Many large companies currently produce and sell estrogen products for clinical indications identical to those that we seek for ESTRASORB. In the oral product segment of the estrogen replacement therapy market, Wyeth-Ayerst Laboratories, a division of American Home Products Corporation, commits significant resources to the sale and marketing of its product, Premarin, in order to maintain its market leadership position. Bristol-Myers Squibb Company also competes in the branded oral product segment with its product, Estrace. In addition, ESTRASORB will also compete with products produced and sold by generic manufacturers in the oral product segment of the market, such as Watson Pharmaceutical, Inc., with its generic product, Estropipate, and Apothecon, with its generic product, Estradiol. In the transdermal segment of the market, several companies market transdermal estrogen patches with which ESTRASORB will compete, if approved. For example, Novartis Pharma AG currently markets and sells its Vivelle and Estraderm transdermal products and Berlex Laboratories, Inc. and Forest Pharmaceuticals Inc. co-promote the Climara transdermal patch. In the androgen replacement therapy market, a number of companies currently produce and sell transdermal, implant, injection and oral androgen products. For example, if approved, ANDROSORB will directly compete with such products as Androgel, distributed by Solvay Pharmaceuticals, Androderm, manufactured by GlaxoSmithKline and Testoderm, marketed by Alza Corp. These estrogen products and androgen products have already received regulatory marketing approval. We can give no assurance that the NDA for ESTRASORB will be approved, or if approved, that it will be approved for the indications that we are seeking. In addition, we can give no assurance that we will be able to successfully complete Phase II clinical trials for ANDROSORB, or, if completed, that we will be able to obtain regulatory approval.

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

WE NEED ADDITIONAL MANUFACTURING CAPABILITY TO COMMERCIALIZE OUR PRODUCTS

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

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

We are in the process of validating our manufacturing methods for ESTRASORB, which is required under FDA guidelines. We have entered into a two year supply agreement with Packaging Coordinators, Inc., a subsidiary of Cardinal Health, Inc., to package ESTRASORB. PCI s facility, which meets the good manufacturing practices requirements prescribed by the FDA, is located in Philadelphia, Pennsylvania, and has the capacity to meet our current and expected future production requirements for ESTRASORB. Pursuant to the terms of this supply agreement, our employees manufacture and PCI s employees package ESTRASORB at PCI s facility. We intend to qualify at least one additional FDA approved manufacturing facility after receiving FDA approval, which approval should be received in approximately 9-12 months. However, if we are unable to package ESTRASORB at our current third-party facility, we would not have immediate access to this product. Under such circumstances we would be required to reestablish our validation process at a different third-party contract manufacturer. This would delay the commercialization of ESTRASORB.

WE MAY NOT SUCCEED IN OBTAINING THE FDA APPROVAL NECESSARY TO SELL OUR PRODUCTS

The development, manufacture and marketing of our pharmaceutical products are subject to government regulation in the United States and other countries. In the United States and most foreign countries, we must complete rigorous pre-clinical testing and extensive human clinical trials that demonstrate the safety and effectiveness of a product in order to apply for regulatory approval to market the product. One of our product candidates, ANDROSORB , is now in Phase II human clinical studies. We have submitted an NDA to the FDA for approval of our product ESTRASORB utilized in estrogen replacement therapy. Our other product candidates

are in pre-clinical laboratory or animal studies. Before applying for FDA approval to market any particular product candidate other than ESTRASORB, we must conduct larger-scale Phase II and III human clinical trials that demonstrate the safety and efficacy of our products to the satisfaction of the FDA or other regulatory authorities. These processes are expensive and can take many years to complete. We may not be able to demonstrate the safety and efficacy of our products to the satisfaction of the FDA or other regulatory authorities. We may also be required to demonstrate that our proposed product represents an improved form of treatment over existing therapies and we may be unable to do so without conducting further clinical studies.

