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

FORM 10-Q

(Mark One)
☑ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-35285

Vaxart, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**59-1212264**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
170 Harbor Way, Suite 300, South San Francisco, CA 94080	**(650) 550-3500**
(Address of principal executive offices, including zip code)	(Registrant's telephone number, including area code)

N/A
(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock, $0.0001 par value	**VXRT**	**The Nasdaq Capital Market**

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

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

Large accelerated filer ☐
Non-accelerated filer ☑
Emerging growth company ☐

Accelerated filer ☐
Smaller reporting company ☑

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

The Registrant had 227,479,811 shares of common stock, $0.0001 par value, outstanding as of November 6, 2024.

FORM 10-Q
FOR THE QUARTER ENDED SEPTEMBER 30, 2024
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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Quarterly Report") for the quarterly period ended September 30, 2024, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which are subject to the "safe harbor" created by those sections, concerning our business, operations, and financial performance and condition as well as our plans, objectives, and expectations for business operations and financial performance and condition. Any statements contained herein that are not of historical facts may be deemed to be forward-looking statements. You can identify these statements by words such as "anticipate," "assume," "believe," "could," "estimate," "expect," "intend," "may," "plan," "should," "will," "would," and other similar expressions that are predictions of or indicate future events and future trends. These forward-looking statements are based on current expectations, estimates, forecasts, and projections about our business and the industry in which we operate and management's beliefs and assumptions and are not guarantees of future performance or development and involve known and unknown risks, uncertainties, and other factors that are in some cases beyond our control. As a result, any or all of our forward-looking statements in this Quarterly Report may turn out to be inaccurate. Factors that could materially affect our business operations and financial performance and condition include, but are not limited to, those risks and uncertainties described herein under "Item 1A. Risk Factors." and those described in our Annual Report on Form 10-K for the year ended December 31, 2023, under "Item 1A. Risk Factors." You are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. The forward-looking statements are based on information available to us as of the filing date of this Quarterly Report. Unless required by law, we do not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise. You should, however, review the risk factors we describe in the reports we will file from time to time with the Securities and Exchange Commission (the "SEC") after the date of this Quarterly Report.

This Quarterly Report also contains market data related to our business and industry. These market data include projections that are based on a number of assumptions. If these assumptions turn out to be incorrect, actual results may differ from the projections based on these assumptions. As a result, our markets may not grow at the rates projected by these data, or at all. The failure of these markets to grow at these projected rates may harm our business, results of operations, financial condition and the market price of our common stock.

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

VAXART, INC.

Condensed Consolidated Balance Sheets
(In thousands, except share and per share amounts)
(Unaudited)

	September 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 22,035	$ 34,755
Short-term investments	36,676	4,958
Accounts receivable	591	3,008
Unbilled receivable from government contracts	3,085	—
Prepaid expenses and other current assets	4,069	2,815
Total current assets	66,456	45,536
Property and equipment, net	9,476	11,731
Prepaid clinical services, long-term	60,116	—
Right-of-use assets, net	21,536	24,840
Intangible assets, net	3,740	4,289
Goodwill	4,508	4,508
Other long-term assets	842	926
Total assets	$ 166,674	$ 91,830
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 2,524	$ 1,584
Deferred government revenue	65,447	—
Other accrued current liabilities	6,764	5,634
Current portion of operating lease liability	2,882	2,703
Current portion of liability related to sale of future royalties	2,747	3,803
Total current liabilities	80,364	13,724
Operating lease liability, net of current portion	15,319	17,385
Liability related to sale of future royalties, net of current portion	2,128	2,623
Other long-term liabilities	421	293
Total liabilities	98,232	34,025
Commitments and contingencies (Note 8)		
Stockholders' equity:		
Preferred stock: $0.0001 par value; 5,000,000 shares authorized; none issued and outstanding as of September 30, 2024 and December 31, 2023	—	—
Common stock: $0.0001 par value; 350,000,000 shares authorized as of September 30, 2024 and 250,000,000 shares authorized as of December 31, 2023; 228,176,446 shares issued and 227,476,324 shares outstanding as of September 30, 2024 and 153,959,853 shares issued and 153,452,833 shares outstanding as of December 31, 2023	23	15
Additional paid-in capital	533,503	467,731
Treasury stock at cost, 700,122 shares as of September 30, 2024 and 507,020 shares as of December 31, 2023	(574)	(366)
Accumulated deficit	(464,537)	(409,574)
Accumulated other comprehensive income (loss)	27	(1)
Total stockholders' equity	68,442	57,805
Total liabilities and stockholders' equity	$ 166,674	$ 91,830

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

VAXART, INC.

Condensed Consolidated Statements of Operations and Comprehensive Loss
(In thousands, except share and per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
Revenue:				
Non-cash royalty revenue related to sale of future royalties	$ 40	$ 446	$ 662	$ 754
Revenue from government contracts	4,893	—	12,853	—
Grant revenue	—	1,655	—	3,380
Total revenue	4,933	2,101	13,515	4,134
Operating expenses:				
Research and development	15,066	15,002	51,559	53,437
General and administrative	4,342	4,921	16,757	17,144
Total operating expenses	19,408	19,923	68,316	70,581
Operating loss	(14,475)	(17,822)	(54,801)	(66,447)
Other income (expense):				
Interest income	1,022	723	1,941	2,076
Non-cash interest expense related to sale of future royalties	(631)	(207)	(2,045)	(573)
Other income (expense), net	22	(55)	26	(59)
Loss before income taxes	(14,062)	(17,361)	(54,879)	(65,003)
Provision for income taxes	18	39	84	87
Net loss	$ (14,080)	$ (17,400)	$ (54,963)	$ (65,090)
Net loss per share - basic and diluted	$ (0.06)	$ (0.11)	$ (0.28)	$ (0.45)
Shares used to compute net loss per share - basic and diluted	227,452,883	152,026,112	193,655,660	145,810,175
Comprehensive loss:				
Net loss	$ (14,080)	$ (17,400)	$ (54,963)	$ (65,090)
Unrealized gain on available-for-sale investments, net of tax	43	13	28	288
Comprehensive loss	$ (14,037)	$ (17,387)	$ (54,935)	$ (64,802)

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

VAXART, INC.

Condensed Consolidated Statements of Stockholders' Equity
For the Three and Nine Months Ended September 30, 2024
(In thousands, except share amounts)
(Unaudited)

	Common Stock		Treasury Stock		Additional Paid-in	Accumulated	Accumulated Other Comprehensive	Total Stockholders'
Three Months Ended September 30, 2024	**Shares**	**Amount**	**Shares**	**Amount**	**Capital**	**Deficit**	**Loss**	**Equity**
Balances as of June 30, 2024	228,119,936	$ 23	(688,331)	$ (565)	$ 531,029	$ (450,457)	$ (16)	$ 80,014
Additional offering costs under the June 2024 Offering	—	—	—	—	(10)	—	—	(10)
Issuance of common stock upon exercise of stock options	11,050	—	—	—	9	—	—	9
Release of common stock for vested restricted stock units	45,460	—	—	—	—	—	—	—
Repurchase of common stock to satisfy tax withholding	—	—	(11,791)	(9)	—	—	—	(9)
Stock-based compensation	—	—	—	—	2,475	—	—	2,475
Unrealized gain on available-for-sale investments	—	—	—	—	—	—	43	43
Net loss	—	—	—	—	—	(14,080)	—	(14,080)
Balances as of September 30, 2024	228,176,446	$ 23	(700,122)	$ (574)	$ 533,503	$ (464,537)	$ 27	$ 68,442
Nine Months Ended September 30, 2024								
Balances as of December 31, 2023	153,959,853	$ 15	(507,020)	$ (366)	$ 467,731	$ (409,574)	$ (1)	$ 57,805
Issuance of common stock under the September 2021 ATM, net of offering costs of $248	7,719,641	1	—	—	8,801	—	—	8,802
Issuance of common stock under the 2024 Securities Purchase Agreement, net of offering costs of $55	15,384,615	2	—	—	9,943	—	—	9,945
Issuance of common stock under the June 2024 Offering, net of offering costs of $2,455	50,000,000	5	—	—	37,540	—	—	37,545
Issuance of common stock upon exercise of stock options	38,030	—	—	—	30	—	—	30
Issuance of common stock under ESPP	502,423	—	—	—	312	—	—	312
Stock-based compensation	—	—	—	—	9,146	—	—	9,146
Release of common stock for vested restricted stock units	571,884	—	—	—	—	—	—	—
Repurchase of common stock to satisfy tax withholding	—	—	(193,102)	(208)	—	—	—	(208)
Unrealized gains on available-for-sale investments	—	—	—	—	—	—	28	28
Net loss	—	—	—	—	—	(54,963)	—	(54,963)
Balances as of September 30, 2024	228,176,446	$ 23	(700,122)	$ (574)	$ 533,503	$ (464,537)	$ 27	$ 68,442

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

VAXART, INC.

Condensed Consolidated Statements of Stockholders' Equity
For the Three and Nine Months Ended September 30, 2023
(In thousands, except share amounts)
(Unaudited)

	Common Stock		Treasury Stock		Additional Paid-in	Accumulated	Accumulated Other Comprehensive	Total Stockholders'
Three Months Ended September 30, 2023	**Shares**	**Amount**	**Shares**	**Amount**	**Capital**	**Deficit**	**(Loss) Gain**	**Equity**
Balances as of June 30, 2023	152,016,238	$ 15	(33,246)	$ (31)	$ 459,912	$ (374,799)	$ (24)	$ 85,073
Release of common stock for vested restricted stock units	64,958	—	—	—	—	—	—	—
Repurchase of common stock to satisfy tax withholding	—	—	(10,592)	(8)	—	—	—	(8)
Stock-based compensation	—	—	—	—	3,843	—	—	3,843
Unrealized gain on available-for-sale investments	—	—	—	—	—	—	13	13
Net loss	—	—	—	—	—	(17,400)	—	(17,400)
Balances as of September 30, 2023	152,081,196	$ 15	(43,838)	$ (39)	$ 463,755	$ (392,199)	$ (11)	$ 71,521
Nine Months Ended September 30, 2023								
Balances as of December 31, 2022	134,199,429	$ 13	—	$ -	$ 437,992	$ (327,109)	$ (299)	$ 110,597
Issuance of common stock under September 2021 ATM, net of offering costs of $103	1,362,220	1	—	—	1,429	—	—	1,430
Issuance of common stock under 2023 Shelf Registration, net of offering costs of $284	16,000,000	1			13,602			13,603
Issuance of common stock upon exercise of stock options	54,720	—	—	—	17	—	—	17
Issuance of common stock under ESPP	301,061	—	—	—	298	—	—	298
Release of common stock for vested restricted stock units	163,766	—	—	—	—	—	—	—
Repurchase of common stock to satisfy tax withholding	—	—	(43,838)	(39)	—	—	—	(39)
Stock-based compensation	—	—	—	—	10,417	—	—	10,417
Unrealized gain on available-for-sale investments	—	—	—	—	—	—	288	288
Net loss	—	—	—	—	—	(65,090)	—	(65,090)
Balances as of September 30, 2023	152,081,196	$ 15	(43,838)	$ (39)	$ 463,755	$ (392,199)	$ (11)	$ 71,521

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

VAXART, INC.

Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2024	**2023**
Cash flows from operating activities:		
Net loss	$ (54,963)	$ (65,090)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	6,614	6,293
Loss on disposal of equipment	—	55
Amortization of discount on investments, net	(473)	(510)
Stock-based compensation	9,146	10,417
Non-cash interest expense related to sale of future royalties	2,045	573
Non-cash revenue related to sale of future royalties	(3,596)	(314)
Change in operating assets and liabilities:		
Accounts receivable	2,417	(404)
Unbilled receivable from government contracts	(3,085)	—
Prepaid expenses and other assets	(1,170)	2,760
Prepaid clinical services, long-term	(60,116)	—
Accounts payable	940	(2,699)
Deferred grant revenue	—	(1,921)
Deferred government revenue	65,447	—
Other accrued liabilities	(625)	(6,092)
Net cash used in operating activities	(37,419)	(56,932)
Cash flows from investing activities:		
Purchases of property and equipment	(510)	(1,975)
Proceeds from sale of property and equipment	—	120
Purchases of investments	(48,717)	(27,497)
Proceeds from maturities of investments	17,500	58,200
Net cash (used in) provided by investing activities	(31,727)	28,848
Cash flows from financing activities:		
Net proceeds from issuance of common stock in the June 2024 Offering	37,545	—
Net proceeds from issuance of securities in registered direct offering	—	13,603
Net proceeds from issuance of common stock through at-the-market facilities	8,802	1,430
Net proceeds from issuance of common stock through the 2024 Securities Purchase Agreement	9,945	—
Proceeds from issuance of common stock upon exercise of stock options	30	17
Shares acquired to settle employee tax withholding liabilities	(208)	(39)
Proceeds from issuance of common stock under the employee stock purchase plan	312	298
Net cash provided by financing activities	56,426	15,309
Net decrease in cash, cash equivalents and restricted cash	(12,720)	(12,775)
Cash, cash equivalents and restricted cash at beginning of the period	34,755	46,013
Cash, cash equivalents and restricted cash at end of the period	$ 22,035	$ 33,238
Supplemental reconciliation of cash, cash equivalents and restricted cash in the condensed consolidated balance sheets:		
Cash and cash equivalents	$ 22,035	$ 33,159
Restricted cash	—	79
Cash, cash equivalents and restricted cash shown in the condensed consolidated statements of cash flows at the end of the period	$ 22,035	$ 33,238
Supplemental disclosure of non-cash investing and financing activity:		
Operating lease liabilities arising from obtaining right-of-use assets	$ —	$ 296
Acquisition of property and equipment included in accounts payable and accrued expenses	$ 87	$ 14

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

VAXART, INC.

Notes to the Condensed Consolidated Financial Statements (Unaudited)

NOTE 1. Organization and Nature of Business

General

Vaxart Biosciences, Inc. was originally incorporated in California in March 2004, under the name West Coast Biologicals, Inc. The Company changed its name to Vaxart, Inc. ("Private Vaxart") in July 2007, and reincorporated in the state of Delaware. In February 2018, Private Vaxart completed a business combination with Aviragen Therapeutics, Inc. ("Aviragen"), pursuant to which Aviragen merged with Private Vaxart, with Private Vaxart surviving as a wholly-owned subsidiary of Aviragen (the "Merger"). Pursuant to the terms of the Merger, Aviragen changed its name to Vaxart, Inc. (together with its subsidiaries, the "Company" or "Vaxart") and Private Vaxart changed its name to Vaxart Biosciences, Inc.

In June 2024, the Company entered into an underwriting agreement with Oppenheimer & Co. Inc., relating to the issuance and sale by the Company in an underwritten registered direct offering of 50,000,000 shares of the Company's common stock, at a price of $0.80 per share. The gross proceeds to the Company from such offering were $40.0 million, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by the Company, the net proceeds were $37.5 million.

In January 2024, the Company entered into a securities purchase agreement (the "2024 Securities Purchase Agreement") with RA Capital Healthcare Fund, L.P. pursuant to which 15,384,615 shares of the Company's common stock were sold to RA Capital Healthcare Fund, L.P. at an offering price of $0.65 per share pursuant to the Company's shelf registration statement on Form S-3 (File No. 333-270671) (the "2023 Shelf Registration"). The gross proceeds from the 2024 Securities Purchase Agreement were $10.0 million and, after deducting offering expenses, the net proceeds were $9.9 million.

In September 2021, the Company entered into a Controlled Equity Offering Sales Agreement (the "September 2021 ATM"), pursuant to which it may offer and sell, from time to time through Cantor Fitzgerald & Co. and B. Riley Securities, Inc. (together, the "sales agents"), shares of its common stock having an aggregate offering price of up to $100 million. The Company filed a prospectus supplement with the SEC on September 16, 2021, a subsequent prospectus supplement with the SEC on May 9, 2023 and paid sales commissions of up to 3.0% of gross proceeds from the sale of shares. In the nine months ended September 30, 2024, 7,719,641 shares were issued and sold under the September 2021 ATM for gross proceeds of $9.1 million, which, after deducting sales commissions and expenses incurred to date, resulted in net proceeds of $8.8 million. Since September 30, 2024, the Company has not raised any additional capital under the September 2021 ATM. Effective October 18, 2024, the September 2021 ATM was terminated as further detailed in Note 12.

The Company's principal operations are based in South San Francisco, California, and it operates in one reportable segment, which is the discovery and development of oral recombinant protein vaccines, based on its proprietary oral vaccine platform.

NOTE 2. Summary of Significant Accounting Policies

Basis of Presentation, Liquidity and Going Concern – The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and pursuant to the accounting and disclosure rules and regulations of the SEC assuming the Company will continue as a going concern.

The Company is a clinical-stage biotechnology company with no product sales. Its primary source of capital is from the sale and issuance of common stock and common stock warrants as well as funding from the Biomedical Advanced Research and Development Authority ("HHS BARDA"), a division of the Administration for Strategic Preparedness and Response ("ASPR") within the United States ("U.S.") Department of Health and Human Services. As of September 30, 2024, the Company had cash, cash equivalents and short-term investments of $58.7 million.

Based on management's current plan, the Company expects to have cash runway into 2026. The Company will be dependent upon raising additional capital through placement of its common stock, notes or other securities, borrowings, or entering into a partnership with a strategic party in order to implement its business plan. There can be no assurance that the Company will be successful raising additional capital in order to continue as a going concern.

The condensed consolidated balance sheet as of December 31, 2023, included in this document, was derived from audited financial statements, but does not include all disclosures required by U.S. GAAP. Certain information and footnote disclosures normally included in consolidated financial statements have been condensed or omitted pursuant to these rules and regulations. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited financial statements and footnotes related thereto for the year ended December 31, 2023, included in the Company's Annual Report on Form 10-K filed with the SEC on March 14, 2024 (the "Annual Report"). Unless noted below, there have been no material changes to the Company's significant accounting policies described in Note 2 to the consolidated financial statements included in the Annual Report. In the opinion of management, the unaudited condensed consolidated financial statements include all adjustments (consisting only of normal recurring adjustments) necessary to present fairly the Company's financial position and the results of its operations and cash flows. The results of operations for such interim periods are not necessarily indicative of the results to be expected for the full year or any future periods.

Basis of Consolidation – The unaudited condensed consolidated financial statements include the financial statements of Vaxart, Inc. and its subsidiaries. All significant transactions and balances between Vaxart, Inc. and its subsidiaries have been eliminated in consolidation.

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities in the financial statements and accompanying notes. Actual results and outcomes could differ from these estimates and assumptions.

Concentration of Credit Risk – Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash, cash equivalents, available-for-sale investments and accounts receivable. The Company places its cash, cash equivalents and available-for-sale investments at financial institutions that management believes are of high credit quality. The Company is exposed to credit risk in the event of default by the financial institutions holding the cash and cash equivalents to the extent such amounts are in excess of the federally insured limits. Losses incurred or a lack of access to such funds could have a significant adverse impact on the Company's financial condition, results of operations, and cash flows.

The primary focus of the Company's investment strategy is to preserve capital and meet liquidity requirements. The Company's investment policy addresses the level of credit exposure by limiting the concentration in any one corporate issuer or sector and establishing a minimum allowable credit rating.

Revenue Recognition

Revenue from Government Contracts

Under firm fixed-price milestone contracts, the Company recognizes the firm fixed-price revenue as the milestones are substantially complete and the firm fixed-price for the milestone is earned ("firm fixed-price milestone"). Under cost reimbursable contracts, the Company recognizes revenue as allowable costs are incurred and the fixed fee is earned ("cost-plus-fixed-fee"). Reimbursable costs under the contract primarily include direct labor, subcontract costs, materials, equipment, travel, and approved overhead and indirect costs. Fixed fees under cost reimbursable contracts are earned in proportion to the allowable costs incurred in performance of the work relative to total estimated contract costs, with such costs incurred representing a reasonable measurement of the proportional performance of the work completed, as detailed in Note 5.