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

- the rate of patient enrollment, which is a function of many factors, including the size of the patient population, the proximity of patients to clinical sites, the eligibility criteria for the study and the nature of the protocol;
- institutional review board approval of the protocol and the informed consent form;
- prior regulatory agency review and approval;
- analysis of data obtained from pre-clinical and clinical activities which are susceptible to varying interpretations, which interpretations could delay, limit or prevent regulatory approval;
- changes in the policies of regulatory authorities for drug approval during the period of product development; and
- the availability of skilled and experienced staff to conduct and monitor clinical studies and to prepare the appropriate regulatory applications.

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

WE MAY NEED ADDITIONAL CAPITAL TO GROW AND OPERATE OUR BUSINESS AND WE ARE UNCERTAIN ABOUT OBTAINING FUTURE FINANCING

We estimate that our existing cash resources will be sufficient to finance our operations at current and projected levels of development and general corporate activity for the next 18 to 24 months. Thereafter, we may require additional funds to continue our research and development, commence future pre-clinical and clinical trials, seek regulatory approvals, establish commercial-scale manufacturing capabilities and market our products. We may seek additional funds through public or private equity or debt financings, collaborative arrangements with pharmaceutical companies and other sources. We cannot be certain that adequate additional funding or bank financing will be available to us on acceptable terms, if at all. If we cannot raise the additional funds we may need to continue our current and anticipated operations, we may be required to delay significantly, reduce the scope of or eliminate one or more of our research or development programs. If that is the case we will seek other alternatives to avoid insolvency, including arrangements with collaborative partners or others that may require us to relinquish rights to certain of our technologies, product candidates or products.

THE COMPANY

Novavax, Inc. is a specialty biopharmaceutical company focused on the research, development and commercialization of products utilizing our unique drug delivery and vaccine technologies for large and growing markets, including women s health and infectious diseases. The company holds 50 United States patents for its drugs and has 3 patents pending. Our technologies involve the use of our patented oil and water emulsions which are used as vehicles for the delivery of a wide variety of drugs and other therapeutic products, including certain hormones, anti-bacterial and anti-viral products and vaccine adjuvants, which are substances added to vaccines to enhance their effectiveness. These technologies support three product development programs: hormone replacement therapies, vaccine and vaccine adjuvant applications and anti-infection agents. We are applying this patented drug delivery encapsulation technology to develop product candidates for the transdermal, oral and injectable delivery of generic and non-generic drugs, peptides and proteins. Our Novasome technology is also being developed as an adjuvant delivery system for enhanced vaccine efficacy. We have several product candidates in pre-clinical and clinical trials.

Our diverse product portfolio and multiple technologies reduce our dependence on a limited number of compounds and enhance our ability to introduce novel products in a broad range of substantial markets. Moreover, through our unique drug delivery technology, we can deliver a wide range of pharmaceuticals topically, mucosally, orally, intravaginally and by injection. We are currently in various stages of product development.

Most of our product candidates are still in a relatively early stage of development and cannot be marketed until Phase I, Phase II and Phase III human clinical studies have been completed and new drug applications have been prepared, filed and approved by the FDA and other applicable regulatory agencies. We expect that this process will continue over several years and will require us to spend substantial amounts of money which we will have to raise from additional financings or licensing agreements. Therefore, we expect that our annual

operating losses and accumulated deficit will continue for the foreseeable future. We estimate that our current cash resources will be sufficient to finance company operations at presently planned levels for another 18 to 24 months.

In December 2000, we acquired the privately owned Fielding Pharmaceutical Company (Fielding), based in St. Louis, Missouri, which sells, markets and distributes its own line of pharmaceutical products focused on women s health. Under the terms of the acquisition agreement, we acquired 100% of Fielding for $36.5 million, consisting of $13 million in cash and 2,312,501 shares of Novavax common stock, valued at $18.5 million, and an additional $5 million in either Novavax common stock or cash, which will be paid to former Fielding shareholders in March 2002.

Fielding was established in 1959 and markets women s healthcare products nationally to obstetricians and gynecologists through its sales force of over 60 personnel. Fielding packages, markets and sells its own line of prenatal vitamins, oral estrogen tablets and other women s health care products. We have expanded Fielding s sales force to over 70 personnel and will use this sales force to sell, market and distribute any of our future products.