Payments to the Company under cost reimbursable contracts are provisional payments subject to adjustment upon annual audit by the government. Management believes that revenue for periods not yet audited has been recorded in amounts that are expected to be realized upon final audit and settlement. When the final determination of the allowable costs for any year has been made, revenue and billings may be adjusted accordingly in the period that the adjustment is known.

VAXART, INC.

Notes to the Condensed Consolidated Financial Statements (Unaudited)

Recent Accounting Pronouncements

The Company has reviewed all significant newly-issued accounting pronouncements that are not yet effective and concluded that they are either not applicable to its operations or their adoption is not expected to have a material impact on its financial position or results of operations.

NOTE 3. Fair Value of Financial Instruments

Fair value accounting is applied for all financial assets and liabilities and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the condensed consolidated financial statements on a recurring basis (at least annually). Financial instruments include cash and cash equivalents, marketable securities, accounts receivable, accounts payable and accrued liabilities that approximate fair value due to their relatively short maturities.

Assets and liabilities recorded at fair value on a recurring basis in the condensed consolidated balance sheets are categorized based upon the level of judgment associated with inputs used to measure their fair values. The accounting guidance for fair value provides a framework for measuring fair value and requires certain disclosures about how fair value is determined. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. The accounting guidance also establishes a three-level valuation hierarchy that prioritizes the inputs to valuation techniques used to measure fair value based upon whether such inputs are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions made by the reporting entity.

The three-level hierarchy for the inputs to valuation techniques is briefly summarized as follows:

Level 1 – Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date;

Level 2 – Inputs are observable, unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities; and

Level 3 – Unobservable inputs that are significant to the measurement of the fair value of the assets or liabilities that are supported by little or no market data.

The following table sets forth the fair value of the Company's financial assets that are measured on a recurring basis as of September 30, 2024 and December 31, 2023 (in thousands):

	Level 1	Level 2	Level 3	Total
September 30, 2024				
Financial assets:				
Money market funds	$ 18,558	$ —	$ —	$ 18,558
U.S. Treasury securities	—	34,019	—	34,019
Commercial paper	—	2,657	—	2,657
Total assets	$ 18,558	$ 36,676	$ —	$ 55,234

	Level 1	Level 2	Level 3	Total
December 31, 2023				
Financial assets:				
Money market funds	$ 31,403	$ —	$ —	$ 31,403
U.S. Treasury securities	—	4,958	—	4,958
Total assets	$ 31,403	$ 4,958	$ —	$ 36,361

The Company held no financial liabilities measured on a recurring basis as of September 30, 2024 or December 31, 2023.

VAXART, INC.

Notes to the Condensed Consolidated Financial Statements (Unaudited)

NOTE 4. Balance Sheet Components

(a) Cash, Cash Equivalents and Investments

Cash, cash equivalents and investments consisted of the following (in thousands):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Cash and Cash Equivalents	Short-Term Investments
September 30, 2024						
Cash at banks	$ 3,477	$ —	$ —	$ 3,477	$ 3,477	$ —
Money market funds	18,558	—	—	18,558	18,558	—
U.S. Treasury securities	33,997	22	—	34,019	—	34,019
Commercial paper	2,652	5	—	2,657	—	2,657
Total	$ 58,684	$ 27	$ —	$ 58,711	$ 22,035	$ 36,676

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Cash and Cash Equivalents	Short-Term Investments
December 31, 2023						
Cash at banks	$ 3,352	$ —	$ —	$ 3,352	$ 3,352	$ —
Money market funds	31,403	—	—	31,403	31,403	—
U.S. Treasury securities	4,959	—	(1)	4,958	—	4,958
Total	$ 39,714	$ —	$ (1)	$ 39,713	$ 34,755	$ 4,958

As of September 30, 2024 and December 31, 2023, all investments were available-for-sale debt securities with remaining maturities of 12 months or less.

(b) Accounts Receivable

Accounts receivable consists of $0.55 million of government contract receivables from HHS BARDA, and $40,000 royalty receivable totaling $0.59 million as of September 30, 2024 and a total of $3.0 million of accounts receivable for royalties as of December 31, 2023. For further information on HHS BARDA receivables, see Note 5.

An allowance for expected credit losses over the life of the receivables is reserved for based on a combination of historical experience, aging analysis, current economic trends and information on specific accounts, with related amounts recorded as a reserve against revenue recognized. The reserve is re-evaluated on a regular basis and adjusted as needed. Once a receivable is deemed to be uncollectible, such balance is charged against the reserve. The Company has provided no allowance for credit losses as of September 30, 2024 and December 31, 2023.

(c) Unbilled Receivable from Government Contracts

Unbilled receivable, which was earned and not yet billed, consists of government contracts from HHS BARDA of $3.1 million and zero as of September 30, 2024 and December 31, 2023, respectively, as detailed in Note 5.

(d) Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following (in thousands):

	September 30, 2024	December 31, 2023
Prepaid clinical and manufacturing expenses	$ 1,637	$ 984
Prepaid insurance	488	258
Prepaid rent	517	488
Other prepaid	988	752
Other current assets	439	333
Prepaid expenses and other current assets	$ 4,069	$ 2,815

(e) Property and Equipment, Net

Property and equipment, net consists of the following (in thousands):

	September 30, 2024	December 31, 2023
Laboratory equipment	$ 13,714	$ 13,448
Office and computer equipment	1,120	1,105
Leasehold improvements	4,089	3,985
Construction in progress	141	24
Total property and equipment	19,064	18,562
Less: accumulated depreciation	(9,588)	(6,831)
Property and equipment, net	$ 9,476	$ 11,731

Depreciation expense was $1.0 million for each of the three months ended September 30, 2024 and 2023, and $2.8 million for each of the nine months ended September 30, 2024 and 2023. There were no impairments of the Company's property and equipment recorded in the three and nine months ended September 30, 2024 or 2023.

VAXART, INC.

Notes to the Condensed Consolidated Financial Statements (Unaudited)

(f) Prepaid Clinical Services, Long-Term

Prepaid clinical services, long-term were $60.1 million and zero as of September 30, 2024 and December 31, 2023, respectively. The long-term prepaid clinical services represent amounts the Company has paid to clinical research organizations that will be utilized in over one year.

(g) Right-of-Use Assets, Net

Right-of-use assets, net are comprised of facilities of $21.5 million and $24.8 million as of September 30, 2024 and December 31, 2023, respectively. The right-of-use of additional leased premises in California commenced in 2023, resulting in an additional $3.1 million right-of-use assets recorded in the year ended December 31, 2023.

(h) Intangible Assets, Net

Intangible assets are comprised of developed technology and intellectual property. Intangible assets are carried at cost less accumulated amortization. As of September 30, 2024, developed technology and intellectual property had remaining lives of 5.1 years and 3.3 years, respectively. As of September 30, 2024, there have been no indicators of impairment. Intangible assets consist of the following (in thousands):

	September 30, 2024	December 31, 2023
Developed technology	$ 5,000	$ 5,000
Intellectual property	80	80
Total cost	5,080	5,080
Less: accumulated amortization	(1,340)	(791)
Intangible assets, net	$ 3,740	$ 4,289

Intangible asset amortization expense was $0.1 million and $0.2 million for the three months ended September 30, 2024 and 2023, respectively, and $0.5 million for each of the nine months ended September 30, 2024 and 2023.

As of September 30, 2024, the estimated future amortization expense by year is as follows (in thousands):

Year Ending December 31,	Amount
2024 (three months remaining)	$ 182
2025	732
2026	731
2027	731
2028	727
Thereafter	637
Total	$ 3,740

(i) Goodwill

Goodwill, which represents the excess of the purchase price over the fair value of assets acquired, was $4.5 million as of both September 30, 2024 and December 31, 2023. As of September 30, 2024, there have been no indicators of impairment.

(j) Deferred Government Revenue

Deferred government revenue represents amounts received from HHS BARDA contracts where the earnings process is not yet complete. The Company will recognize deferred government revenue once the earnings process is complete. Deferred government revenue was $65.4 million and zero as of September 30, 2024 and December 31 2023, respectively.

(k) Other Accrued Current Liabilities

Other accrued current liabilities consist of the following (in thousands):

	September 30, 2024	December 31, 2023
Accrued compensation	$ 4,511	$ 4,576
Accrued clinical and manufacturing expenses	1,309	312
Accrued professional and consulting services	371	211
Other liabilities, current portion	573	535
Total	$ 6,764	$ 5,634

VAXART, INC.

Notes to the Condensed Consolidated Financial Statements (Unaudited)

NOTE 5. Revenue

Royalty Revenue Related to Sale of Future Royalties

The Company generates royalty revenue from the sale of Inavir in Japan, pursuant to a collaboration and license agreement that Aviragen entered into with Daiichi Sankyo Company, Limited ("Daiichi Sankyo") in 2009. In September 2010, laninamivir octanoate was approved for sale by the Japanese Ministry of Health and Welfare for the treatment of influenza in adults and children, which Daiichi Sankyo markets as Inavir. Under the agreement, the Company currently receives a 4% royalty on net sales of Inavir in Japan. Based on information provided by Daiichi Sankyo, the Company believes the expiration of the last patent related to Inavir is in August 2036, at which time royalty revenue will cease. The Company's royalty revenue is seasonal, in line with the flu season, so the majority of the Company's royalty revenue and non-cash royalty revenue related to the sale of future royalties are earned in the first and fourth fiscal quarters. The royalty revenue related to Inavir recognized for the nine months ended September 30, 2024 and 2023, was zero. The Company recognized non-cash royalty revenue related to the sale of future royalties of $40,000 and $0.4 million for the three months ended September 30, 2024 and 2023, respectively, and $0.7 million and $0.8 million for the nine months ended September 30, 2024 and 2023, respectively. Both royalty revenue and the non-cash royalty revenue related to the sale of future royalties are subject to a 5% withholding tax in Japan, for which $2,000 and $23,000 was included in income tax expense for the three months ended September 30, 2024 and 2023, respectively, and $33,000 and $38,000 for the nine months ended September 30, 2024 and 2023, respectively, further detailed in Note 6.

Revenue from Government Contracts

The Company recognized revenue from government contracts with HHS BARDA of $4.9 million and $12.9 million for the three and nine months ended September 30, 2024, respectively, consisting of revenues from the 2024 ASPR-BARDA Contract (as defined below) and the 2024 ATI-RRPV Contract (as defined below) described in more detail below. Unbilled receivable from government contracts consists of government revenue from HHS BARDA, which was earned and not yet billed. As of September 30, 2024, the amount of unbilled receivable was $3.1 million and deferred revenue was $65.4 million.

2024 ATI-RRPV Contract

In June 2024, the Company entered into an agreement (as modified, the "2024 ATI-RRPV Contract") with Advanced Technology International, the Rapid Response Partnership Vehicle's Consortium Management Firm funded by HHS BARDA, which was modified in September 2024 to increase funding and provide for the manufacturing of a vaccine candidate targeting the KP.2 strain. Pursuant to the 2024 ATI-RRPV Contract, the Company will receive funding of up to $456.1 million to conduct a Phase 2b comparative study evaluating the Company's oral pill COVID-19 vaccine candidate against an mRNA vaccine comparator approved by the U.S. Food and Drug Administration and manufacture a COVID-19 vaccine candidate targeting the KP.2 strain. The 2024 ATI-RRPV Contract currently makes available an aggregate amount of up to $96.5 million, consisting of fixed fee amounts totaling $67.9 million and reimbursement of costs incurred in trial preparation and execution activities. The 2024 ATI-RRPV Contract further contemplates additional funding up to $359.6 million if the Company and HHS BARDA decide to continue with the Phase 2b comparative study. The Company accounts for the 2024 ATI-RRPV Contract under Accounting Standards Codification 958-605 and recognizes revenue as the firm fixed-price milestone is earned and allowable cost-plus-fixed-fees are incurred. Reimbursable costs under the 2024 ATI-RRPV Contract primarily include direct labor, subcontract costs, materials, travel, and approved overhead and indirect costs. The 2024 ATI-RRPV Contract contains terms and conditions that are customary for contracts with HHS BARDA of this nature, including the U.S. government having the right to terminate the contract for convenience or to terminate for default if the Company fails to meet its obligations as set forth in the statement of work. Revenue from government contracts recognized on the 2024 ATI-RRPV Contract was $4.0 million for the three months ended September 30, 2024 and $4.2 million for the nine months ended September 30, 2024, based on costs incurred and the achievement of a firm fixed-price milestone under the 2024 ATI-RRPV Contract. Deferred government revenue represents amounts that have been received from HHS BARDA and the earnings process is not yet complete. Deferred government revenue in current liabilities was $64.8 million and zero as of September 30, 2024 and December 31, 2023, respectively.

Management believes that if the 2024 ATI-RRPV Contract were to be terminated prior to completion of the Phase 2b comparative study, the costs incurred through the effective date of such termination and any settlement costs resulting from such termination would be allowable costs. Cost reimbursement payments to the Company are provisional payments subject to adjustment upon annual audit by the government. Management believes that revenue for periods not yet audited will be recorded in amounts that are expected to be realized upon final audit and settlement. When the final determination of the allowable costs for any year has been made, revenue and billings may be adjusted accordingly in the period that the adjustment is known.

2024 ASPR-BARDA Contract

In January 2024, the Company was awarded a contract (as amended, the "2024 ASPR-BARDA Contract") by HHS BARDA with a base and all options value of $9.3 million. Under the 2024 ASPR-BARDA Contract, the Company received an award to support clinical trial planning activities for a Phase 2b clinical trial that would compare the Company's XBB vaccine candidate to an mRNA comparator to evaluate efficacy for symptomatic and asymptomatic disease, systemic and mucosal immune induction, and adverse events. The 2024 ASPR-BARDA Contract originally had a period of performance term that was set to expire in July 2024, but the Company entered into an amendment in July 2024 that extended the period of performance expiration date into October 2024. The Company accounts for the 2024 ASPR-BARDA Contract under Accounting Standards Codification 958-605 and recognizes revenue as donor-imposed conditions are met. Revenue from government contracts recognized on the 2024 ASPR-BARDA Contract was $0.9 million and $8.7 million for the three and nine months ended September 30, 2024, respectively, based on the achievement of certain milestones under the 2024 ASPR-BARDA Contract. Deferred government revenue represents amounts that have been received from HHS BARDA and the earnings process is not yet complete. Deferred government revenue in current liabilities was $0.6 million and zero as of September 30, 2024 and December 31, 2023, respectively.

Grant Revenue

In November 2022, the Company accepted a $3.5 million grant to perform research and development work for the Bill & Melinda Gates Foundation (the "BMGF Grant") and received $2.0 million in advance that was recorded as restricted cash and deferred revenue. The Company received an additional $1.5 million in July 2023 upon completion of certain milestones. The Company recognizes revenue under research contracts only when a contract is executed and the contract price is fixed or determinable. Revenue from the BMGF Grant was recognized in the period during which the related costs were incurred and the related services rendered, as the applicable conditions under the contract were met. Costs of contract revenue were recorded as a

component of operating expenses in the condensed consolidated statements of operations and comprehensive loss. The Company recognized revenue from the BMGF Grant of zero and $1.7 million for the three months ended September 30, 2024 and 2023, respectively, and zero and $3.4 million for the nine months ended September 30, 2024 and 2023, respectively. The Company fully recognized revenue from the BMGF Grant during the year ended December 31, 2023.

VAXART, INC.

Notes to the Condensed Consolidated Financial Statements (Unaudited)

NOTE 6. Liabilities Related to Sale of Future Royalties

In April 2016, Aviragen entered into a Royalty Interest Acquisition Agreement (the "RIAA") with HealthCare Royalty Partners III, L.P. ("HCRP"). Under the RIAA, HCRP made a $20.0 million cash payment to Aviragen in consideration for acquiring certain royalty rights ("Royalty Rights") related to the approved product Inavir in the Japanese market. The Royalty Rights were obtained pursuant to the collaboration and license agreements (the "License Agreement") and a commercialization agreement that the Company entered into with Daiichi Sankyo. Per the terms of the RIAA, during the first royalty interest period of April 1, 2016 through March 31, 2025, HCRP is entitled to the first $3.0 million and any cumulative remaining shortfall amount plus 15% of the next $1.0 million in royalties earned in each year commencing on April 1, with any excess revenue being retained by the Company. Further, during the second royalty interest period beginning April 1, 2025 and ending on December 24, 2029, HCRP is entitled to the first $2.7 million and any cumulative remaining shortfall amount, plus 15% of the next $1.0 million in royalties, with any excess revenue being retained by the Company. A shortfall occurs when, during an annual period ending on March 31st, for the first royalty interest period of April 1, 2016 through March 31, 2025, the Company's royalty payments fall below $3.0 million; and $2.7 million for the second royalty interest period of April 1, 2025 and ending on December 24, 2029, excluding the period of April 1, 2028 through December 24, 2029. In the event there shall remain any cumulative remaining shortfall amount as of December 24, 2029, any royalties received from Daiichi Sankyo subsequently by the Company would be payable to HCRP until the cumulative remaining shortfall amount has been paid.

For avoidance of doubt, the RIAA states, in the event there is a remaining cumulative remaining shortfall amount as of December 24, 2029, the Company shall not be obligated to pay HCRP any royalty payment beyond what the Company is paid from Daiichi Sankyo. The cumulative remaining shortfall amount is the aggregate amount of the remaining shortfall for each annual period, which was $6.0 million and $7.0 million as of September 30, 2024 and December 31, 2023, respectively.

Under the relevant accounting guidance, due to a limit on the amount of royalties that HCRP can earn under the RIAA, this transaction was accounted for as a liability that is being amortized using the effective interest method over the life of the arrangement. The Company has no obligation to pay any amounts to HCRP other than to pass through to HCRP its share of royalties as they are received from Daiichi Sankyo. To record the amortization of the liability, the Company is required to estimate the total amount of future royalty payments to be received under the License Agreement and the payments that will be passed through to HCRP over the life of this agreement. Consequently, the Company imputes interest on the unamortized portion of the liability and records non-cash interest expense using an estimated effective interest rate. The royalties earned in each period that will be passed through to HCRP are recorded as non-cash royalty revenue related to sale of future royalties, with any excess not subject to pass-through being recorded as royalty revenue. When the pass-through royalties are paid to HCRP in the following quarter, the imputed liability related to sale of future royalties is commensurately reduced. The Company periodically assesses the expected royalty payments, and to the extent such payments are greater or less than the initial estimate, the Company adjusts the amortization of the liability and interest rate. As a result of this accounting, even though the Company does not retain HCRP's share of the royalties, it will continue to record non-cash revenue related to those royalties until the amount of the associated liability, including the related interest, is fully amortized.

The following table shows the activity within the liability account during the nine months ended September 30, 2024 (in thousands):

Total liability related to sale of future royalties, start of period	$	6,426
Non-cash royalty revenue paid to HCRP		(3,596)
Non-cash interest expense recognized		2,045
Total liability related to sale of future royalties, end of period		4,875
Current portion		(2,747)
Long-term portion	$	2,128

VAXART, INC.

Notes to the Condensed Consolidated Financial Statements (Unaudited)

NOTE 7. Leases

The Company has obtained the right of use for office and manufacturing facilities under six operating lease agreements with initial terms exceeding one year. The lease term at the commencement date is determined by considering whether renewal options and termination options are reasonably assured of exercise.

In September 2021, the Company executed a lease for a facility in South San Francisco, California, with an initial term expiring on March 31, 2029. This lease has two separate components, one commenced in the third quarter of 2022 and the other in the first quarter of 2023, resulting in an additional right of use asset of $15.0 million and $3.1 million, respectively.