Fielding s products include the following:

Nestabs® CBF, a prenatal multivitamin and mineral supplement containing 50 mg of carbonyl iron;

Nestabs® FA, a prenatal multivitamin and mineral supplement containing 29 mg of ferrous fumarate;

Gynodiol®, an estrogen replacement therapy; and

AVC , an anti-bacterial vaginal cream and suppositories.

For the year ended December 31, 2000, Fielding had revenues from the sales of these products of approximately $10.5 million. Novavax intends to continue to use Fielding s sales and marketing expertise for Novavax s own unique women s health care products when these products have received regulatory approval.

On December 19, 2000, King Pharmaceuticals, Inc. signed an agreement to make a $25.0 million convertible note investment in Novavax in two stages. The first note, in the principal amount of $20.0 million, was issued on December 19, 2000 and is convertible into 2,000,000 shares of Novavax common stock at an initial conversion price of $10.00 per share. The second convertible note, in the principal amount of $5.0 million, was issued on September 7, 2001 and is convertible into 500,000 shares of Novavax common stock at an initial conversion price of $10.00 per share. On September 7, 2001, King signed an additional agreement to make a $5.0 million convertible note investment in Novavax. This convertible note was issued on September 7, 2001 and is convertible into 360,490 shares of Novavax common stock at an initial conversion price of $13.87 per share. Each of the notes has a maturity date of December 19, 2007 and accrues interest at an annual rate of 4%. Novavax used a portion of the proceeds from the first

note to complete its acquisition of Fielding and will use the balance for general operating purposes. The proceeds from the notes of September 7, 2001 will be used for general operating purposes.

Our website can be found at www.novavax.com. The contents of our website are not a part of this prospectus.

INCORPORATION OF DOCUMENTS BY REFERENCE

The SEC allows us to incorporate by reference the information we file with it, which means that we can disclose important information to you by referring you to those documents. This prospectus is part of a Registration Statement we filed with the SEC. You should rely on the information incorporated by reference in this prospectus and the Registration Statement. The information incorporated by reference is considered to be part of this prospectus and information we file later with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act until the selling stockholder sells all of its shares of common stock or the offering is otherwise terminated. The documents we are incorporating by reference are:

1. Novavax s Annual Report on Form 10-K for the fiscal year ended December 31, 2000;

2. Novavax s Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2001, June 30, 2001 and September 30, 2001;

3. Novavax s Current Reports on Form 8-K, dated January 2, 2001, January 19, 2001, March 12, 2001 and September 5, 2001;

4. The Company s definitive Proxy Statement, dated April 6, 2001, relating to the Annual Meeting of Stockholders held on May 9, 2001; and

5. The description of the common stock contained in Novavax s Registration Statement on Form 10, File No. 0-26770, filed on September 14, 1995 pursuant to Section 12(b) of the Securities Exchange Act.

You may request a copy of these filings at no cost by writing or telephoning our chief financial officer at the following address and telephone number: Novavax, Inc., 8320 Guilford Road, Columbia, MD 21046; (301) 854-3900.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

We also caution you that this prospectus contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act. These statements are based on management s beliefs and assumptions and on information currently available to management and use words such as expect, anticipate, intend,

plan, believe, estimate, or similar expressions. Forward-looking statements include information concerning possible or assumed future results of operations, future product development and related clinical trials and statements regarding future research and development. Forward-looking statements necessarily involve risks and uncertainties and other factors which may cause the actual results, performance or achievements of Novavax, or industry results, to be materially different from those anticipated in the forward-looking statements. These risks and uncertainties are discussed in the Risk Factors section and elsewhere in this prospectus.