As of September 30, 2024, the weighted average discount rate for operating leases with initial terms of more than one year was 9.8% and the weighted average remaining term of these leases was 4.4 years. Discount rates were determined using the Company's marginal rate of borrowing at the time each lease was executed or extended.

The following table summarizes the Company's undiscounted cash payment obligations for its operating lease liabilities with initial terms of more than 12 months as of September 30, 2024 (in thousands):

Year Ending December 31,	
2024 (three months remaining)	$ 1,108
2025	4,511
2026	5,031
2027	5,207
2028	5,389
Thereafter	1,348
Undiscounted total	22,594
Less: imputed interest	(4,393)
Present value of future minimum payments	18,201
Current portion of operating lease liability	(2,882)
Operating lease liability, net of current portion	$ 15,319

The Company is also required to pay for operating expenses related to the leased space. The operating expenses are incurred separately and were not included in the present value of lease payments. Operating lease expenses for the three and nine months ended September 30, 2024 and 2023 are summarized as follows (in thousands):

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
	2024	**2023**	**2024**	**2023**
Lease cost				
Operating lease cost	$ 1,554	$ 1,554	$ 4,661	$ 4,617
Short-term lease cost	10	10	29	41
Variable lease cost	496	459	1,381	1,401
Sublease income	(20)	—	(54)	-
Total lease cost	$ 2,040	$ 2,023	$ 6,017	$ 6,059

VAXART, INC.

Notes to the Condensed Consolidated Financial Statements (Unaudited)

NOTE 8. Commitments and Contingencies

(a) Purchase Commitments

As of September 30, 2024, the Company had approximately $8.5 million of non-cancelable purchase commitments, principally for contract manufacturing and clinical services which are expected to be paid within the next year. In addition, the Company has operating lease commitments as detailed in Note 7.

(b) Indemnifications

In the ordinary course of business, the Company enters into agreements that may include indemnification provisions. Pursuant to such agreements, the Company may indemnify, hold harmless and defend indemnified parties for losses suffered or incurred by the indemnified party. Some of the provisions will limit losses to those arising from third-party actions. In some cases, the indemnification will continue after the termination of the agreement. The maximum potential amount of future payments the Company could be required to make under these provisions is not determinable. The Company has also entered into indemnification agreements with certain officers and directors which provide, among other things, that the Company will indemnify and advance expenses incurred in connection with certain actions, suits or proceedings to such officer or director, under the circumstances and to the extent provided for therein, for expenses, damages, judgments, fines and settlements he or she may be required to pay in actions or proceedings which he or she is or may be made a party by reason of his or her position as a director, officer or other agent of the Company, and otherwise to the fullest extent permitted under Delaware law and the Company's Bylaws. The Company currently has directors' and officers' insurance.

(c) Litigation

From time to time the Company may be involved in legal proceedings arising in connection with its business. Based on information currently available, the Company believes that the amount, or range, of reasonably possible losses in connection with any pending actions against it in excess of established reserves, in the aggregate, is indeterminable to its consolidated financial condition or cash flows. However, any current or future dispute resolution or legal proceeding, regardless of the merits of any such proceeding, could result in substantial costs and a diversion of management's attention and resources that are needed to run the Company successfully, and could have a material adverse impact on its business, financial condition and results of operations.

In August and September 2020, two substantially similar securities class actions were filed in the U.S. District Court for the Northern District of California. The first action, titled *Himmelberg v. Vaxart, Inc. et al.* was filed on August 24, 2020. The second action, titled *Hovhannisyan v. Vaxart, Inc. et al.* was filed on September 1, 2020 (together, the "Putative Class Action"). By Order dated September 17, 2020, the two actions were deemed related. On December 9, 2020, the court appointed lead plaintiffs and lead plaintiffs' counsel.

On January 29, 2021, lead plaintiffs filed their consolidated amended complaint. On July 8, 2021, all defendants moved to dismiss the consolidated amended complaint. On May 14, 2021, the court granted lead plaintiffs' request to amend the consolidated amended complaint and denied defendants' motions to dismiss as moot. On June 10, 2021, lead plaintiffs filed a first amended consolidated complaint, and on August 9, 2021, lead plaintiffs filed a corrected first amended consolidated complaint. The first amended consolidated complaint, as corrected, named certain of Vaxart's current and former executive officers and directors, as well as Armistice Capital, LLC ("Armistice"), as defendants. It claimed three violations of federal civil securities laws; violation of Section 10(b) of the Exchange Act and SEC Rule 10b-5, as against the Company and all individual defendants; violation of Section 20(a) of the Exchange Act, as against Armistice and all individual defendants; and violation of Section 20A of the Exchange Act against Armistice. The first amended consolidated complaint, as corrected, alleged that the defendants violated securities laws by misstating and/or omitting information regarding the Company's development of a norovirus vaccine, the vaccine manufacturing capabilities of a business counterparty, and the Company's involvement with Operation Warp Speed ("OWS"); and by engaging in a scheme to inflate Vaxart's stock price. The first amended consolidated complaint sought certification as a class action for similarly situated shareholders and sought, among other things, an unspecified amount of damages and attorneys' fees and costs. On July 8, 2021, all defendants moved to dismiss the first amended consolidated complaint. By Order dated December 22, 2021, the court granted the motion to dismiss by Armistice with leave to amend and otherwise denied the motions to dismiss. On July 27, 2022, lead plaintiffs filed a notice announcing that they had reached a partial settlement (the "Partial Settlement") to resolve all claims against the Company and its current or former officers and/or directors in their capacity as officers and/or directors of the Company (the "Settling Defendants"). Pursuant to the Partial Settlement, the Company agreed to a settlement amount of $12.0 million with $2.0 million to be paid by the Company and the remainder to be paid by the Company's insurers. On November 2, 2022, the Company paid the $2.0 million settlement amount with respect to the Putative Class Action pursuant to the terms of the settlement agreement reached in that case. On November 14, 2022, lead plaintiffs filed a second amended consolidated class action complaint that purported to include new allegations to support claims against Armistice. By Orders dated January 25, 2023, the court approved the Partial Settlement and entered judgment dismissing with prejudice all claims asserted in the Putative Class Action against the Settling Defendants.

On October 23, 2020, a complaint was filed in the U.S. District Court for the Southern District of New York, entitled *Roth v. Armistice Capital LLC, et al.* The complaint names Armistice and certain Armistice-related parties as defendants, asserting a violation of Exchange Act Section 16(b) and seeking the disgorgement of short-swing profits. The complaint purports to bring the lawsuit on behalf of and for the benefit of the Company and names the Company as a "nominal defendant" for whose benefit damages are sought. Following discovery, a motion for summary judgment was filed by Armistice and the Armistice-related party defendants to dismiss the complaint. On March 27, 2024, the court granted the motion for summary judgment and dismissed all claims in the complaint in their entirety. On April 11, 2024, the Plaintiff timely filed a notice of appeal of the court's decision to the Second Circuit Court of Appeals, commencing appellate proceedings. In June 2024, Plaintiff filed a motion to the court of appeals to stay the appeal pending efforts to re-instate the complaint in the district court, which was granted by the court of appeals. In July 2024, Plaintiff filed a motion with the district court seeking to set aside the judgment and to re-instate the complaint. On August 15, 2024, the district court denied Plaintiff's motion to set aside the judgment. On September 10, 2024, Plaintiff re-filed its appeal with the Second Circuit Court of Appeals, which is currently pending.

On January 8, 2021, a purported shareholder, Phillip Chan, commenced a *pro se* lawsuit in the U.S. District Court for the Northern District of California titled *Chan v. Vaxart, Inc. et al.* (the "Opt-Out Action"), opting out of the consolidated Himmelberg v. Vaxart, Inc. et al. and Hovhannisyan v. Vaxart, Inc. et al. class actions, (together, the "Putative Class Action"). Because this complaint is nearly identical to an earlier version of a complaint filed in the Putative Class Action, the Opt-Out Action has been stayed while the Putative Class Action is pending.

VAXART, INC.

Notes to the Condensed Consolidated Financial Statements (Unaudited)

NOTE 9. Stockholders' Equity

(a) Preferred Stock

The Company is authorized to issue 5,000,000 shares of preferred stock, $0.0001 par value per share. The Company's board of directors may, without further action by the stockholders, fix the rights, preferences, privileges and restrictions of up to an aggregate of 5,000,000 shares of preferred stock in one or more series and authorize their issuance. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of our common stock. The issuance of preferred stock could adversely affect the voting power of holders of common stock and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deterring or preventing a change of control or other corporate action. No shares of preferred stock are currently outstanding, and the Company has no present plan to issue any shares of preferred stock.

(b) Common Stock

As of September 30, 2024, the Company was authorized to issue 350,000,000 shares of common stock, $0.0001 par value per share, which includes an increase of 100,000,000 on June 11, 2024, when the Company's stockholders approved an amendment to the Company's certificate of incorporation to increase the number of authorized shares of common stock from 250,000,000 to 350,000,000 shares. Except as otherwise required by law or as otherwise provided in any certificate of designation for any series of preferred stock, the holders of common stock possess all voting power for the election of the Company's directors and all other matters requiring stockholder action. Holders of common stock are entitled to one vote per share on matters to be voted on by stockholders. Holders of common stock are entitled to receive such dividends, if any, as may be declared from time to time by the Company's board of directors at its discretion out of funds legally available therefor. In no event will any stock dividends or stock splits or combinations of stock be declared or made on common stock unless the shares of common stock at the time outstanding are treated equally and identically. As of September 30, 2024, no dividends had been declared by the board of directors.

In June 2024, the Company entered into an underwriting agreement with Oppenheimer & Co. Inc., relating to the issuance and sale by the Company in an underwritten registered direct offering of 50,000,000 shares of the Company's common stock, at a price of $0.80 per share. The gross proceeds to the Company from such offering were $40.0 million, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by the Company, the net proceeds were $37.5 million.

In January 2024, the Company entered into the 2024 Securities Purchase Agreement with RA Capital Healthcare Fund, L.P. pursuant to which 15,384,615 shares of the Company's common stock were sold to RA Capital Healthcare Fund, L.P. at an offering price of $0.65 per share pursuant to the Company's 2023 Shelf Registration. The gross proceeds from the 2024 Securities Purchase Agreement were $10.0 million and, after deducting offering expenses, the net proceeds were $9.9 million.

In the event of the Company's voluntary or involuntary liquidation, dissolution, distribution of assets or winding-up, the holders of the common stock will be entitled to receive an equal amount per share of all the Company's assets of whatever kind available for distribution to stockholders, after the rights of the holders of the preferred stock have been satisfied. There are no sinking fund provisions applicable to the common stock.

The Company had shares of common stock reserved for issuance as follows:

	September 30, 2024	December 31, 2023
Options issued and outstanding	21,407,462	17,938,726
RSUs issued and outstanding	3,036,238	2,126,373
2019 Equity Incentive Plan available for future grant	16,957,020	5,685,806
2024 Inducement Award Plan available for future grant	1,727,500	—
Common stock warrants	140,596	227,434
2022 Employee Stock Purchase Plan	2,362,902	1,065,325
Total	45,631,718	27,043,664

The approved increase of reserved common stock for 2019 Equity Incentive Plan and 2022 Employee Stock Purchase Plan is detailed in Note 10.

(c) Treasury Stock

The Company generally withholds shares of its common stock to cover employees' portion of required tax withholdings when employee equity awards are issued or vest. These shares are valued at cost, which equals the market price of the common stock on the date of issuance or vesting. The Company had 700,122 and 507,020 treasury shares as of September 30, 2024 and December 31, 2023, respectively.

(d) Warrants

In April 2024, 70,663 of the warrants outstanding as of March 31, 2024, expired unexercised. The following warrants were outstanding as of September 30, 2024, all of which contain standard anti-dilution protections in the event of subsequent rights offerings, stock splits, stock dividends or other extraordinary dividends, or other similar changes in the Company's common stock or capital structure, and none of which have any participating rights for any losses:

Securities into which warrants are convertible	Warrants Outstanding	Exercise Price	Expiration Date
Common Stock	29,150	$ 2.50	March 2025
Common Stock	100,532	$ 3.125	February 2025
Common Stock	10,914	$ 22.99	December 2026

Total	140,596

In the event of a Fundamental Transaction (a transfer of ownership of the Company as defined in the warrant) within the Company's control, the holders of the unexercised common stock warrants exercisable for $2.50 and those exercisable for $3.125 shall be entitled to receive cash consideration equal to a Black-Scholes valuation, as defined in the warrant. If such Fundamental Transaction is not within the Company's control, the warrant holders would only be entitled to receive the same form of consideration (and in the same proportion) as the holders of the Company's common stock, hence these warrants are classified as a component of permanent equity.

VAXART, INC.

Notes to the Condensed Consolidated Financial Statements (Unaudited)

NOTE 10. Equity Incentive Plans

On April 23, 2019, the Company's stockholders approved the adoption of the 2019 Equity Incentive Plan (the "2019 Plan"), under which the Company is authorized to issue incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock awards, restricted stock units ("RSUs"), other stock awards and performance awards that may be settled in cash, stock, or other property. The 2019 Plan is designed to secure and retain the services of employees, directors and consultants, provide incentives for the Company's employees, directors and consultants to exert maximum efforts for the success of the Company and its affiliates, and provide a means by which employees, directors and consultants may be given an opportunity to benefit from increases in the value of the Company's common stock. Following adoption of the 2019 Plan, all previous plans were frozen, and on forfeiture, cancellation and expiration, awards under those plans are not assumed by the 2019 Plan.

The aggregate number of shares of common stock authorized for issuance under the 2019 Plan was initially 1,600,000 shares, which was increased through an amendment to the 2019 Plan adopted by the Company's stockholders (a "Plan Amendment") on June 8, 2020, to 8,000,000, by a Plan Amendment on June 16, 2021, to 16,900,000, by a Plan Amendment on August 4, 2022, to 28,900,000, and by a Plan Amendment on June 11, 2024, to 43,900,000. Further amendments to the 2019 Plan to increase the share reserve would require stockholder approval. Awards that are forfeited or canceled generally become available for issuance again under the 2019 Plan. Awards have a maximum term of ten years from the grant date and may vest over varying periods, as specified by the Company's board of directors for each grant.

On February 27, 2024, the Company's board of directors adopted the Vaxart, Inc. 2024 Inducement Award Plan (the "2024 Inducement Plan"). The 2024 Inducement Plan was adopted without stockholder approval pursuant to Nasdaq Listing Rule 5635(c)(4) and is administered by the Compensation Committee of the board of directors or the independent members of the board of directors. The board of directors reserved 3,000,000 shares of the Company's common stock for issuance under the 2024 Inducement Plan, subject to adjustment as provided in the plan document. The terms of the 2024 Inducement Plan are substantially similar to the terms of the 2019 Plan, with the exception that incentive stock options may not be issued under the 2024 Inducement Plan and equity awards under the 2024 Inducement Plan (including nonqualified stock options, restricted stock, restricted stock units, and other stock-based awards) may be issued only to an employee who is commencing employment with the Company or any subsidiary or who is being rehired following a bona fide interruption of employment by the Company or any subsidiary, in either case if he or she is granted such award in connection with his or her commencement of employment and such grant is an inducement material to his or her entering into employment with the Company or such subsidiary.

A summary of stock option and RSU transactions in the nine months ended September 30, 2024, is as follows:

	Shares Available For Grant	Number of Options Outstanding	Weighted Option Average Exercise Price	Unvested RSU Shares Outstanding	Weighted RSU Average Grant Date Fair Value
Balance as of January 1, 2024	5,685,806	17,938,726	$ 2.90	2,126,373	$ 1.37
Authorized under 2024 Inducement Plan	3,000,000				
Authorized under 2019 Plan	15,000,000				
Granted	(7,167,480)	5,248,437	$ 1.12	1,919,043	$ 1.14
Exercised		(38,030)	$ 0.78		
Released				(571,884)	$ 1.51
Forfeited	1,872,626	(1,435,332)	$ 2.29	(437,294)	$ 1.43
Canceled	293,568	(306,339)	$ 3.81		
Balance as of September 30, 2024	18,684,520	21,407,462	$ 2.50	3,036,238	$ 1.19

As of September 30, 2024, there were 21,407,462 options outstanding with a weighted average exercise price of $2.50, a weighted average remaining term of 6.83 years, and an aggregate intrinsic value of $538,000. Of these options, 12,618,062 were vested, with a weighted average exercise price of $3.02, a weighted average remaining term of 5.40 years, and an aggregate intrinsic value of $379,000.

The Company received $30,000 for the 38,030 options exercised during the nine months ended September 30, 2024, which had an intrinsic value of $7,000, and received $17,000 for the 54,720 options exercised during the nine months ended September 30, 2023, which had an intrinsic value of $31,000. The aggregate intrinsic value represents the total pre-tax value (i.e., the difference between the Company's stock price and the exercise price) of stock options outstanding as of September 30, 2024, based on the Company's common stock closing price of $0.85 on September 30, 2024, which would have been received by the option holders had all their in-the-money options been exercised as of that date.

The weighted average grant date fair value of options awarded in the nine months ended September 30, 2024 and 2023, was $1.01 and $0.78, respectively. Their fair values were estimated using the following assumptions:

	Nine Months Ended September 30,	
	2024	2023
Risk-free interest rate	3.7% - 4.4%	3.5% - 4.2%
Expected term (in years)	6.00	5.50 - 6.00
Expected volatility	128.9% - 130.8%	127.8% - 133.8%
Dividend yield	—%	—%

VAXART, INC.

Notes to the Condensed Consolidated Financial Statements (Unaudited)

The Company measures the fair value of all stock-based awards on the grant date and records the fair value of these awards, net of estimated forfeitures, to compensation expense over the service period. Total stock-based compensation recognized for options, RSUs and ESPP was as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Research and development	$ 1,814	$ 2,404	$ 5,489	$ 6,142
General and administrative	661	1,439	3,657	4,275
Total stock-based compensation	$ 2,475	$ 3,843	$ 9,146	$ 10,417

As of September 30, 2024, the unrecognized stock-based compensation cost related to outstanding unvested stock options and RSUs expected to vest was $15.9 million, which the Company expects to recognize over an estimated weighted average period of 2.3 years.

On August 4, 2022, the 2022 Employee Stock Purchase Plan (the "2022 ESPP") was approved by the Company's stockholders. The Company initially reserved 1,800,000 shares of the Company's common stock for purchase under the 2022 ESPP, which was increased by 1,800,000 shares through an amendment to the 2022 ESPP adopted by the Company's stockholders on June 11, 2024, to 3,600,000 shares. The 2022 ESPP generally has a six-month offering period comprised of one purchase period. In May 2024, the 2022 ESPP had a one-time modification following the end of the six-month offering period ended May 31, 2024, to commence the follow-on offering period on July 1, 2024 for a five-month offering period. The purchase price of the stock is equal to 85% of the lesser of the market value of such shares at the beginning of the six-month offering period or the end of such offering period. During the nine months ended September 30, 2024, the Company received $0.3 million and issued 502,423 shares under the 2022 ESPP. As of September 30, 2024, 2,362,902 shares are available and reserved for future issuance under the 2022 ESPP.

The estimated fair value used for the five-month offering period beginning July 1, 2024 and ending November 30, 2024, was $0.28 per share. The estimated fair value used for the six-month offering period beginning December 1, 2023 and ending May 31, 2024 was $0.27 per share. The estimated fair value used for the six-month offering period beginning June 1, 2023 and ending November 30, 2023 was $0.54 per share. The estimated fair value used for the six-month offering period beginning December 1, 2022 and ending May 31, 2023 was $0.46 per share. As of September 30, 2024, the unrecognized stock-based compensation cost related to outstanding ESPP expected to be recognized is $41,000 by November 30, 2024. The fair value of the 2022 ESPP shares was estimated using the Black-Scholes option pricing model using the following assumptions:

	Five-Month Offering Period Ending November 30, 2024	Six-Month Offering Period Ending May 31, 2024	Six-Month Offering Period Ending November 30, 2023	Six-Month Offering Period Ending May 31, 2023
Risk-free interest rate	5.3%	5.3%	5.4%	4.6%
Expected term (in years)	0.42	0.50	0.50	0.50
Expected volatility	102.0%	75.2%	98.6%	84.7%
Dividend yield	—%	—%	—%	—%

NOTE 11. Net Loss Per Share Attributable to Common Stockholders

The following table presents the calculation of basic and diluted net loss per share (in thousands, except share and per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net loss	$ (14,080)	$ (17,400)	$ (54,963)	$ (65,090)
Shares used to compute net loss per share – basic and diluted	227,452,883	152,026,112	193,655,660	145,810,175
Net loss per share – basic and diluted	$ (0.06)	$ (0.11)	$ (0.28)	$ (0.45)

No adjustment has been made to the net loss in the three and nine months ended September 30, 2024 and 2023, as the effect would be anti-dilutive due to the net loss.

The following potentially dilutive weighted average securities were excluded from the computation of weighted average shares outstanding because they would have been antidilutive:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Options to purchase common stock	21,568,098	18,151,747	20,435,908	17,019,217
Restricted stock units to purchase common	3,090,220	3,629,741	2,763,739	2,840,178

stock				
Warrants to purchase common stock	140,596	227,434	164,150	227,434
Employee Stock Purchase Plan	368,002	337,496	279,880	379,720
Total potentially dilutive securities excluded from denominator of the diluted earnings per share computation	25,166,916	22,346,418	23,643,677	20,466,549

VAXART, INC.

Notes to the Condensed Consolidated Financial Statements (Unaudited)

NOTE 12. Subsequent Events

On October 8, 2024, the Company provided notice to the sales agents to terminate the September 2021 ATM, effective October 18, 2024. The Company will not incur any termination penalties as a result of the termination of the September 2021 ATM.

Following such termination, the Company may not offer or sell any additional shares of its common stock under the September 2021 ATM or the related prospectus and prospectus supplement. From September 15, 2021 to October 18, 2024, the Company sold 17,501,561 shares of common stock for aggregate gross proceeds of approximately $28.6 million pursuant to the September 2021 ATM.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and with our audited consolidated financial statements included in our Annual Report on Form 10-K filed with the SEC on March 14, 2024. This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are subject to the "safe harbor" created by those sections. Forward-looking statements are based on our management's beliefs and assumptions and on information currently available to our management. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "could," "goal," "would," "expect," "plan," "anticipate," "believe," "estimate," "project," "predict," "potential" and similar expressions intended to identify forward-looking statements and reflect our beliefs and opinions on the relevant subject. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and in this Quarterly Report on Form 10-Q. The forward-looking statements included in this Quarterly Report on Form 10-Q are made only as of the date hereof. These statements are based upon information available to us as of the filing date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain, and we caution investors against unduly relying upon these statements. In all events, we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, change in circumstances, future events or otherwise, and you are advised to consult any additional disclosures that we may make directly to you or through reports that we, in the future, may file with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

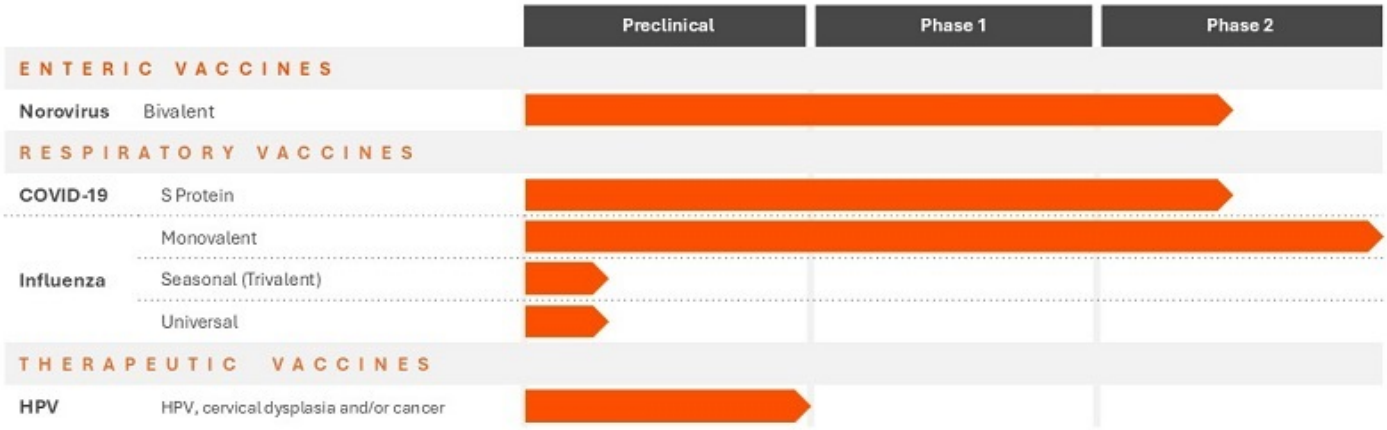
Company Overview and Background

We are a clinical-stage biotechnology company primarily focused on the development of oral recombinant vaccines based on our Vector-Adjuvant-Antigen Standardized Technology ("VAAST") proprietary oral vaccine platform. We are developing prophylactic vaccine candidates that target a range of infectious diseases, including norovirus (a widespread cause of acute gastroenteritis), coronavirus including SARS-CoV-2 (the virus that causes coronavirus disease 2019 ("COVID-19")), and influenza. In addition, we have generated preclinical data for our first therapeutic vaccine candidate targeting cervical cancer and dysplasia caused by human papillomavirus ("HPV"). Our oral vaccines are designed to generate broad and durable immune responses that may protect against a wide range of infectious diseases and may be useful for the treatment of chronic viral infections and cancer. Our investigational vaccines are administered using a room temperature-stable tablet, rather than by injection.

Vaxart Biosciences, Inc. was originally incorporated in California under the name West Coast Biologicals, Inc. in March 2004 and changed its name to Vaxart, Inc. ("Private Vaxart") in July 2007, when it reincorporated in the state of Delaware. On February 13, 2018, Private Vaxart completed a reverse merger (the "Merger") with Aviragen Therapeutics, Inc. ("Aviragen"), pursuant to which Private Vaxart survived as a wholly owned subsidiary of Aviragen. Under the terms of the Merger, Aviragen changed its name to Vaxart, Inc. and Private Vaxart changed its name to Vaxart Biosciences, Inc.

Our Product Pipeline

Figure 1. The following table outlines the status of our oral vaccine development programs:



We are developing the following tablet vaccine candidates, which are all based on our proprietary platform:

- ***Norovirus Vaccine.*** Norovirus is the leading cause of acute gastroenteritis symptoms, such as vomiting and diarrhea, among people of all ages in the United States. Each year, on average in the United States, norovirus causes 19 to 21 million cases of acute gastroenteritis and contributes to 109,000 hospitalizations and 900 deaths, mostly among young children and older adults. Virtually all norovirus disease is caused by norovirus GI and GII genotypes, and we are developing a bivalent vaccine candidate designed to protect against both.

In September 2023, we announced that our Phase 2 GI.1 norovirus challenge study evaluating the safety, immunogenicity, and clinical efficacy of the GI.1 component of our bivalent norovirus vaccine candidate met five of six primary endpoints based on preliminary topline data. The study achieved its primary endpoints of a statistically significant 29% relative reduction in the rate of norovirus infection between the vaccinated and placebo arms, a strong induction of norovirus-specific immunoglobulin A (IgA) and immunoglobulin G (IgG) antibodies, and other immune response endpoints. Vaccination also led to a 21% relative reduction in norovirus acute gastroenteritis in the vaccine arm compared to placebo, but this was not statistically significant. In prespecified analyses, the study also showed an 85% relative decrease in viral shedding in the vaccine arm compared with placebo and no statistically significant difference in disease severity in the vaccinated cohort compared with placebo. The vaccine candidate was also safe and well tolerated with no vaccine-related serious adverse events.

In July 2023, we announced our Phase 2 placebo-controlled dose-ranging trial evaluating the safety and immunogenicity of our bivalent norovirus vaccine candidate met all primary endpoints and our bivalent norovirus vaccine candidate was well-tolerated with robust immunogenicity based on preliminary topline data. Preliminary results showed robust increases in serum antibody responses across both doses at Day 29 relative to Day 1. Placebo subjects did not have a measurable increase in the antibody response. The vaccine candidate also had a favorable safety profile that included no vaccine-related serious adverse events and no dose limiting toxicity. Adverse event rates for both doses were similar to placebo.

In the second half of 2024, we received constructive feedback from the Food and Drug Administration ("FDA") on our data for potential correlates of protection and next steps for our norovirus program. While we believe we have identified a functional antibody response that may be associated with protection for norovirus, the FDA requested new clinical data before proceeding with further review of our potential correlate.

In the Fall of 2022, we announced a Phase 1 study that would receive significant funding and support from the Bill and Melinda Gates Foundation to evaluate whether our bivalent norovirus vaccine candidate induces antibodies in the breast milk of lactating mothers and whether infants up to six months of age can acquire those antibodies by breastfeeding. Passive transfer of antibodies from mother to infant that are induced in milk may protect breastfeeding infants from infectious pathogens. We initiated this study in the fourth quarter of 2023 and announced positive top line results in April 2024. Top line results showed antibodies rose in lactating mothers who received the high dose of our bivalent vaccine candidate. Specifically, serum antibodies to norovirus rose on average 5.6 fold in response to the GI.1 virus strain and 4.4 fold in response to the GII.4 virus strain and breast milk antibodies to norovirus rose on average 4.0 fold in response to the GI.1 virus strain and 6.0 fold in response to the GII.4 virus strain. The vaccine was well tolerated with no vaccine-related serious adverse events and no dose-limiting pharmacotoxicity. As a grant recipient from the Bill and Melinda Gates Foundation, Vaxart has agreed to a global access commitment for use of its bivalent norovirus vaccine candidate, if proven effective and approved, in breastfeeding mothers from low- and middle-income countries.

We have also created additional norovirus GI.1 and GII.4 constructs that may be more potent than the constructs being evaluated in clinical trials. We are discussing the regulatory feedback from the FDA, clinical data on current constructs, and preclinical data generated on new constructs with certain key opinion leaders to assist us in determining the best way to progress our norovirus program.

- ***Coronavirus Vaccine.*** COVID-19, a severe respiratory tract infection caused by the virus SARS-CoV-2, is a major cause of hospitalization and death in the U.S. and worldwide. According to the CDC, an outbreak of COVID-19 began in Wuhan, China, in late 2019 and rapidly spread worldwide. While most COVID-19 restrictions, such as stay-at-home orders, have been lifted, COVID-19 continues to spread and remains a public health threat, not least due to the continuing emergence of new variants.

In September 2022, we announced the results from the first part of a two-part Phase 2 clinical study evaluating the safety and immunogenicity of our oral COVID-19 (spike ("S") protein only) vaccine candidate VXA-CoV2-1.1-S met both its primary and secondary endpoints based on topline data. VXA-CoV2-1.1-S was able to boost the serum antibody responses for volunteers that previously received an mRNA vaccine (either Pfizer/BioNTech or Moderna). Serum neutralizing antibody responses to SARS-CoV-2 (Wuhan), a recognized correlate of protection, were boosted in this population from a geometric mean of 481 to 778, a fold rise of 1.6. Volunteers that had lower starting titers had larger increases than subjects that had higher titers. There were also substantial increases in the neutralizing antibody responses to the SARS-CoV-2 Omicron BA4/5 in these volunteers as measured by sVNT assay. Increases in the mucosal IgA antibody responses (antibodies in the nose and mouth) were observed in approximately 50% of subjects. Subjects that had an increase in the mucosal IgA response to SARS-CoV-2 Wuhan S had an increase in IgA responses to other coronaviruses including SARS-CoV-2 Omicron BA4/5, SARS-CoV-1, and MERS-CoV, demonstrating the cross-reactive nature of these immune readouts. We are not proceeding with the second part of the study.

In February 2021, we announced our Phase 1 study evaluating the safety and immunogenicity of our oral COVID-19 (S and nucleocapsid ("N") proteins) vaccine candidate VXA-CoV2-1 met both its primary and secondary endpoints based on preliminary data. Initial results showing cross-reactive mucosal antibody responses were published in *Science Translational Medicine*. Additional detailed study results and mucosal durability data were reported in *medRxiv* in July 2022.

We have made a COVID-19 vaccine candidate that expresses only the S protein from the SARS-CoV-2 XBB strain. Based on preclinical data, our XBB COVID-19 vaccine candidate is more potent than our prior COVID-19 vaccine constructs. We are also in the process of manufacturing a COVID-19 vaccine candidate targeting the SARS-CoV-2 KP.2 strain.

In January 2024, we were awarded a contract (the "2024 ASPR-BARDA Contract") by the Biomedical Advanced Research and Development Authority ("HHS BARDA"), a division of the Administration for Strategic Preparedness and Response ("ASPR") within the U.S. Department of Health and Human Services, in an amount of $9.3 million to fund preparation for a Phase 2b clinical study involving 10,000 patients. In June 2024, we entered into an agreement (as modified, the "2024 ATI-RRPV Contract") with Advanced Technology International, the Rapid Response Partnership Vehicle's Consortium Management Firm funded by HHS BARDA, which was modified in September 2024 to increase funding and scope. Pursuant to the 2024 ATI-RRPV Contract, we will receive funding of up to $456.1 million to conduct the Phase 2b study and manufacture a COVID-19 vaccine candidate targeting the KP.2 strain.

The Phase 2b study is a double-blind, multi-center, randomized, comparator-controlled study to determine the relative efficacy, safety, and immunogenicity of Vaxart's oral pill COVID-19 vaccine candidate against an approved mRNA COVID-19 injectable vaccine in adults previously immunized against COVID-19 infection. The study design anticipates enrolling approximately 10,000 healthy adults 18 years and older in the United States with approximately 5,000 receiving our COVID-19 vaccine candidate and approximately 5,000 receiving an approved mRNA comparator. The Phase 2b study starts with a sentinel cohort of 400 individuals using the Company's XBB COVID-19 vaccine and an mRNA XBB comparator. An independent Data and Safety Monitoring Board (DSMB) and the FDA will review 30-day safety data of the sentinel cohort once enrollment is complete. The study will strive to enroll participants in line with U.S. demographics, as well as including at least 25% over the age of 65.

The Phase 2b study will measure efficacy for symptomatic and asymptomatic disease, systemic and mucosal immune induction, and the incidence of adverse events. The primary endpoint is relative efficacy of Vaxart's COVID-19 vaccine candidate compared to an approved mRNA comparator for the prevention of symptomatic disease. Primary efficacy analysis will be performed when all participants have either discontinued or completed a study visit 12 months post-vaccination. An interim analysis for vaccine efficacy compared to an approved mRNA comparator may be performed when 255 events have been reached.

We initiated the sentinel cohort of the Phase 2b clinical trial in September 2024. Upon a favorable review by the DSMB and FDA, we anticipate initiating the second part of the Phase 2b clinical trial, aiming to enroll approximately 10,000 participants, in early 2025.

- ***Influenza Vaccine.*** Flu is a contagious respiratory illness caused by influenza viruses that infect the nose, throat, and sometimes the lungs. An estimated one billion cases of seasonal influenza occur annually worldwide, of which three to five million cases are considered severe, causing 290,000 to 650,000 deaths per year. In the United States, between 9,000,000 to 41,000,000 people catch influenza annually, between 140,000 and 710,000 people are hospitalized with complications of influenza, and between 12,000 and 52,000 people die from influenza and its complications each year.

In 2018, we completed a Phase 2 challenge study of our H1N1 flu vaccine candidate, which was funded through a $15.7 million contract with HHS BARDA. We announced that, in healthy volunteers immunized and then experimentally infected with H1 influenza, our H1 influenza oral tablet vaccine candidate reduced clinical disease by 39% relative to placebo. Fluzone, the market-leading injectable quadrivalent influenza vaccine, reduced clinical disease by 27%. Our tablet vaccine candidate also showed a favorable safety profile, indistinguishable from placebo.

We also presented data from the study demonstrating that our vaccine candidate elicited a significant expansion of mucosal homing receptor plasmablasts to approximately 60% of all activated B cells. We believe these mucosal plasmablasts are a key indicator of a protective mucosal immune response and a unique feature of our vaccine candidates.

We have also initiated early-stage development on novel vaccine constructs containing our own antigens to develop a universal influenza vaccine candidate. We had previously produced a non-GMP oral vaccine candidate containing certain proprietary antigens from Janssen Vaccines & Prevention B.V. ("Janssen") and tested the candidate in a preclinical challenge model. The preclinical study has been completed and we have submitted a report to Janssen. In August 2023, Janssen announced it would exit all vaccine and infectious disease R&D programs aside from an E. coli preventive vaccine and continuing to provide access to marketed HIV products. Vaxart is no longer pursuing a universal influenza vaccine using Janssen intellectual property.

The Company intends to work with governments around the world to create pandemic monovalent influenza vaccines for emergency use or stockpiling, if requested. We are also continuing development of our preclinical seasonal and universal influenza vaccine candidates.

- ***HPV Therapeutic Vaccine.*** Cervical cancer is the fourth most common cancer in women worldwide and in the United States with about 13,000 new cases diagnosed annually in the United States according to the National Cervical Cancer Coalition. Our first therapeutic oral vaccine candidate targets HPV 16 and HPV 18, the two strains responsible for 70% of cervical cancers and precancerous cervical dysplasia.

We have tested our HPV 16 vaccine candidate in two different HPV 16 solid tumor models in mice. The HPV 16 vaccine candidate elicited T cell responses and promoted migration of the activated T cells into the tumors, leading to tumor cell killing. Mice that received our HPV 16 vaccine candidate showed a significant reduction in volume of their established tumors.

In October 2018, we filed a pre-IND meeting request with the FDA for our first therapeutic vaccine candidate targeting HPV 16 and HPV 18 and we subsequently submitted our pre-IND briefing package. We received feedback from the FDA in January 2019 to support submission of an IND application to support initiation of clinical testing.

The Company remains engaged in discussions with regulatory agencies, governments, non-governmental organizations and other potential strategic parties to determine the best way to progress its HPV program.

Antivirals

- Through the Merger, we acquired two royalty earning products, Relenza and Inavir. We also acquired three Phase 2 clinical stage antiviral compounds and subsequently discontinued independent development of these compounds. However, for one of these, Vapendavir, we entered into an exclusive worldwide license agreement with Altesa Biosciences, Inc. ("Altesa") in July 2021, permitting Altesa to develop and commercialize this capsid-binding broad-spectrum antiviral. Altesa is conducting a double-blind, randomized, placebo-controlled trial in participants with chronic obstructive pulmonary disease to evaluate the impact of Vapendavir on the development of lower respiratory tract symptoms following rhinovirus challenge.

- Relenza and Inavir are antivirals for the treatment of influenza, marketed by GlaxoSmithKline, plc ("GSK") and Daiichi Sankyo Company, Limited ("Daiichi Sankyo"), respectively. We have earned royalties on the net sales of Relenza and Inavir in Japan. The last patent for Relenza expired in July 2019 and the last patent for Inavir expires in August 2036. Sales of these antivirals vary significantly by quarter, because influenza virus activity displays strong seasonal cycles, and by year depending on the intensity and duration of the flu season, the impact COVID-19 has had, and may continue to have, on seasonal influenza, and competition from other antivirals such as Tamiflu and Xofluza.