SELLING STOCKHOLDERS

We are registering all 860,490 shares covered by this prospectus on behalf of the selling stockholder named in the table below. We have issued two $5.0 million convertible notes to King Pharmaceuticals, Inc., the first which is initially convertible into 500,000 of the shares registered hereby and the second which is initially convertible into 360,490 of the shares registered hereby. The registration of such shares does not necessarily mean that King will convert all or any portion of its convertible notes. We have registered the shares covered by this prospectus to permit the selling stockholder and its pledgees, donees, transferees or other successors-in-interest that receive their shares from the selling stockholder as a gift, partnership distribution or other non-sale related transfer after the date of this prospectus to resell the shares when they deem appropriate. We have registered these shares in accordance with registration rights we granted to the selling stockholder in connection with King s investment in Novavax. See The Company for information about this transaction.

The following table sets forth certain information with respect to the selling stockholder, including

- the name of the selling stockholder,
- the number of shares of common stock owned by the selling stockholder as of December 11, 2001,
- the number of shares that may be offered under this prospectus, and
- the number of shares of our common stock that will be owned by the selling stockholder after this offering is completed, assuming all of the shares covered by this prospectus are sold.

The selling stockholder may offer and sell all, a portion or none of the common stock offered pursuant to this prospectus.

	Shares Beneficially Owned		Number of Shares	Shares Beneficially Owned	
	Prior to Offering		Being Offered	After Offering	
Name of Selling Stockholder	Number	Percent		Number	Percent
King Pharmaceuticals, Inc.(1)	2,860,490	11.0%	860,490	0(2)	0(2)

(1) Amount shown assumes conversion of the entire principal amount of all of King s convertible notes at the initial conversion price of each such convertible note. The conversion price of each convertible note is subject to adjustment based on dilutive issuances of common stock and rights to acquire common stock, as defined in our agreement with King. This prospectus also relates to such indeterminate number of shares of common stock which may become issuable under these antidilution provisions.

(2) The remaining 2,000,000 shares not being offered pursuant to this prospectus were registered pursuant to a registration statement which became effective on January 12, 2001. This number presumes the completion of both offerings.

USE OF PROCEEDS

We will not receive any proceeds from the sale of the shares by the selling stockholder.

PLAN OF DISTRIBUTION

Shares may be sold or distributed from time to time by the selling stockholder named in this prospectus and, to the extent permitted by its registration rights agreement with Novavax, by its donees or transferees and its other successors in interest. The selling stockholder may sell its shares at market prices prevailing at the time of sale, at prices related to such prevailing market prices, at negotiated prices, or at fixed prices, which may be changed. The selling stockholder reserves the right to accept or reject, in whole or in part, any proposed purchase of shares, whether the purchase is to be made directly or through agents.

The selling stockholder may offer its shares at various times in one or more of the following transactions:

in ordinary brokers transactions and transactions in which the broker solicits purchasers;

in transactions involving cross or block trades or otherwise on the Nasdaq National Market or any national securities exchange on which the common stock is listed;

in transactions at the market to or through market makers in the common stock or into an existing market for the common stock;

in other ways not involving market makers or established trading markets, including direct sales of the shares to purchasers or sales of the shares effected through agents;

through transactions in options, swaps or other derivatives which may or may not be listed on an exchange;

in privately negotiated transactions; or

in a combination of any of the foregoing transactions.

The selling stockholder also may sell its shares in accordance with Rule 144 under the Securities Act.

From time to time, the selling stockholder may pledge or grant a security interest in some or all of the shares owned by it. If the selling stockholder defaults in performance of its secured obligations, the pledgees or secured parties may offer and sell the shares from time to time by this prospectus. The selling stockholder also may transfer and donate shares in other circumstances. The number of shares beneficially owned by the selling stockholder will decrease as and when the selling stockholder transfers or donates its shares or defaults in performing obligations secured by its shares. The plan of distribution for the shares offered and sold under this prospectus will otherwise remain unchanged, except that the transferees, donees, pledgees, other secured parties or other successors in interest will be selling stockholders for purposes of this prospectus.