Financial Operations Overview

Revenue

Non-Cash Royalty Revenue Related to Sale of Future Royalties

In April 2016, Aviragen sold certain royalty rights related to Inavir in the Japanese market for $20.0 million to HealthCare Royalty Partners III, L.P. ("HCRP"). Under the terms of our agreement with HCRP, during the first royalty interest period of April 1, 2016 through March 31, 2025, HCRP is entitled to the first $3.0 million and any cumulative remaining shortfall amount plus 15% of the next $1.0 million in royalties earned in each year commencing on April 1, with any excess revenue being retained by us. Further, during the second royalty interest period beginning April 1, 2025 and ending on December 24, 2029, HCRP is entitled to the first $2.7 million and any cumulative remaining shortfall amount plus 15% of the next $1.0 million in royalties, with any excess revenue being retained by us. A shortfall occurs when, during an annual period ending on March 31st, for the first royalty interest period of April 1, 2016 through March 31, 2025, royalty payments fall below $3.0 million; and $2.7 million for the second royalty interest period of April 1, 2025 and ending on December 24, 2029, excluding the period of April 1, 2028 through December 24, 2029. In the event there is a remaining cumulative remaining shortfall amount as of December 24, 2029, then, for so long as the Company continues to receive royalties from Daiichi Sankyo Company Limited ("Daiichi Sankyo"), the sum of those royalties will be paid to HCRP until the cumulative remaining shortfall amount has been paid in full.

For avoidance of doubt, we are not obligated to pay HCRP any royalty payment beyond what we are paid by Daiichi Sankyo. The cumulative remaining shortfall amount is the aggregate amount of the shortfall for each annual period, which was $6.0 million as of September 30, 2024.

Revenue from Government Contracts

In January 2024, we were awarded the 2024 ASPR-BARDA Contract by HHS BARDA, with a base and all options value of $9.3 million. Under the 2024 ASPR-BARDA Contract, we received an award to support clinical trial planning activities for a Phase 2b clinical trial that would compare our XBB vaccine candidate to an mRNA comparator to evaluate efficacy for symptomatic and asymptomatic disease, systemic and mucosal immune induction, and adverse events. Revenue from government contracts recognized on the 2024 ASPR-BARDA Contract was $0.9 million and $8.7 million for the three and nine months ended September 30, 2024, respectively, based on the achievement of certain milestones under the 2024 ASPR-BARDA Contract.

In June 2024, we entered into the 2024 ATI-RRPV Contract. In September 2024, the 2024 ATI-RRPV Contract was modified to increase funding and expand the scope to include the manufacture of a vaccine candidate targeting the KP.2 strain. Pursuant to the 2024 ATI-RRPV Contract (as modified), we will receive funding of up to $456.1 million to conduct a Phase 2b comparative study evaluating our oral pill COVID-19 vaccine candidate against an mRNA vaccine comparator approved by the FDA and manufacture a COVID-19 vaccine candidate targeting the KP.2 strain. The 2024 ATI-RRPV Contract currently makes available an aggregate amount of up to $96.5 million, consisting of fixed fee amounts totaling $67.9 million and reimbursement of costs incurred in trial preparation and execution activities. The 2024 ATI-RRPV Contract further contemplates additional funding up to $359.6 million if we and HHS BARDA decide to continue with the Phase 2b comparative study. Revenue from government contracts recognized on the 2024 ATI-RRPV Contract was $4.0 million for the three months ended September 30, 2024 and $4.2 million for the nine months ended September 30, 2024, based on costs incurred and the achievement of a firm fixed-price milestone under the 2024 ATI-RRPV Contract.

Grant Revenue

In November 2022, we accepted a grant (the "BMGF Grant") of $3.5 million to perform research and development work for the Bill & Melinda Gates Foundation and received $2.0 million in advance that was recorded as restricted cash and deferred revenue. We received an additional $1.5 million in July 2023 upon completion of certain milestones. We recognize revenue under research contracts only when a contract is executed and the contract price is fixed or determinable. Revenue from the BMGF Grant was recognized in the period during which the related costs were incurred and the related services rendered, as the applicable conditions under the contract were met. Costs of contract revenue were recorded as a component of operating expenses in the condensed consolidated statements of operations and comprehensive loss. We fully recognized revenue from the BMGF Grant during the year ended December 31, 2023.

Research and Development Expenses

Research and development expenses represent costs incurred on conducting research, such as developing our tablet vaccine platform, and supporting preclinical and clinical development activities of our tablet vaccine candidates. We recognize all research and development costs as they are incurred. Research and development expenses consist primarily of the following:

- employee-related expenses, which include salaries, benefits and stock-based compensation;
- expenses incurred under agreements with contract research organizations ("CROs"), that conduct clinical trials on our behalf;
- expenses incurred under agreements with contract manufacturing organizations ("CMOs"), that manufacture product used in the clinical trials;
- expenses incurred in procuring materials and for analytical and release testing services required to produce vaccine candidates used in clinical trials;
- process development expenses incurred internally and externally to improve the efficiency and yield of the bulk vaccine and tablet manufacturing activities
- laboratory supplies and vendor expenses related to preclinical research activities;
- consultant expenses for services supporting our clinical, regulatory and manufacturing activities; and
- facilities, depreciation and allocated overhead expenses.

We do not allocate our internal expenses to specific programs. Our employees and other internal resources are not directly tied to any one research program and are typically deployed across multiple projects. Internal research and development expenses are presented as one total.

We have incurred significant external costs for CROs that conduct clinical trials on our behalf, and for CMOs that manufacture our tablet vaccine candidates,

although these costs have decreased since 2022 since we now perform the majority of our manufacturing activities in-house. We have captured these external costs for each vaccine program. We do not allocate external costs incurred on preclinical research or process development to specific programs.

The following table shows our period-over-period research and development expenses, identifying external costs that were incurred in each of our vaccine programs and, separately, on preclinical research and process development for the three and nine months ended September 30, 2024 and 2023 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
External program costs:				
Norovirus program	$ 821	$ 1,648	$ 2,560	$ 9,065
COVID-19 program	1,513	884	7,849	2,876
Other programs	2	—	16	—
Preclinical research	216	68	1,596	698
Process development	106	103	189	887
Total external costs	2,658	2,703	12,210	13,526
Internal costs	12,408	12,299	39,349	39,911
Total research and development	$ 15,066	$ 15,002	$ 51,559	$ 53,437

We expect to incur significant research and development expenses in 2024 and beyond as we advance our tablet vaccine candidates into and through clinical trials, pursue regulatory approval of our tablet vaccine candidates and prepare for a possible commercial launch, all of which will also require a significant investment in manufacturing and inventory related costs. To the extent that we enter into licensing, partnering or collaboration agreements, a significant portion of such costs may be borne by third parties.

The process of conducting clinical trials necessary to obtain regulatory approval is costly and time consuming. We may never succeed in achieving marketing approval for our tablet vaccine candidates. The probability of successful commercialization of our tablet vaccine candidates may be affected by numerous factors, including clinical data obtained in future trials, competition, manufacturing capability and commercial viability. As a result, we are unable to determine the duration and completion costs of our research and development projects or when and to what extent we will generate revenue from the commercialization and sale of any of our tablet vaccine candidates.

General and Administrative Expense

General and administrative expenses consist of personnel costs, insurance, allocated expenses and expenses for outside professional services, including legal, audit, accounting, public relations, market research and other consulting services. Personnel costs consist of salaries, benefits and stock-based compensation. Allocated expenses consist of rent, depreciation and other facilities-related expenses.

Results of Operations

The following table presents period-over-period changes in selected items in the condensed consolidated statements of operations and comprehensive loss for the three and nine months ended September 30, 2024 and 2023 (in thousands, except percentages):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Revenue	$ 4,933	$ 2,101	*	$ 13,515	$ 4,134	*
Operating expenses	19,408	19,923	(3)%	68,316	70,581	(3)%
Operating loss	(14,475)	(17,822)	(19)%	(54,801)	(66,447)	(18)%
Net non-operating income (expense)	413	461	(10)%	(78)	1,444	*
Loss before income taxes	(14,062)	(17,361)	(19)%	(54,879)	(65,003)	(16)%
Provision for income taxes	18	39	(54)%	84	87	(3)%
Net loss	$ (14,080)	$ (17,400)	(19)%	$ (54,963)	$ (65,090)	(16)%

* Percentages greater than 100% or not meaningful

Total Revenue

The following table summarizes the period-over-period changes in our revenues for the three months and nine months ended September 30, 2024 and 2023 (in thousands, except percentages):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Non-cash royalty revenue related to sale of future royalties	$ 40	$ 446	(91)%	$ 662	$ 754	(12)%
Revenue from government contracts	4,893	—	100%	12,853	—	100%
Grant revenue	—	1,655	(100)%	—	3,380	(100)%
Total revenue	$ 4,933	$ 2,101	*	$ 13,515	$ 4,134	*

* Percentages greater than 100% or not meaningful

Non-cash Royalty Revenue Related to Sale of Future Royalties

For the three months ended September 30, 2024 and 2023, non-cash royalty revenue related to sale of future royalties from Daiichi Sankyo was $40,000 and $0.4 million, respectively, and for the nine months ended September 30, 2024 and 2023, was $0.7 million and $0.8 million, respectively. We continue to have non-cash royalty revenue as all royalties received for the three and nine months ended September 30, 2024 and 2023 were required to be paid to HCRP.

Revenue from Government Contracts

For the three months ended September 30, 2024 and 2023, revenue from government contracts was $4.9 million and zero, respectively, and for the nine months ended September 30, 2024 and 2023, was $12.9 million and zero, respectively. The revenue from government contracts consists of the 2024 ASPR-BARDA Contract awarded to us in January 2024 and the 2024 ATI-RRPV Contract awarded to us in June 2024. Revenue from the 2024 ASPR-BARDA Contract was $0.9 million for the three months ended September 30, 2024 and $8.7 million for the nine months ended September 30, 2024. Revenue from the ATI-RRPV Contract was $4.0 million for the three months ended September 30, 2024 and $4.2 million for the nine months ended September 30, 2024.

Grant Revenue

We recognized revenue from the BMGF Grant of zero and $1.7 million for the three months ended September 30, 2024 and 2023, respectively, and zero and $3.4 million for the nine months ended September 30, 2024 and 2023, respectively. All research and development work under the BMGF Grant was completed during the year ended December 31, 2023.

Total Operating Expenses

The following table summarizes the period-over-period changes in our operating expenses for the three and nine months ended September 30, 2024 and 2023 (in thousands, except percentages):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Research and development	$ 15,066	$ 15,002	0%	$ 51,559	$ 53,437	(4)%
General and administrative	4,342	4,921	(12)%	16,757	17,144	(2)%
Total operating expenses	$ 19,408	$ 19,923	(3)%	$ 68,316	$ 70,581	(3)%

Research and Development

For the three months ended September 30, 2024, research and development expenses increased by $64,000, or 0%, compared to the three months ended September 30, 2023. The increase was primarily due to an increase in clinical trial expenses related to our COVID-19 vaccine candidate, an increase in preclinical expenses across multiple programs and facilities expenses, offset by a decrease in clinical trial expenses related to our norovirus vaccine candidate, a decrease in stock-based compensation expense and personnel-related costs, and a decrease in manufacturing expenses.

For the nine months ended September 30, 2024, research and development expenses decreased by $1.9 million, or 4%, compared to the nine months ended September 30, 2023. The decrease was primarily due to decreases in clinical trial expenses related to our norovirus vaccine candidate, stock-based compensation expense, severance and other personnel-related costs, offset by increases in clinical trial expenses as related to our COVID-19 vaccine candidate, manufacturing and preclinical expenses and facilities expenses.

General and Administrative

For the three months ended September 30, 2024, general and administrative expenses decreased by $0.6 million, or 12%, compared to the three months ended September 30, 2023. The decrease was primarily due to a decrease in stock-based compensation expense and directors' and officers' insurance costs, partially offset by increases in legal and other professional fees.

For the nine months ended September 30, 2024, general and administrative expenses decreased by $0.4 million, or 2%, compared to the nine months ended September 30, 2023. The decrease was primarily due to a decrease in personnel-related costs, including stock-based compensation expenses, and directors' and officers' insurance costs, offset by increases in severance costs and legal and other professional fees.

Non-Operating Income (Expense)

The following table summarizes the period-over-period changes in our non-operating income for the three and nine months ended September 30, 2024 and 2023 (in thousands, except percentages):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Interest income	$ 1,022	$ 723	41%	$ 1,941	$ 2,076	(7)%
Non-cash interest expense related to sale of future royalties	(631)	(207)	*	(2,045)	(573)	*
Other expense, net	22	(55)	*	26	(59)	*
Net non-operating income (expense)	$ 413	$ 461	(10)%	$ (78)	$ 1,444	*

* Percentages greater than 100% or not meaningful

For the three months ended September 30,2024, we recorded interest income of $1.0 million, a 41% increase from the $0.7 million interest income recorded in the three months ended September 30,2023. For the nine months ended September 30, 2024, we recorded interest income of $1.9 million, a 7% decrease from the $2.1 million interest income recorded in the nine months ended September 30, 2023. The decrease is primarily due to the decrease in our cash, cash equivalents and investments balance.

Non-cash interest expense related to sale of future royalties representing imputed interest on the unamortized portion of the sale of future royalties liability, increased to $0.6 million for the three months ended September 30, 2024, from the $0.2 million for the three months ended September 30, 2023, and to $2.0 million for the nine months ended September 30, 2024, from the $0.6 million for the nine months ended September 30, 2023, due to an increase in non-cash royalty revenue payable to HCRP.

Provision for Income Taxes

The following table summarizes the period-over-period changes in our provision for income taxes for the three and nine months ended September 30, 2024 and 2023 (in thousands, except percentages):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Foreign withholding tax on royalty revenue	$ 2	$ 23	(91)%	$ 33	$ 38	(13)%
Foreign taxes payable on intercompany interest	16	16	—%	48	46	4%
State income taxes	—	—	—%	3	3	—%
Provision for income taxes	$ 18	$ 39	(54)%	$ 84	$ 87	(3)%

* Percentages greater than 100% or not meaningful

The provision for income taxes was $18,000 and $39,000 for the three months ended September 30, 2024 and 2023, respectively, and $84,000 and $87,000 for the nine months ended September 30, 2024 and 2023, respectively. The tax charge relates to interest on an intercompany loan from a foreign subsidiary and a 5% withholding tax on royalty revenue earned on sales of Inavir in Japan, which is potentially recoverable as a foreign tax credit but expensed because we record a 100% valuation allowance against our deferred tax assets. The amount of income tax expense recorded is directly proportional to Inavir royalties, including the portion that we pass through to HCRP.

Liquidity and Capital Resources

Our primary source of financing is from the sale and issuance of common stock in public offerings as well as funding from HHS BARDA. In the past, we have also obtained funds from the issuance of common stock warrants, secured debt and preferred stock and from collaboration agreements.

In September 2021, we entered into a Controlled Equity Offering Sales Agreement (the “September 2021 ATM”), under which we may offer and sell, from time to time through sales agents, shares of our common stock having an aggregate offering price of up to $100 million. We incurred direct expenses and paid sales commissions of up to 3.0% of gross proceeds from the sale of shares under the September 2021 ATM. In the nine months ended September 30, 2024, 7,719,641 shares were issued and sold under the September 2021 ATM for gross proceeds of $9.1 million, which, after deducting sales commissions and expenses incurred to date, resulted in net proceeds of $8.8 million. Effective October 18, 2024, the Company terminated the September 2021 ATM and discontinued all offers and sales of common stock thereunder.

In June 2024, we entered into the 2024 ATI-RRPV Contract. In September 2024, the 2024 ATI-RRPV Contract was amended to increase funding and expand the scope to include the manufacture of a vaccine candidate targeting the KP.2 strain. Pursuant to the 2024 ATI-RRPV Contract, we will receive funding of up to $456.1 million to conduct a Phase 2b comparative study evaluating our oral pill COVID-19 vaccine candidate against an mRNA vaccine comparator approved by the U.S. Food and Drug Administration and manufacture a COVID-19 vaccine candidate targeting the KP.2 strain. As of September 30, 2024, we received $65.4 million of cash payments under the 2024 ATI-RRPV Contract. Subsequent to September 30, 2024, through the filing date of this Quarterly Report on Form 10-Q, we have received $0.6 million under the 2024 ATI-RRPV Contract.

In June 2024, we entered into an underwriting agreement with Oppenheimer & Co. Inc., relating to the issuance and sale by us in an underwritten registered direct offering of 50,000,000 shares of our common stock at a price of $0.80 per share. The gross proceeds to us from such offering were $40.0 million, and after deducting the underwriting discounts and commissions and other offering expenses paid by us, the net proceeds were $37.5 million.

In January 2024, we entered into a securities purchase agreement (the “2024 Securities Purchase Agreement”) with RA Capital Healthcare Fund, L.P. pursuant to which 15,384,615 shares of our common stock were sold to RA Capital Healthcare Fund, L.P. at an offering price of $0.65 per share. The gross proceeds from the 2024 Securities Purchase Agreement were $10.0 million and, after deducting offering expenses, the net proceeds were $9.9 million.

In January 2024, we were awarded the 2024 ASPR-BARDA Contract with a base and all options value of $9.3 million. Under the 2024 ASPR-BARDA Contract, we received an award to support clinical trial planning activities for a Phase 2b clinical trial that would compare our XBB vaccine candidate to an mRNA comparator to evaluate efficacy for symptomatic and asymptomatic disease, systemic and mucosal immune induction, and adverse events. The 2024 ASPR-BARDA Contract originally had a period of performance term that was set to expire in July 2024, but we entered into an amendment in July 2024 that extended the period of performance expiration date into October 2024. As of September 30, 2024, we received approximately $9.3 million of cash payments under the 2024 ASPR-BARDA Contract.

As of September 30, 2024, we had approximately $58.7 million of cash, cash equivalents and short-term investments. We believe our existing funds are sufficient to fund us for at least one year from the date of issuance of this Quarterly Report. To continue operations thereafter, we expect that we will need to raise further capital, through the sale of additional securities or otherwise. Our future capital requirements and the adequacy of our available funds will depend on many factors, most notably our ability to successfully commercialize our products and services.

We may fund a significant portion of our ongoing operations through partnering and collaboration agreements which, while reducing our risks and extending our cash runway, will also reduce our share of eventual revenues, if any, from our vaccine candidates. We may be able to fund certain activities with assistance from government programs. We may also fund our operations through debt financing, which would result in debt service obligations, and the instruments governing such debt could provide for operating and financing covenants that would restrict our operations.

However, due to several factors, including those outside management's control, there can be no assurance that we will be able to complete additional financing transactions. If we are unable to raise additional capital in sufficient amounts or on acceptable terms, management's plans include further reducing or delaying operating expenses.

Our future funding requirements will depend on many factors, including the following:

- the timing and costs of our planned preclinical studies for our product candidates;
- the timing and costs of our planned clinical trials of our product candidates;
- our manufacturing capabilities, including the availability of contract manufacturing organizations to supply our product candidates at reasonable cost;
- the amount and timing of royalties received on sales of Inavir;
- the number and characteristics of product candidates that we pursue;
- the outcome, timing and costs of seeking regulatory approvals;
- revenue received from commercial sales of our future products, which will be subject to receipt of regulatory approval;
- the terms and timing of any future collaborations, licensing, consulting or other arrangements that we may enter into;
- the amount and timing of any payments that may be required in connection with the licensing, filing, prosecution, maintenance, defense and enforcement of any patents or patent applications or other intellectual property rights;
- our ability to stay listed on The Nasdaq Capital Market; and
- the extent to which we in-license or acquire other products and technologies.

Cash Flows

The following table summarizes our cash flows for the periods indicated (in thousands):

	Nine Months Ended September 30,	
	2024	**2023**
Net cash used in operating activities	$ (37,419)	$ (56,932)
Net cash (used in) provided by investing activities	(31,727)	28,848
Net cash provided by financing activities	56,426	15,309
Net decrease in cash, cash equivalents and restricted cash	$ (12,720)	$ (12,775)

Net Cash Used in Operating Activities

We experienced negative cash flow from operating activities for the nine months ended September 30, 2024 and 2023, in the amounts of $37.4 million and $56.9 million, respectively. The cash used in operating activities in the nine months ended September 30, 2024, was due to cash used to fund a net loss of $55.0 million and an increase in working capital of $3.8 million, partially offset by adjustments for net non-cash income related to depreciation and amortization, amortization of discount on investments, net, stock-based compensation, non-cash interest expense related to sale of future royalties and non-cash revenue related to sale of future royalties totaling $13.7 million. The cash used in operating activities in the nine months ended September 30, 2023, was due to cash used to fund a net loss of $65.1 million and a decrease in working capital of $8.4 million, partially offset by adjustments for net non-cash income related to depreciation and amortization, amortization of discount on investments, net, stock-based compensation, non-cash interest expense related to sale of future royalties and non-cash revenue related to sale of future royalties totaling $16.5 million.

Net Cash (Used in) Provided by Investing Activities

In the nine months ended September 30, 2024, we used $31.2 million of cash to purchase investments, net of maturities, and used $0.5 million of cash to purchase property and equipment. In the nine months ended September 30, 2023, we received $30.7 million from maturities of marketable securities, net of purchases, and used $1.9 million to purchase property and equipment, net of disposals.

Net Cash Provided by Financing Activities

In the nine months ended September 30, 2024, we received net proceeds of $37.5 million from the sale of our common stock under the June 2024 Offering, net proceeds of $8.8 million from the sale of our common stock under the September 2021 ATM and net proceeds of $9.9 million from the sale of our common stock under the 2024 Securities Purchase Agreement, partially offset by $0.2 million from common stock acquired to settle employee tax withholding liabilities. In the nine months ended September 30, 2023, we received net proceeds of $13.6 million from the sale of 16,000,000 shares of our common stock, $1.4 million from the sale of common stock under the September 2021 ATM and $0.3 million from the issuance of common stock under the employee stock purchase plan.

Contractual Obligations and Commercial Commitments

We have the following contractual obligations and commercial commitments as of September 30, 2024 (in thousands):

Contractual Obligation	Total	< 1 Year	1 - 3 Years	3 - 5 Years	> 5 Years
Long Term Debt, HCRP	$ 21,560	$ 39	$ 5,494	$ 5,520	$ 10,507
Operating Leases	22,594	1,108	9,542	10,596	1,348
Purchase Obligations	8,549	8,549	—	—	—
Total	$ 52,703	$ 9,696	$ 15,036	$ 16,116	$ 11,855

Long Term Debt, HCRP. Under an agreement executed in 2016, during the first royalty interest period of April 1, 2016 through March 31, 2025, we are obligated to pay HCRP the first $3.0 million and any cumulative remaining shortfall amount plus 15% of the next $1.0 million in royalties earned in each year commencing on April 1, with any excess revenue being retained by us. Further, during the second royalty interest period beginning April 1, 2025 and ending on December 24, 2029, HCRP is entitled to the first $2.7 million and any cumulative remaining shortfall amount plus 15% of the next $1.0 million in royalties, with any excess revenue being retained by us. See Note 6 to the Condensed Consolidated Financial Statements in Part I, Item 1 for further details.

Operating leases. Operating lease amounts include future minimum lease payments under all our non-cancellable operating leases with an initial term in excess of one year. See Note 7 to the Condensed Consolidated Financial Statements in Part I, Item 1 for further details of leases.

Purchase obligations. These amounts include an estimate of all open purchase orders and contractual obligations in the ordinary course of business, including commitments with contract manufacturers and suppliers for which we have not received the goods or services. We consider all open purchase orders, which are generally enforceable and legally binding, to be commitments, although the terms may afford us the option to cancel based on our business needs prior to the delivery of goods or performance of services.

Share-based payment arrangements. Beginning in 2022, we shifted from awarding only options to issuing a mixture of options and restricted stock units ("RSUs") to our employees. As of September 30, 2024, the unrecognized stock-based compensation cost related to outstanding unvested stock options and RSUs expected to vest was $15.9 million, which we expect to recognize over an estimated weighted average period of 2.3 years. See Note 10 to the Condensed Consolidated Financial Statements in Part I, Item 1 for further details on stock-based compensation expense recognized.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of financial condition and results of operations is based on our condensed consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities and expenses. On an ongoing basis, we evaluate these estimates and judgments. We base our estimates on historical experience and on various assumptions that we believe to be reasonable under the circumstances. These estimates and assumptions form the basis for making judgments about the carrying values of assets and liabilities and the recording of expenses that are not readily apparent from other sources. Actual results may differ materially from these estimates. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgments and estimates.

Accrued Research and Development Expenses

We record accrued expenses for estimated costs of research and development activities conducted by third-party service providers, which include the conduct of preclinical studies and clinical trials, and contract manufacturing activities. We record the estimated costs of research and development activities based upon the estimated amount of services provided and include the costs incurred but not yet invoiced within other accrued liabilities in the condensed consolidated balance sheets and within research and development expense in the condensed consolidated statements of operations and comprehensive loss. These costs can be a significant component of our research and development expenses.

We estimate the amount of work completed through discussions with internal personnel and external service providers as to the progress or stage of completion of the services and the agreed-upon fee to be paid for such services. We make significant judgments and estimates in determining the accrued balance in each reporting period. As actual costs become known, we adjust our accrued estimates.

Intangible Assets

Intangible assets acquired in the Merger were initially recorded at their estimated fair values of $20.3 million for developed technology related to Inavir which was, until it was revalued, being amortized on a straight-line basis over the estimated period of future royalties of 11.75 years. The developed technology related to Inavir was revalued at $5.0 million as of December 31, 2022, resulting in an impairment loss of $4.3 million being recorded. These valuations were prepared with the assistance of an independent third party based on discounted cash flows of estimated future revenue streams, which are highly subjective. The fair value as of September 30, 2024, is being amortized on a straight-line basis over the remaining period of 5.1 years.

Revenue from Government Contracts

Under firm fixed-price milestone contracts, we recognize the firm fixed-price revenue as the milestones are substantially complete and the firm fixed-price for the milestone is earned ("firm fixed-price milestone"). Under cost reimbursable contracts, we recognize revenue as allowable costs are incurred and the fixed fee is earned ("cost-plus-fixed-fee"). Reimbursable costs under the contract primarily include direct labor, subcontract costs, materials, equipment, travel, and approved overhead and indirect costs. Fixed fees under cost reimbursable contracts are earned in proportion to the allowable costs incurred in performance of the work relative to total estimated contract costs, with such costs incurred representing a reasonable measurement of the proportional performance of the work completed.

Payments to us under cost reimbursable contracts are provisional payments subject to adjustment upon annual audit by the government. Management believes that revenue for periods not yet audited has been recorded in amounts that are expected to be realized upon final audit and settlement. When the final determination of the allowable costs for any year has been made, revenue and billings may be adjusted accordingly in the period that the adjustment is known.

Stock-Based Compensation

We measure the fair value of all stock option awards to employees, non-executive directors and consultants on the grant date, and record the fair value of these awards, net of estimated forfeitures, as compensation expense over the service period. The fair value of options is estimated using the Black-Scholes valuation model and the expense recorded is affected by subjective assumptions regarding a number of variables, as follows:

Expected term – This represents the period that our stock-based awards granted are expected to be outstanding and is determined using the simplified method (the arithmetic average of its original contractual term and its average vesting term). We have very limited historical information to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior for our stock-based awards. Based on the weighted average applied to options awarded in the nine months ended September 30, 2024, a notional 10% decrease in expected term would have reduced the fair value and the related compensation expense by approximately 2.1%.

Expected volatility – This is a measure of the amount by which our common stock price has fluctuated or is expected to fluctuate. Since the beginning of 2020, we have measured volatility based on the historical volatility of our own stock over the retrospective period corresponding to the expected term of the options on the measurement date. Based on the weighted average applied to options awarded in the nine months ended September 30, 2024, a notional 10% decrease in expected volatility (from 129.1% to 116.2%) would have reduced the fair value and the related compensation expense by approximately 4.0%.

Risk-free interest rate – This is based on the U.S. Treasury yield curve on the measurement date corresponding with the expected term of the stock-based awards.

Expected dividend – We have not made any dividend payments and do not plan to pay dividends in the foreseeable future. Therefore, we use an expected dividend yield of zero.

Forfeiture rate – This is a measure of the number of awards that are expected to not vest and is reassessed quarterly. An increase in the estimated forfeiture rate will cause a small decrease in the related compensation expense early in the service period, but since the final expense recorded for each award is the number of options vested times their grant date fair value, it has no impact on the total expense recorded.

Recent Accounting Pronouncements

See the "Recent Accounting Pronouncements" in Note 2 to the Condensed Consolidated Financial Statements in Part I, Item 1 for information related to the issuance of new accounting standards in the first nine months of 2024, which are either not applicable to its operations or their adoption is not expected to have a material impact on our condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Sensitivity

Our exposure to market risk for changes in interest rates relates primarily to our investments in marketable debt securities. The primary objective of our investment activities is to preserve principal, maintain liquidity that is sufficient to meet cash needs and maximize total return without significantly increasing risk. To achieve this goal, we maintain our excess cash and cash equivalents in money market funds and marketable debt securities. We do not enter into investments for trading or speculative purposes and we hold no equity securities. We presently have no borrowings or lines of credit.

Specifically, as of September 30, 2024, we had cash, cash equivalents and short-term investments of approximately $58.7 million, which consist of primarily bank deposits, money market funds and U.S. government securities. All of our investments must satisfy high credit rating requirements at the time of purchase. Such interest-earning instruments carry a degree of interest rate risk, however, because our investments are rated highly and mostly short-term, we believe that our exposure to risk of loss due to interest rate changes is not significant.

Exchange Rate Sensitivity

Our royalty revenue, which is calculated in U.S. dollars, is based on sales in Japanese yen, so a 1% increase in the strength of the U.S. dollar against the yen would lead to a 1% reduction in royalty revenue and related accounts receivable. All our other revenue and substantially all of our expenses, assets and

liabilities are denominated in U.S. dollars and, as a result, we have not experienced significant foreign exchange gains or losses recently and do not anticipate that foreign exchange gains or losses will be significant in the near future.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal accounting and financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our management has concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of September 30, 2024.

Changes in Internal Control over Financial Reporting

There was no material change in our internal control over financial reporting that occurred during the quarter ended September 30, 2024, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our principal executive officer and principal accounting and financial officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within Vaxart have been detected.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

The information included in "Note 8. Commitments and Contingencies—(c) Litigation" to the Condensed Consolidated Financial Statements in Part I, Item 1 is incorporated by reference into this Item.

We may also from time to time be involved in legal proceedings arising in connection with our business. Based on information currently available, we believe that the amount, or range, of reasonably possible losses in connection with any pending actions against us in excess of established reserves, in the aggregate, is not material to our condensed consolidated financial condition or cash flows. However, any current or future dispute resolution or legal proceeding, regardless of the merits of any such proceeding, could result in substantial costs and a diversion of management's attention and resources that are needed to run our business successfully, and could have a material adverse impact on our business, financial condition and results of operations.

Item 1A. Risk Factors

You should consider the risks and uncertainties described under Item 1A of Part I of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, which we filed with the Securities and Exchange Commission on March 14, 2024, together with all other information contained or incorporated by reference in this Quarterly Report on Form 10-Q, when evaluating our business and our prospects. There are no material changes to the risk factors set forth in Part I, Item 1A, in our Annual Report on Form 10-K for the year ended December 31, 2023, except as described below.

A significant portion of the funding to further develop our COVID-19 vaccine candidate is currently expected to come from HHS BARDA funds. If HHS BARDA were to eliminate, reduce, delay, or object to funding available to us under the 2024 ATI-RRPV Contract, this could have a significant, negative impact on our revenues and cash flows, and we may be forced to suspend or terminate the continued development of the product candidate or obtain alternative sources of funding.

In June 2024, we entered into the 2024 ATI-RRPV Contract with Advanced Technology International, the Rapid Response Partnership Vehicle's Consortium Management Firm funded by HHS BARDA. In September 2024, the 2024 ATI-RRPV Contract was amended to increase funding and scope. The 2024 ATI-RRPV Contract currently makes available an aggregate amount of up to approximately $96.5 million, consisting of a fixed fee of approximately $67.9 million and reimbursement of costs incurred in trial preparation and execution activities. The 2024 ATI-RRPV Contract further contemplates additional funding up to approximately $359.6 million if the Company and HHS BARDA decide to continue with the related study. As of September 30, 2024, we have recognized $4.2 million in revenue pursuant to the 2024 ATI-RRPV Contract based on costs incurred.

We anticipate that a significant portion of the funding to further develop our COVID-19 vaccine candidate will come from the remaining amounts to be received under the 2024 ATI-RRPV Contract. The 2024 ATI-RRPV Contract provides that the government has the right to determine whether to fund the continued performance of the study after the initial funding. If the 2024 ATI-RRPV Contract is terminated or suspended, or if there is any government decision not to continue funding or reduction or delay in funding under the 2024 ATI-RRPV Contract, our revenues and cash flows would be significantly and negatively impacted and we may be forced to seek alternative sources of funding, which may not be available on no-dilutive terms, terms favorable to us, or at all.

Our failure to meet the continued listing requirements of The Nasdaq Capital Market could result in a delisting of our common stock.

Our common stock is listed on The Nasdaq Capital Market, which imposes, among other requirements, a $1.00 minimum bid price requirement set forth in Nasdaq Listing Rule 5550(a)(2). Our common stock traded for less than $1.00 for 30 consecutive trading days, and we received notice of this from the Listing Qualifications Department of The Nasdaq Stock Market on July 2, 2024. Under Nasdaq Listing Rule 5810(c)(3)(A), we were granted a 180-calendar day grace period, or until December 30, 2024, to regain compliance with the minimum bid price requirement. The minimum bid price requirement would be met if our common stock had a minimum closing bid price of at least $1.00 per share for a minimum of ten consecutive business days during the 180-calendar day grace period. If at any time during this 180-calendar day period the bid price of the Company's common stock closes at or above $1.00 per share for a minimum of ten consecutive business days, the Nasdaq staff stated that it will provide the Company with a written confirmation of compliance and the matter will be closed. However, under Nasdaq Listing Rule 5810(c)(3)(A), the Nasdaq staff may exercise its discretion to extend this ten-day period as discussed in Rule 5810(c)(3)(H).

Alternatively, if we fail to regain compliance with Rule 5550(a)(2) prior to the expiration of the initial 180-calendar day period, we may be eligible for an additional 180-calendar day compliance period, provided (i) we meet the continued listing requirement for market value of publicly held shares and all other applicable requirements for initial listing on The Nasdaq Capital Market (except for the $1.00 minimum bid price requirement) and (ii) we provide written notice to Nasdaq of our intention to cure this deficiency during the second compliance period by effecting a reverse stock split, if necessary. In the event we do not regain compliance with Rule 5550(a)(2) prior to the expiration of the initial 180-calendar day period, and if it appears to the Staff that we will not be able to cure the deficiency, or if we are not otherwise eligible, the Staff stated that it will provide us with written notice that our securities are subject to delisting from The Nasdaq Capital Market. At that time, we may appeal the delisting determination to a Hearings Panel. There can be no assurance that we will be able to regain compliance or that Nasdaq will grant us a further extension of time to regain compliance, if necessary.

The delisting of our common stock from Nasdaq may make it more difficult for us to raise capital on favorable terms in the future, or at all. Such a delisting would likely have a negative effect on the price of our common stock and would impair our stockholders' ability to sell or purchase our common stock when they wish to do so. Further, if our common stock were to be delisted from The Nasdaq Capital Market, our common stock would cease to be recognized as a covered security and we would be subject to additional regulation in each state in which we offer our securities. Moreover, there is no assurance that any actions that we take to restore our compliance with the Nasdaq minimum bid requirement would stabilize the market price or improve the liquidity of our common stock, prevent our common stock from falling below the Nasdaq minimum bid price required for continued listing again, or prevent future non-compliance with Nasdaq's listing requirements.

There can be no assurance that we will continue to meet the minimum bid price requirement, or any other requirement in the future. If we fail to meet the minimum bid price requirement, or other applicable Nasdaq listing requirements, including maintaining minimum levels of stockholders' equity or market values of our common stock, our common stock could be delisted. If our common stock were to be delisted, the liquidity of our common stock would be adversely affected, and the market price of our common stock could decrease.

Unless our common stock continues to be listed on a national securities exchange it will become subject to the so-called "penny stock" rules that impose restrictive sales practice requirements.

If we are unable to maintain the listing of our common stock on Nasdaq or another national securities exchange, our common stock could become subject to the so-called "penny stock" rules if the shares have a market value of less than $5.00 per share. The SEC has adopted regulations that define a penny stock to include any stock that has a market price of less than $5.00 per share, subject to certain exceptions, including an exception for stock traded on a national securities exchange. The SEC regulations impose restrictive sales practice requirements on broker-dealers who sell penny stocks to persons other than established customers and "accredited investors" as defined by relevant SEC rules. These additional requirements may discourage broker-dealers from effecting transactions in securities that are classified as penny stocks, which could severely limit the market price and liquidity of such securities and the ability of purchasers to sell such securities in the secondary market. This means that if we are unable to maintain the listing of our common stock on a national securities exchange, the ability of stockholders to sell their common stock in the secondary market could be adversely affected.

If a transaction involving a penny stock is not exempt from the SEC's rule, a broker-dealer must deliver a disclosure schedule relating to the penny stock market to each investor prior to a transaction. The broker-dealer also must disclose the commissions payable to both the broker-dealer and its registered representative, current quotations for the penny stock, and, if the broker-dealer is the sole market-maker, the broker-dealer must disclose this fact and the broker-dealer's presumed control over the market. Finally, monthly statements must be sent disclosing recent price information for the penny stock held in the customer's account and information on the limited market in penny stocks.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the quarter ended September 30, 2024, no director or officer, as defined in Rule 16a-1(f), adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," each as defined in Item 408 of Regulation S-K.

Item 6. Exhibits

Exhibit Number	Description of Document	Incorporated by Reference			
		Schedule/Form	File Number	Exhibit	Filing Date
3.1	Restated Certificate of Incorporation of Aviragen Therapeutics, Inc.	Form 10-K	001-35285	3.1	September 13, 2016
3.2	Certificate of Amendment to Restated Certificate of Incorporation of Aviragen Therapeutics, Inc.	Form 8-K	001-35285	3.1	February 20, 2018
3.3	Certificate of Amendment to Restated Certificate of Incorporation of Vaxart, Inc.	Form 8-K	001-35285	3.2	February 20, 2018
3.4	Certificate of Amendment to Restated Certificate of Incorporation of Vaxart, Inc.	Form 8-K	001-35285	3.1	April 24, 2019
3.5	Certificate of Amendment to Restated Certificate of Incorporation of Vaxart, Inc.	Form 8-K	001-35285	3.1	June 9, 2020
3.6	Certificate of Amendment to Restated Certificate of Incorporation of Vaxart, Inc.	Form 10-Q	001-35285	3.3	August 8, 2022
3.7	Amended and Restated Bylaws of Vaxart, Inc., effective as of October 18, 2023	Form 8-K	001-35285	3.1	October 23, 2023
3.8	Certificate of Amendment to Restated Certificate of Incorporation of Vaxart, Inc.	Form 8-K	001-35285	3.1	June 13, 2024
10.3 *^	Modification No. 3, dated September 27, 2024, to the ATI-RRPV Project Award Agreement No. 001, dated June 13, 2024, between Vaxart Biosciences Inc. and Advanced Technology International (RRPV Consortium Management Firm)				

31.1 *	Certification of Principal Executive Officer pursuant to Exchange Act Rule, 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2 *	Certification of Principal Financial Officer pursuant to Exchange Act Rule, 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1 §	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS *	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document
101.SCH *	Inline XBRL Taxonomy Extension Schema Document
101.CAL *	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF *	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB *	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE *	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

\# Management contract or compensation plan or arrangement.