The selling stockholder may enter into hedging transactions with broker-dealers. The selling stockholder also may enter into option or other transactions with broker-dealers that involve the delivery of shares to the broker-dealers, who may then resell or otherwise transfer such shares. In addition, the selling stockholder may loan or pledge shares to a broker-dealer, which may sell the loaned shares or, upon a default by the selling stockholder of the secured obligation, may sell or otherwise transfer the pledged shares.

The selling stockholder may use brokers, dealers, underwriters or agents to sell its shares. The persons acting as agents may receive compensation in the form of commissions, discounts or concessions. This compensation may be paid by the selling stockholder or the purchasers of the shares of whom such persons may act as agent, or to whom they may sell as principal, or both. The compensation as to a particular person may be less than or in excess of customary commissions. The selling stockholder and any agents or broker-dealers that participate with the selling stockholder in the offer and sale of the shares may be deemed to be underwriters within the meaning of the Securities Act. Any commissions they receive and any profit they realize on the resale of the shares by them may be deemed to be underwriting discounts and commissions under the Securities Act. Neither we nor the selling stockholder can presently estimate the amount of such compensation.

If the selling stockholder sells shares in an underwritten offering, the underwriters may acquire the shares for their own account and resell the shares from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. In such event, we will set forth in a supplement to this prospectus the names of the underwriters and the terms of the transactions, including any underwriting discounts, concessions or commissions and other items constituting compensation of the underwriters and broker-dealers. The underwriters from time to time may change any public offering price and any discounts, concessions or commissions allowed or reallowed or paid to broker-dealers. Unless otherwise set forth in a supplement, the obligations of the underwriters to purchase the shares will be subject to certain conditions, and the underwriters will be obligated to purchase all of the shares specified in the supplement if they purchase any of the shares.

We have informed the selling stockholder that during such time as it may be engaged in a distribution of the shares, it is required to comply with Regulation M under the Securities Exchange Act. With exceptions, Regulation M prohibits the selling stockholder, any affiliated purchasers and other persons who participate in such a distribution from bidding for or purchasing, or attempting to induce any person to bid for or purchase, any security which is the subject of the distribution until the entire distribution is complete.

Under our registration rights agreement with the selling stockholder, we are required to bear the expenses relating to this offering, excluding any underwriting discounts or commissions, stock transfer taxes and fees and disbursements of counsel to the selling stockholder. We estimate these expenses will total approximately $15,000.

We have agreed to indemnify the selling stockholder and its controlling persons against certain liabilities, including certain liabilities under the Securities Act. We will not receive any of the proceeds from the sale by the selling stockholder of the shares offered by this document.

This offering by the selling stockholder will terminate on the date specified in the selling stockholder s registration rights agreement with us, or, if earlier, on the date on which the selling stockholder has sold all of the selling stockholder s shares.

LEGAL MATTERS

Certain legal matters with respect to the shares of common stock offered hereby have been passed upon by White & McDermott, P.C., 65 William Street, Wellesley, Massachusetts 02481. David A. White, a shareholder of such firm, owns 22,500 shares of our common stock and is the Secretary of Novavax.

EXPERTS

The consolidated financial statements of Novavax, Inc. appearing in Novavax, Inc. s Annual Report (Form 10-K) for the year ended December 31, 2000, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of Novavax, Inc. as of December 31, 1999, and for each of the two years in the period then ended, incorporated in this Prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2000 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

AVAILABLE INFORMATION

We are a public company and file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission. You may read and copy

any document we file at the SEC s public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549 and at the following SEC regional offices: 7 World Trade Center, Suite 1300, New York, New York 10048, and 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Please call the SEC at 1-800-SEC-0330 for more information about the public reference room operations. Our SEC filings are also available at the SEC s website at http://www.sec.gov.

Our common stock is traded as National Market Securities on the Nasdaq National Market under the symbol NVAX. Materials filed by Novavax can be inspected at the offices of the National Association of Securities Dealers, Inc. at 1735 K Street, Washington, D.C. 20006.

This prospectus is part of a registration statement on Form S-3 that we have filed with the SEC under the Securities Act and therefore omits certain information contained in the registration statement. We have also filed exhibits and schedules with the registration statement that are excluded from this prospectus, and you should refer to the applicable exhibit or schedule for a complete description of any statement referring to any contract or other document. You may inspect a copy of the registration statement, including the exhibits and schedules, without charge at the public reference room or obtain a copy from the SEC upon payment of the fees prescribed by the SEC.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS Form S-3

Item 14. Other Expenses of Issuance and Distribution.

The expenses to be borne by the company in connection with this offering are as follows:

SEC Registration Fee	$ 2,446
Legal Services and Expenses*	$15,000
Accounting Services and Expenses*	$ 7,200
Miscellaneous expenses*	$ 354
Total	$25,000

* Estimated

Item 15. Indemnification of Directors and Officers.

Article NINTH of Novavax s Restated Certificate of Incorporation provides that a director or officer of the registrant (a) shall be indemnified by the registrant against all expenses (including attorneys fees), judgments, fines and amounts paid in settlement incurred in connection with any litigation or other legal proceeding (other than an action by or in the right of the registrant) brought against him by virtue of his position as a director or officer of the registrant if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the registrant, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful and (b) shall be indemnified by the registrant against all expenses (including attorneys fees) and amounts paid in settlement incurred in connection with any action by or in the right of the registrant brought against him by virtue of his position as a director or officer of the registrant if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the registrant, except that no indemnification shall be made with respect to any matter as to which such person shall have been adjudged to be liable to the registrant, unless the Delaware Chancery Court determines that, despite such adjudication but in view of all of the circumstances, he is entitled to indemnification of such expenses. Notwithstanding the foregoing, to the extent that a director or officer has been successful, on the merits or otherwise, including, without limitation, the dismissal of an action without prejudice, he is required to be indemnified by the registrant against all expenses (including attorneys fees) incurred in connection therewith. Expenses shall be advanced to a director or officer at his request, provided that he undertakes to repay the amount advanced if it is ultimately determined that he is not entitled to indemnification for such expenses.

Indemnification is required to be made unless the registrant determines that the applicable standard of conduct required for indemnification has not been met. In the event of a

determination by the registrant that the director or officer did not meet the applicable standard of conduct required for indemnification, or if the registrant fails to make an indemnification payment within 60 days after such payment is claimed by such person, such person is permitted to petition the court to make an independent determination as to whether such person is entitled to indemnification. As a condition precedent to the right of indemnification, the director or officer must give the registrant notice of the action for which indemnity is sought and the registrant has the right to participate in such action or assume the defense thereof.

Article NINTH of Novavax s Restated Certificate of Incorporation further provides that the indemnification provided therein is not exclusive, and provides that in the event that the Delaware General Corporation Law is amended to expand the indemnification permitted to directors or officers the registrant must indemnify those persons to the fullest extent permitted by such law as so amended.

Section 145 of the Delaware General Corporation Law provides that a corporation has the power to indemnify a director, officer, employee or agent of the corporation and certain other persons serving at the request of the corporation in related capacities against amounts paid and expenses incurred in connection with an action or proceeding to which he is or is threatened to be made a party by reason of such position, if such person shall have acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal proceeding, if such person had no reasonable cause to believe his conduct was unlawful, provided that, in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the adjudicating court determines that such indemnification is proper under the circumstances.

The registrant maintains insurance under which the insurers will reimburse the registrant for amounts that it has paid to its directors and officers as indemnification for claims against such persons in their official capacities. The insurance also covers such persons as to amounts paid by them as a result of claims against them in their official capacities that are not reimbursed by the registrant. The insurance is subject to certain limitations and exclusions.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 16. Exhibits.

See Exhibit Index, incorporated herein by reference.

Item 17. Undertakings.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts of events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (1)(i) and (1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant s annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan s annual report pursuant to Section 15(d) of the

Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling person of the registrant pursuant to the General Corporation Law of the State of Delaware, the Restated Certificate of Incorporation or the By-Laws of registrant, indemnification agreements entered into between registrant and its officers and directors, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Amendment No. 1 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Columbia, State of Maryland on December 17, 2001.