§ In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release Nos. 33-8238 and 34-47986, Final Rule: Management's Reports on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports, the certification furnished in Exhibit 32.1 hereto is deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Exchange Act. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

^ Pursuant to Item 601(b)(10) of Regulation S-K, certain confidential portions of this exhibit have been omitted as (i) the Company has determined the omitted information is not material and (ii) the Company customarily and actually treats the omitted information as private or confidential.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

VAXART, INC.

Dated: November 13, 2024

By: /s/ STEVEN LO
Steven Lo
President and Chief Executive Officer
(Principal Executive Officer)

Dated: November 13, 2024

By: /s/ PHILLIP LEE
Phillip Lee
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 31.1

CERTIFICATION

I, Steven Lo, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: November 13, 2024

By: /s/ STEVEN LO

Steven Lo
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Phillip Lee, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: November 13, 2024

By: /s/ PHILLIP LEE

Phillip Lee
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. § 1350), Steven Lo, President and Chief Executive Officer of Vaxart, Inc. (the "Company"), and Phillip Lee, Chief Financial Officer of the Company, each hereby certifies that, to his knowledge:

(1) The Company's Quarterly Report on Form 10-Q for the period ended September 30, 2024, to which this Certification is attached as Exhibit 32.1 (the "Periodic Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

(2) The information contained in the Periodic Report fairly presents, in all material respects, the financial condition of the Company at the end of the period covered by the Periodic Report and results of operations of the Company for the period covered by the Periodic Report.

Date: November 13, 2024

By: /s/ STEVEN LO

Steven Lo
President and Chief Executive Officer
(Principal Executive Officer)

Date: November 13, 2024

By: /s/ PHILLIP LEE

Phillip Lee
Chief Financial Officer
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 of 18 U.S.C. § 1350 has been provided to Vaxart, Inc. and will be retained by Vaxart, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE SUCH TERMS ARE BOTH NOT MATERIAL AND ARE THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. THESE REDACTED TERMS HAVE BEEN MARKED IN THIS EXHIBIT WITH THREE ASTERISKS AS [***].

September 27, 2024

Vaxart Biosciences Inc
170 Harbor Way Ste 300
South San Francisco, California 94080

Attention: [***], General Counsel, Senior Vice President

Subject: Modification No. 03 to RRPV Project Award No. 01; RRPV-24-04-NGVx-003

Reference: RRPV Base Agreement No. 2024-606

Dear [***]:

In accordance with the terms and conditions of the referenced RRPV Base Agreement, Modification No. 03 hereby amends the Project Award No. 01 as follows:

DESCRIPTION OF MODIFICATION

1) The Project Agreement Ceiling clause of the Project Award is hereby amended to read as indicated in bold below:

4. PROJECT AGREEMENT CEILING
The total estimated ceiling for this Project Awardee is **$456,119,279** *(this is an increase of $3,234,802)* broken out as follows:

Firm Fixed Price
The total fixed amount for the services to be provided by the Project Awardee are as follows:

Fixed Amount (Milestone 2 Only)	$[***]
Fixed Amount (CMC / KP.2 Manufacturing)	**$[***]**
Total Fixed Cost	**$[***]**

Estimated Expenditure and Fixed Fee
The total estimated expenditure and fixed fee for the services to be provided by the Project Awardee are as follows:

	ESTIMATED EXPENDITURE
Estimated Expenditure	$[***]
Fixed Fee	**$[***]**
Total Expenditure and Fixed Fee Cost	**$[***]**

The United States Government (USG) and Vaxart agree that the current award amount will be **$456,119,279**. Billable costs for the duration of the agreement will not exceed the total amount of **$456,119,279** as any additional effort would require additional funds from the USG. Additional funds can be requested and may be approved provided Vaxart has an acceptable technical justification. However, Vaxart acknowledges that any costs above an agreed upon contract ceiling amount of $[***], to include potential indirect rate adjustments, will be the sole responsibility of Vaxart.

2) The Incremental Funding clause of the Project Award is hereby amended to read as indicated in bold below:

5. Incremental Funding
The total amount of funding currently allotted to this Project Award and available for payment is **$96,515,616** *(this is an increase of $30,802,294)* for those milestones marked as authorized within the Statement of Work's Milestone Payment schedule. Any work performed in excess thereof shall be at the Project Awardee's risk. The Project Awardee shall notify the CMF if at any time the Project Awardee has reason to believe that the costs accrued in the next [***] days will exceed [***] of the current total authorized funding. Such notice should specify the estimate of additional funds required, along with the associated remaining tasking and timeframe. The Project Awardee is not obligated to continue performance under this Project Award (including actions under the Termination clause of the RRPV Base Agreement) or otherwise incur costs in excess of the amount identified in this clause.

The USG shall provide initial funding for the Project Award on a firm fixed price basis at the time of award that will fund trial preparation activities (Milestone 2). When the USG and Vaxart have mutually determined that the trial shall further proceed, the USG shall provide additional funding on an expenditure-based basis during the period of performance of the Project Award to support Vaxart's performance of the requirements set forth in the Project Award. The USG shall provide such additional funding in incremental amounts based upon Vaxart's continued fulfillment of requirements of the Project Award commensurate with the payment terms established in the Project Award.

3) Attachment A, Statement of Work, of the Research Project Award is hereby amended to read as attached herein.

Except as provided herein, all Terms and Conditions of the referenced RRPV Base Agreement, Project Award and preceding modifications remain unchanged and in full force and effect.

The Project Awardee is required to sign this document and return to Advanced Technology International to finalize this action.

Vaxart Biosciences Inc
By: /s/[***]

Advanced Technology International
By: /s/[***]

Name:	[***]	Name:	[***]
Title:	[***]	Title:	[***]
Date:	09/27/2024	Date:	09/27/2024

Attachment A
Statement of Work
(Incorporated via Modification No. 03. Changes to Sections 1, 2, 3 and 5 are indicated in bold italics.)

RPP#: 24-04-NGVx
Project Identifier: RRPV24-04-NGVx-003
Project Title: Oral Mucosal Vaccine for SARS-CoV2 Protection
RRPV Member Organization Name: Vaxart, Inc.
Primary Place of Performance: 170 Harbor Way Suite 300 South San Francisco, CA 94080

1.0 Introduction / Background

Vaxart Biosciences, Inc. ("Vaxart") is a development-stage biotechnology company with a pipeline of biologics across multiple therapeutic classes. Vaxart's platform technology makes it possible to administer vaccines in a thermo-stable tablet form, allowing for rapid deployment in mass vaccination programs, without the large logistical requirements and significant medical waste of conventional frozen vaccines. The vaccines are designed to trigger strong mucosal IgA and T-cell responses, as well as systemic antibodies. The technology is based on a non-replicating adenoviral vector with a molecular adjuvant that enhances antigen immune responses in the human intestine, the site of tablet release.

This project will compare Vaxart's updated COVID-19 vaccine candidate ***~~that incorporates the XBB variant sequence (tVXA-CoV2-XBB)~~*** to an mRNA comparator to evaluate efficacy for symptomatic and asymptomatic disease, systemic and mucosal immune induction, and adverse events.

2.0 Scope / Project Objective

The objective of this project is to complete a phase 2b clinical trial, comparing Vaxart's ***~~XBB-strain~~*** Covid-19 candidate vaccine ***~~(tVXA-CoV2-3.1)~~*** to an approved mRNA ***~~XBB-strain~~*** COVID-19 vaccine. Vaxart has divided the program into two phases. Phase 1 includes the execution of a Phase 2b clinical trial comparing Vaxart's ***~~XBB~~*** vaccine candidate and an mRNA vaccine comparator for efficacy, immune induction, and safety. Phase 2 includes further analysis to characterize the durability of the immune responses initially characterized by tracking mucosal samples from vaccinated individuals for a year, and assessing cross-reactivity over time.

Phase 1: Clinical Trial Execution for Phase 2b Clinical Trial
Vaxart shall execute a Phase 2b clinical trial in approximately 10,000 individuals comparing Vaxart's ***~~XBB~~*** vaccine candidate and an mRNA vaccine comparator for efficacy, immune induction, and safety. ***The clinical trial will begin with a sentinel cohort of 400 individuals using Vaxart's XBB vaccine and an mRNA XBB comparator.***

Specifically, Vaxart will:

- Determine the relative efficacy of the Vaxart's ***~~XBB~~*** COVID-19 vaccine candidate compared to the currently recommended booster dose for the prevention of symptomatic, PCR confirmed COVID-19
- Assess the safety and tolerability of Vaxart's ***~~XBB~~*** COVID-19 vaccine candidate
- Evaluate the humoral immunogenicity of Vaxart's ***~~XBB~~*** COVID-19 vaccine candidate
- Evaluate cellular immunogenicity of Vaxart's ***~~XBB~~*** COVID-19 vaccine candidate
- Evaluate the mucosal immune responses of Vaxart's ***~~XBB~~*** COVID-19 vaccine candidate
- Determine the durability of Vaxart's ***~~XBB~~*** COVID-19 vaccine candidate compared to the currently recommended booster dose for the prevention of symptomatic, PCR confirmed COVID-19
- Determine the relative efficacy of Vaxart's ***~~XBB~~*** COVID-19 vaccine candidate compared to the currently recommended booster dose for the prevention of asymptomatic, PCR confirmed COVID-19
- Determine the relative efficacy of Vaxart's ***~~XBB~~*** COVID-19 vaccine candidate compared to the currently recommended booster dose for the prevention of severe PCR confirmed COVID-19
- Efficacy subanalyses and Correlates of Protection analyses

Concurrently, Vaxart will manufacture new KP.2 lots to support a 10,000 subject follow-on trial as described under Task Area 5 (1.5), CMC, below.

PHASE 2: Additional Characterization of Immune Responses
Vaxart will expand on the durability of the immune responses initially characterized by tracking mucosal samples from vaccinated individuals for a year, and assessing cross-reactivity over time. Vaxart will characterize the B cell memory populations to understand how prior vaccination and infection exposure shapes the B cell repertoire. B cells elicited by vaccination will be cloned and characterized for the ability to produce cross-reactive antibodies to SARS-CoV-2 variants and other coronaviruses. Specifically, Vaxart will:

- To determine mucosal memory cell responses.
- Clone antibodies that bind to SARS-COV-2 and other coronaviruses induced by the two vaccines and evaluate cloned antibodies for cross-reactivity and affinity.

3.0 Requirements

Phase 1: Clinical Trial Execution for Phase 2b Clinical Trial (WBS 1)
Vaxart shall execute a Phase 2b clinical trial in approximately 10,000 individuals comparing Vaxart's ***~~XBB~~*** vaccine candidate and an mRNA vaccine comparator for efficacy, immune induction, and safety. ***The clinical trial will begin with a sentinel cohort of 400 individuals using Vaxart's XBB vaccine and an mRNA XBB comparator.***

Task Area #1 – Program Management (WBS 1.1)
Vaxart's program management activities will follow procedures described in the Project Management Institute Project Management Book of Knowledge ("PMBOK©"). These activities align with requirements established by the BARDA. Consistent with those requirements, the primary objective to program management is to ensure that the activities and outputs that result are delivered on time, within scope and budget, and meet applicable quality standards.

Vaxart will undertake all of the required program management activities necessary to complete Phase 1 and Phase 2 of this project.

- The Principal Investigator (PI) for the project will work with Vaxart's program management team and will be responsible for the technical and contractual deliverables of the program. The Vaxart Program Team (VPT), which includes representatives from BARDA, will conduct weekly progress meetings through the period of performance. In addition, the VPT will conduct monthly performance reviews in accordance with the USG contract/communication plan requirements. (WBS 1.1.1)
- The Program Manager and Principal Investigator will have responsibility for deliverables from the Subcontractors. Each of the Subcontractors will be managed day-to-day by the program management team and the appropriate Vaxart Technical Lead. A Subcontract Management Plan will be submitted to BARDA within [***] business days of award in accordance with the ASPR Business Toolkit. The Project Manager shall have the responsibility of reporting to BARDA any material subcontract issues that could impact the timing and quality of the program deliverables. (WBS 1.1.2)
- The PI and program management team are the leads and with the entire Project Teams input, have responsibility for Risk Identification and Mitigation. Included in this section is the generation of a Risk Management Plan (RMP) and Security Plan within [***] business days of contract award to be approved by BARDA. While monitoring risk will be on-going through the program and a topic for discussion in the telecons/meeting with BARDA, the Risk Register and associated documentation from the RMP will be updated no less than monthly and included in the Monthly Technical Progress Report to BARDA. (WBS 1.1.3)
- Vaxart will perform and report on program performance as directed by BARDA. Included in this activity is program cost accounting and invoicing. (WBS 1.1.4)
- Vaxart will maintain a quality management system to ensure that all activities carried out in accordance with the standards applicable to medical devices and pharmaceutical activities for clinical studies. Vaxart will use a Quality Assurance Surveillance Plan (QASP) with the key subcontractors in the program. The QASP, an element of Quality Management, will describe the methods used to monitor subcontractor performance, establish documentation/reporting requirements, and Vaxart's interactions with the subcontractor. The QASP is a means for evaluating whether the subcontractor is meeting the performance standards/quality levels identified in the project work plan and the contractor's quality control plan, and to ensure that the deliverables meet Vaxart's commitment to BARDA in the program. (WBS 1.1.5)
- As part of Vaxart's overall program management activities including subcontractor, risk and quality management activities will travel to sites as necessary to oversee the project. (WBS 1.1.6)
- Specific deliverables for WBS 1.1 subtasks are delineated in Section 4.0 Deliverables

Task Area #2 – Analytical (WBS 1.2)
Vaxart's analytical activities encompass those activities to be performed to collect, test, and report on samples taken from subjects in the Phase 2b trial.

Vaxart will provide serum and PBMC samples to BARDA for analysis at a central CRO **(WBS 1.2.1)**.

- Serum samples will be taken from all subjects according to the schedule detailed in the synopsis. Samples will be shipped from the clinical sites to a central repository. Samples from the central repository will be shipped to the CRO contracted by BARDA to measure serum antibody responses. (WBS1.2.1.1)
- PBMC samples will be taken from greater than 1,000 subjects, according to the timeline plan detailed in the protocol. These will be processed using the BARDA method of PBMC isolation. Samples will be shipped with a liquid N2 dry shipper to a central repository and provided to the CRO contracted by BARDA to measure to measure T cell responses to SARS-Cov-2 S protein. Additionally, 200 subjects (0 and 7 days post vaccination) enrolled in the study will be collected and processed using the Vaxart method for isolation. These samples will be used for assessing mucosal memory and mucosal homing markers in Phase 2.

BARDA and Vaxart will characterize immune responses at mucosal surfaces according to the schedule detailed in the synopsis. (WBS 1.2.2)

- To test the effects of mucosal vaccination, saliva samples will be collected using [***] at timepoints post vaccination according to the schedule detailed in the synopsis. Samples will be shipped to the mucosal processing lab contracted by BARDA. Spike specific antibody levels will be assessed using MSD technology and functional antibodies (nAb) will be measured by [***]. Vaxart will evaluate a small subset for pan-coronavirus immune responses and nAb using surrogate neutralization assays (sVNTs). (WBS 1.2.2.1)
- To test the effects of mucosal vaccination, nasal samples will be collected using Nasosorption devices (Mucosal Diagnostics) at timepoints post vaccination according to the schedule detailed in the synopsis. Samples will be shipped to the mucosal processing lab contracted by BARDA. Spike specific antibody levels will be assessed using MSD technology and functional antibodies (nAb) will be measured by [***]. Vaxart will evaluate a small subset for pan-coronavirus immune responses and nAb using surrogate neutralization assays (sVNTs). (WBS 1.2.2.2)

Vaxart will determine the efficacy of Vaxart's XBB vaccine candidate and the mRNA comparator vaccine against symptomatic and asymptomatic COVID-19 infection. (WBS 1.2.3)

- Subjects that report covid infection will be asked to provide nasal swab samples [***] to determine duration of shedding. Any subject testing positive for symptomatic infection will be sequenced from the first positive sample to determine the breakthrough strain. (WBS 1.2.3.1)
- All subjects enrolled will be provided kits to swab weekly for SARS-COv-2 infection. Samples will be returned to a central lab by mail. Samples will be tested for asymptomatic infection. The central lab will compile the data and at the end of the study, the two different vaccines will be compared for relative protection against infection. (WBS 1.2.3.2)

Vaxart will conduct an analysis to identify immune correlates of protection and assess the relative importance of the correlates. (WBS 1.2.4)

- Statistician with significant immune correlate analysis will develop an analysis plan to examine the relative importance of the correlates. (WBS 1.2.4.1)
- At the end of the study, the data will be compiled on the various immune parameters, and correlates of protection analyzed against both symptomatic and asymptomatic infection. If more analysis of secondary endpoints is needed, additional samples may be added in the analysis. (WBS 1.2.4.2)
- Vaxart will employ machine learning to refine the understanding risk factors and immune correlates are steps. (WBS 1.2.4.3)

Vaxart will perform all of the required safety laboratory screening to provide a study subjects baseline of these parameters as well as monitoring during the study. (WBS 1.2.5)

- CBC, Coagulation and Chem 7 testing per study protocol will be conducted (WBS 1.2.5.1)
- Urine and pregnancy testing per study protocol will be conducted (WBS 1.2.5.2)
- Repeat testing as required per study protocol will be conducted (WBS 1.2.5.3)

Task Area #3 – Clinical (WBS 1.3)
Vaxart's clinical efforts encompasses all activities and tasks to be performed in the execution of the phase 2b clinical trial ***for study initiation of XBB sentinel group of 400 participants.***

Vaxart will complete all of the activities required for clinical trial site start-up. (WBS 1.3.1)

- A comprehensive set of documents that provide critical information about the study and ensure regulatory compliance will be prepared. These documents include the study protocol, informed consent forms, investigator's brochure, case report forms, institutional review board (IRB) approvals, clinical trial agreements, financial disclosure forms, source documents, adverse event reporting forms, and monitoring plans. (WBS 1.3.1.1)
- Site contract negotiation will be completed. This will include finalization of details including site payment, indemnification, intellectual property rights, publication rights, and data ownership. (WBS 1.3.1.2)
- Site budget negotiation will be completed. This will include finalization of the budget for activities such as participant recruitment, study visits, data collection, site personnel costs, and any additional expenses related to the trial. (WBS 1.3.1.3)
- Regulatory binders will be compiled and sent to clinical sites participating in the trial. These include study protocol, investigator's brochure, informed consent forms, IRB approvals, financial disclosure forms, and other regulatory submissions. (WBS 1.3.1.4)
- Site initiation visits (SIVs) will be conducted to ensure that the research site is ready to initiate the study. During SIVs, representatives from the sponsor or contract research organization (CRO) will meet with the site staff to review study procedures, data collection methods, and regulatory requirements. (WBS 1.3.1.5)
- Investigational product will be shipped to investigative sites. Based on the site's enrollment needs, the sponsor or contract research organization (CRO) will generate drug shipment orders. These orders specify the quantity of investigational product required. The orders are then processed through an Interactive Web Response System (IWRS), which helps manage and track drug supplies. The IWRS assigns unique randomization numbers and treatment codes to participants, ensuring blinded allocation. The drug is then packaged, labeled, and shipped to the investigative sites following regulatory and logistical requirements. The site receives the shipment, confirms its integrity, and maintains appropriate storage and accountability records for the investigational product throughout the trial. (WBS 1.3.1.6***).***
    - ***The shipment of IP for the initial 400 sentinel participants of XBB to a handful of sites will be ordered manually. The remaining unused XBB material will be quarantined in the system until further guidance and concurrence by BARDA to dispose of or destroy as provided to the CRO and subsequently to the sites.***
- All other required laboratory and essential supplies will be shipped to investigative sites. These supplies can include items such as laboratory kits, specimen collection materials, study-specific laboratory tests, shipping containers, and labeling materials. The CRO ensures the timely provision of these supplies, often in accordance with the study protocol and specific requirements outlined by the sponsor. (WBS 1.3.1.7)