NOVAVAX, INC.

By: /s/ Dennis W. Genge
Dennis W. Genge, Vice President
and Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 1 to the Registration Statement on Form S-3 has been signed by the following persons in the capacities and on the dates indicated.

NAME	TITLE	DATE
*	President and	December 17, 2001
John A. Spears	Chief Executive Officer and Director	
/s/ Dennis W. Genge	Vice President and	December 17, 2001
Dennis W. Genge	Chief Financial Officer (Principal Financial and Accounting Officer)	
*	Director	December 17, 2001
Gary C. Evans		
*	Director	December 17, 2001
Mitchell J. Kelly		
*	Director	December 17, 2001
J. Michael Lazarus		

*	Director	December 17, 2001
John O. Marsh, Jr.		
*	Director	December 17, 2001
Michael A. McManus		
*	Director	December 17, 2001
Denis M. O Donnell		
*	Director	December 17, 2001
Ronald H. Walker		
*	Director	December 17, 2001
William E. Georges		
* By: /s/ Dennis W. Genge	Attorney In Fact	December 17, 2001

EXHIBIT INDEX

The exhibits marked with an asterisk are filed herewith. The remainder of the exhibits have heretofore been filed with the Commission and are incorporated herein by reference.

4.1 Restated Certificate of Incorporation of the Registrant. (Incorporated by reference to Exhibit 3.1 to the Registrant s Registration Statement File No. 0-26770 filed September 14, 1995 on Form 10 (the Registration Statement).)

4.2 Amended and Restated By-Laws of the Registrant. (Incorporated by reference to Exhibit 3.2 to the Registrant s Annual Report on Form 10-K for the fiscal year ended December 31, 1996, File No. 0-26770, filed March 21, 1997 (the By-Laws).)

4.3 Specimen stock certificate for shares of common stock, par value $.01 per share. (Incorporated by reference to Exhibit 4.1 to the Registration Statement)

4.4 Convertible Note dated September 7, 2001 issued by the Registrant to King Pharmaceuticals, Inc. (Incorporated by reference to Exhibit 99.4 to the Registrant s Current Report on Form 8-K, filed September 5, 2001)

4.5 Convertible Note dated September 7, 2001 issued by the Registrant to King Pharmaceuticals, Inc. (Incorporated by reference to Exhibit 99.5 to the Registrant s Current Report on Form 8-K, filed September 5, 2001)

4.6 Note Purchase Agreement dated as of December 19, 2000 between Novavax, Inc. and King Pharmaceuticals, Inc. (Incorporated by reference to Exhibit 99.2 to the Registrant s Current Report on Form 8-K, filed January 2, 2001)

4.7 September 2001 Note Purchase Agreement dated as of September 7, 2001 between Novavax, Inc. and King Pharmaceuticals, Inc. (Incorporated by reference to Exhibit 99.2 to the Registrant s Current Report on Form 8-K, filed September 5, 2001)

4.8 Allonge to 4% Convertible Senior Note dated as of September 7, 2001 between Novavax, Inc. and King Pharmaceuticals, Inc. (Incorporated by reference to Exhibit 99.3 to the Registrant s Current Report on Form 8-K, filed September 5, 2001)

4.9 Investor Rights Agreement dated December 19, 2000 between Novavax, Inc. and King Pharmaceuticals, Inc. (Incorporated by reference to Exhibit 99.4 to the Registrant s Current Report on Form 8-K, filed January 2, 2001)

4.10 First Amendment to Investor Rights Agreement dated September 7, 2001 between Novavax, Inc. and King Pharmaceuticals, Inc. (Incorporated by reference to Exhibit 99.6 to the Registrant s Current Report on Form 8-K, filed September 5, 2001)

5.1* Opinion and Consent of White & McDermott, P.C.

23.1* Consent of Ernst & Young LLP, independent auditors.

23.2* Consent of PricewaterhouseCoopers LLP, independent accountants.

* Filed herewith.