Vaxart will enroll eligible volunteers ***first in the sentinel cohort (400)*** and ensure that they are randomized and assigned to a treatment group. (WBS 1.3.2)

- Potential participants will undergo pre-screening including an initial evaluation to determine their eligibility (WBS 1.3.2.1)
- Various efforts to identify and enroll eligible participants will be undertaken. These may include developing targeted recruitment strategies and advertisements to reach the intended ***participant*** population. ***Participant*** recruitment vendors may be engaged to assist with recruitment campaigns, utilizing various channels such as online platforms, social media, print media, and community outreach. ***BARDA, ASPR, and HHS logos are not allowable in any source of materials for recruitment (WBS 1.3.2.2)***
- If necessary, trial volunteer's past medical or surgical history to confirm eligibility into the study will be requested. (WBS 1.3.2.3)
- ***Participant*** informed consent will be obtained. (WBS 1.3.2.4)
- Screening visits will be performed. (WBS 1.3.2.5)
- Sites and investigators will verify ***participant*** eligibility for clinical trials by conducting a thorough evaluation. (WBS 1.3.2.6)
- ***Participants*** will be randomized using the Interactive Web Response System (IWRS) which will assign unique identification numbers and determines treatment allocation based on the randomization schedule. (WBS 1.3.2.7)

Vaxart will complete all the activities required to ensure clinical conduct of the trial. (WBS 1.3.3)

- Study visits will be performed as per the clinical trial protocol. Site visits will involve scheduling the visit, preparing study materials, administering assessments, and addressing study ***participants***' questions. Investigators oversee the visit, conducting physical examinations, reviewing data, making treatment decisions, and ensuring protocol adherence. (WBS 1.3.3.1)
- Safety monitoring will be conducted throughout as per the clinical trial protocol. The safety monitoring process during study visits will include AE reporting, safety assessments, protocol adherence, and proactive pharmacovigilance measures. Study coordinators will systematically collect information on adverse events (AEs) or any untoward medical occurrences experienced by participants during or after the study visit. AEs can range from mild side effects to serious adverse reactions. These events will be documented, assessed for severity and causality, and reported to the appropriate regulatory authorities and the trial sponsor as per the established reporting timelines and guidelines. (WBS 1.3.3.2)
    - ***As recommended by the FDA, a DSMB committee will convene and review safety data of the initial 400 participants in the sentinel cohort, after they complete Day 31 (Visit 3). The raw data and the DSMB recommendation will then be submitted to BARDA and the FDA.***
- Biosamples will be collected as per the clinical trial protocol. Trained healthcare professionals will conduct phlebotomy to draw blood, and participants provide urine samples as required. After collection, the biosamples will be processed, labelled and stored until shipping. Biosamples will be transported to designated laboratories using specialized containers that maintain required temperatures. The collection of PBMC (Peripheral Blood Mononuclear Cell) samples involves a specialized process to obtain these immune cells from the blood for research purposes. Trained healthcare professionals will perform venipuncture to draw blood from the participant. The sample will be processed, labeled and then cryopreserved or immediately used for various immune-based assays or research investigations. (WBS 1.3.3.3)
- ~~***An interim analysis will be conducted. To perform the analysis, data cut-offs will be established, specifying the point at which data is frozen and analyzed to minimize bias. Source data verification will be conducted. Biostatistical analysis will then be applied to evaluate treatment outcomes, safety profiles, and efficacy trends, providing insight into participant responses and potential risks. (WBS 1.3.3.4)***~~

Vaxart will oversee routine ***and for-cause*** monitoring visits during the conduct of the clinical trial to ensure compliance with the study protocol, regulatory requirements, and Good Clinical Practice (GCP) guidelines. (WBA 1.3.4)

- Clinical Research Associates (CRAs) will travel as necessary to conduct routine monitoring visits. During these visits, CRAs review study data, source documents, and participant records, ensuring compliance with protocols and regulations. Additionally, they will provide support and training to site personnel, address any issues or queries, and ensure adherence to Good Clinical Practice (GCP) standards. (WBS 1.3.4.1)
- Clinical Research Associates (CRAs) will conduct source data verification (SDV) to review and confirm the accuracy of data recorded in source documents against the study database. CRAs will cross-reference source documents like medical records and lab reports with case report forms (CRFs) to identify discrepancies or errors. Data queries are raised to resolve any issues, ensuring data accuracy and compliance with the study protocol and regulatory standards. CRAs also assess participant safety and provide guidance to site personnel, ultimately upholding data quality and the integrity of the clinical trial while safeguarding participant well-being. (WBS 1.3.4.2)
- Meetings with investigators will be conducted as necessary to ensure planning, coordination and to discuss essential trial-related topics. The sponsor or CRO schedules the meetings and prepares an agenda, covering aspects such as trial progress, protocol compliance, safety updates, data quality, participant retention, and investigational product management. During the meetings, investigators provide updates on recruitment, safety data, and protocol adherence while addressing challenges and proposing strategies for participant retention. (WBS 1.3.4.3)
- Monitoring or trip reports will be prepared by Clinical Research Associates (CRAs) after conducting routine monitoring visits to research sites.

These reports will include a detailed account of the visit, including site activities, data verification, source document review, and any findings or discrepancies identified. They will document participant safety assessments, compliance with the study protocol and regulatory guidelines, and any issues or concerns raised during the visit. (WBS 1.3.4.4)

- Ongoing site supplies management will be performed during the clinical trial. These activities involve systematic inventory monitoring, timely replenishment, and distribution of essential materials and investigational products to research sites. (WBS 1.3.4.5)

Vaxart will undertake a comprehensive clinical data management program that will include the collection, validation, and analysis of participant data to ensure its accuracy, completeness, and confidentiality. (WBS 1.3.5)

- Query resolution activities will include identification and rectification of discrepancies or missing information in study data. Data managers or clinical research associates (CRAs) review the data for inconsistencies and raise queries to the site personnel or data entry personnel to seek clarification or corrections. These queries are documented and communicated to the site, and the site responds with the necessary information to resolve the query. (WBS 1.3.5.1)
- A statistical analysis plan (SAP) will be developed and finalized prior to database unblinding. The effort will begin with defining the trial's primary and secondary objectives, study endpoints, and the statistical methods to be employed. The SAP outlines the data handling procedures, data transformations, and imputation methods for missing data. Additionally, it specifies the statistical tests and models to be used, sample size calculations, and adjustments for multiple comparisons. The SAP also addresses subgroup analyses, sensitivity analyses, and any predefined interim analysis if applicable. (WBS 1.3.5.2)
- Programming specifications for biostatistical analysis will be developed. This effort involves collaboration between biostatisticians and programmers and will result in final programming specifications are established, ensuring robust and reliable data analysis for the clinical trial. (WBS 1.3.5.3)
- Method validation will be completed to ensure the statistical methods used for data analysis are appropriate, accurate, and reliable. (WBS 1.3.5.4)
- PI attestation will be completed. During this process, the PI reviews and confirms the appropriateness and accuracy of the statistical methods used for data analysis. The PI then provides a formal attestation, verifying that the statistical methods are aligned with the study objectives, are appropriate for the data collected, and comply with regulatory requirements. (WBS 1.3.5.5)
- Tables, figures and listings generation will be generated. Once approved, the TFLs are included in the clinical study report (CSR) and submitted to regulatory authorities as part of the trial documentation, providing a comprehensive representation of the trial's results and data. (WBS 1.3.5.6)
- A topline data report will be prepared. This report will summarize and presents key findings and results from a clinical trial in a concise and high-level manner. This report focuses on the primary objectives and key secondary endpoints of the trial, providing a snapshot of the trial's outcomes without delving into detailed analyses or subgroup findings. (WBS 1.3.5.7)

Vaxart will complete database lock in which includes the process of finalizing and freezing the study database to prevent further modifications to the data. (WBS 1.3.6)

- Soft lock will be initiated with the temporary suspension of data entry or editing capabilities in the study database, allowing specific authorized personnel to address critical data-related issues or queries. (WBS 1.3.6.1)
- Hard lock will be completed including the final and permanent closure of the study database after all data entry, editing, and review processes are completed. (WBS 1.3.6.2)

Pending BARDA and FDA approval of the safety data and DSMB recommendation for the initial 400 participant sentinel cohort, the remaining participants will be enrolled.

Task Area #4 – Regulatory (WBS 1.4)

Vaxart will prepare FDA submissions, keep track of relevant legislation, advise on legal and scientific requirements and limitations, and provide regulatory support for the evaluation of data for this study.

- In compliance with FDA regulations, Vaxart will prepare and submit for this study Annual Reports, Certificate of Analysis, Protocol(s), and pharmacovigilance documents. These submissions will be submitted under US FDA IND 27602 - VXA- CoV2-***3***.1-S, an oral SARS-CoV-2 vaccine E1-/E3-deleted replication defective recombinant adenovirus 5 with dsRNA adjuvant. (WBS 1.4.1)
- In compliance with FDA regulations, Vaxart will submit all required annual regulatory submissions within [***] of the anniversary date of our approved IND 27602. This report will contain new information collected over the past year pertaining to the safety, effectiveness, and labeling of our vaccine in this study. (WBS 1.4.2)
- Vaxart will notify the appropriate regulatory authorities regarding the safety of the vaccine. The safety of the vaccine will be evaluated through the reporting of solicited symptoms of reactogenicity for [***] following each study drug administration. Because the vaccine contains a double stranded RNA (dsRNA) adjuvant, MAAEs will be collected through [***] post last dose to address the theoretical potential for induction of autoimmune or auto-inflammatory diseases, as is standard for this class of vaccines. ***Participants*** will also be monitored for exposure to SARS-CoV2 and symptomatic SARS-CoV2 infection (COVID-19). (WBS 1.4.3)

Task Area #5 – CMC (WBS 1.5)

Vaxart will complete all activities and GMP documentation, ensuring that clinical trial material will be ready to support the 400-participant safety lead in study and the 10,000 participant PhIIb head-to-head clinical trial with an mRNA comparator targeting the KP.2 COVID variant.

- ***A KP.2 RVB (research virus bank) will be completed prior to use in GMP manufacturing of KP.2 clinical trial material.***
- ***KP.2 GMP Bulk Drug Substance Material will be manufactured, tested, and released with appropriate methods at sufficient quantities to ensure the supply of the entire PhIIb trial is from a single lot.***
- ***KP.2 GMP Drug Product will be manufactured, tested, and released with appropriate methods at sufficient quantities to ensure the supply of the entire PhIIb trial is from a single lot.***
- ***All GMP material will be placed on appropriate stability studies.***
- ***Vaxart will utilize industry standard risk mitigation practices and manufacture additional clinical trial material above the amount required to supply the 10,000 participant PhIIb clinical trial.***
- ***Vaxart XBB COVID vaccine clinical trial materials will be kitted with appropriate comparator and placebo materials and distributed to the clinical sites supporting the 400-participant safety lead in study per protocol.***
- ***Vaxart ~~KP.2~~ COVID vaccine clinical trial materials will be manufactured, kitted with appropriate comparator and placebo materials, and ~~distributed to clinical sites in time to support initiation of the 10,000 participant PhIIb head-to-head clinical trial with an mRNA comparator vaccine per protocol~~ shipped to the depot to allow for further distribution.***

PHASE 2: Additional Characterization of Immune Responses

Vaxart will expand on the durability of the immune responses initially characterized by tracking mucosal samples from vaccinated individuals for a year, and assessing cross-reactivity over time.

Task Area #1 – Analytical (*WBS 2.1*)

Vaxart will conduct extended immune analysis of the vaccines in human subjects.

- As part of phase 1, additional samples in a small subpopulation of subjects at [***] will have been collected. The mucosal (and serum) immune responses of these samples will be measured in order to examine durability, particularly against multiple different coronaviruses as well as new SARS-CoV-2 variants. (WBS **2.**1.1)
- Vaxart will use flow cytometry to determine the changes to the memory pool in the subpopulation of patients using the samples collected in phase 1. B cell clones will be sequenced from the memory pools and used to characterize the diversity of the response based on vaccine and infection history. (WBS ***2***.1.2)
- Vaxart will analyze antibodies from the task in ***2***.1.2 and their diversity tested for binding and neutralizing various SARS-COV-2 variants and other coronaviruses. (WBS ***2***.1.3)

Task Area #2 – Clinical (WBS *2.2)*

Vaxart will complete all required close-out procedures for the clinical trial.

- Vaxart will complete all required reports including an amended CSR that the discusses the analysis in option 2 will be completed; a full final report describing all the Phase 2 analyses, any additional reports to BARDA and regulatory agencies on the conduct of the trial as required. (WBS ***2***.2.1)
- Vaxart will complete site closeout and unused vaccine will be returned or destroyed; and documents will be properly shipped and stored. (WBS **2**.2.2)
- Vaxart will undertake essential document reconciliation in which records from the trial will be verified by medical monitors and database experts. Discrepancies will be resolved before finalizing the data. (WBS ***2***.2.3)
- Vaxart will employ an Electronic Trial Master File (eTMF) which leverages software and server technology to guide and assist the setup, collection, storage, tracking and archival of essential clinical study documents. (WBS ***2***.2.4)
- Vaxart will prepare an amended clinical study report which will include the additional analysis conducted under Phase 2. (WBS ***2***.2.5)

4.0 Deliverables

1. Meetings

#	Deliverable	Deliverable Description	Reporting Procedures and Due Dates
1.1	Post Award Teleconference	[***]	[***]
1.2	Kickoff Meeting	[***]	[***]
1.3	Weekly Teleconference	[***]	[***]
1.4	Technical, Subgroup, Ad Hoc Teleconference(s)	[***]	[***]
1.5	Periodic Review Meetings	[***]	[***]
1.6	FDA Meetings and Interactions	[***]	[***]
1.7	Daily check-in with BARDA in the event of a PHE	[***]	[***]

2. Technical Reporting: General

#	Deliverable	Deliverable Description	Reporting Procedures and Due Dates
2.1	Project Management Plan (PMP)	[***]	[***]
2.4	Gantt Chart/Timeline of the project	[***]	[***]
2.5	Communication Plan	[***]	[***]
2.6	Performer Locations	[***]	[***]
2.7	Pandemic/Public Health Emergency Facility and Operational Management Plan	[***]	[***]
2.8	Request for Information (RFI) Responses	[***]	[***]
2.9	Monthly & Annual Technical Progress Reports/Annual Meeting	[***]	[***]
2.10	Draft and Final Technical Progress Report	[***]	[***]

3. Physical Inventory Deliverables

#	Deliverable	Deliverable Description	Reporting Procedures and Due Dates
3.1	Draft and Final Nonclinical Study Report(s)	[***]	[***]
3.2	Nonclinical Study Protocols	[***]	[***]
3.3	Nonclinical Study Final Data Submission Package	[***]	[***]

4. Technical Reporting: Clinical Trials

#	Deliverable	Deliverable Description	Reporting Procedures and Due Dates
4.1	Clinical Trial Protocols	[***]	[***]
4.2	Clinical Trial Documentation[1]	[***]	[***]
4.3	ClinicalTrials.Gov Posting and Results Reporting	[***]	[***]
4.4	Draft and Final Clinical Study Report(s)	[***]	[***]
4.5	Project-Specific First Site Activated for First Subject First Visit	[***]	[***]
4.6	Clinical Report During	[***]	[***]

	Active Enrollment Periods[2]			
4.7	Access to Electronic Systems Used in Trial Conduct	[***]	[***]	
4.8	Blinded Safety Reports, Medical Data Listing, CIOMS Report, Pharmacovigilance Database Listing	[***]	[***]	
4.9	Specimen Collection for Future Use	[***]	[***]	
4.10	Clinical Trial Final Study Package	[***]	[***]	
4.11	Data Exchange Package(s) Submitted to Regulatory Agency(s)	[***]	[***]	
4.12	Clinical Trial Datasets	[***]	[***]	
4.13	Additional Data Package(s)	[***]	[***]	

5. Technical Reporting: Quality Assurance

#	Deliverable	Deliverable Description	Reporting Procedures and Due Dates
5.1	Quality Management Plan (QMP)	[***]	[***]
5.2	BARDA Audit	[***]	[***]
5.3	FDA Inspections/Site visits	[***]	[***]
5.4	Quality Assurance Audits and SubPerformer Monitoring Visits	[***]	[***]
5.5	Risk Management Plan (RMP)	[***]	[***]
5.6	Integrated Master Schedule (IMS)	[***]	[***]
5.7	Deviation Notification and Mitigation Strategy	[***]	[***]
5.8	Incident Report	[***]	[***]

6. Advanced R&D Products

#	Deliverable	Deliverable Description	Reporting Procedures and Due Dates
6.1	Technical Documents	[***]	[***]
6.2	Publications	[***]	[***]
6.3	Performer Clinical Publication Timeline and USG Right to Publish Data	[***]	[***]
6.4	Performer Nonclinical Publication Timeline and USG Right to Publish Data	[***]	[***]

7. Regulatory Deliverables

#	Deliverable	Deliverable Description	Reporting Procedures and Due Dates
7.1	Regulatory Strategy/Plan	[***]	[***]
7.2	FDA Correspondence	[***]	[***]
7.3	FDA Submissions	[***]	[***]

5.0 Milestone Payment Schedule

MS #	Task #	Description	Due Date	Government Funds	Authorized
PHASE 1					
	1.1	**Project Management**	[***]		
1	1.1	Project Kick Off	[***]	$[***]	Y
2		CRO Initiation. Subcontract Execution: [***]	[***]	$[***]	Y
3	1.1	PM Plans	[***]	$[***]	Y
4	1.1.1	Weekly Meetings - 110 total ($[***] ea)	[***]	$[***]	
5	1.1.1	Weekly Meetings - 10 total ($[***] ea)	[***]	$[***]	Y
5.1	***1.1.1***	***Weekly Meetings* – [***] ($[***] ea)**	**[***]**	**$[***]**	***Y***
6		PM Meetings at Vaxart	[***]	$[***]	Y
7		PM Meetings at Vaxart	[***]	$[***]	**Y**
8		PM Meetings at Vaxart	[***]	$[***]	
9		PM Meetings at Vaxart	[***]	$[***]	
10		PM Meetings at Vaxart	[***]	$[***]	
11		PM Meetings at Vaxart	[***]	$[***]	
11.1		PM Subcontract – [***]	[***]	$[***]	Y

11.2		***PM Subcontract – [***]***	**[***]**	**$[***]**	***Y***
11.3	1.1.3	Risk Management	[***]	$[***]	Y
12	1.1.4	Monthly Cost Accounting/Invoicing	[***]	$[***]	
12.1		2 Invoices	[***]	$[***]	Y
12.2		***3 Additional Invoices***	**[***]**	**$[***]**	***Y***
12.3		Financial Management & Reporting	[***]	$[***]	Y
12.4		Accounting Subcontract – [***]	[***]	$[***]	Y
12.5		***Accounting Subcontract – [***]***	**[***]**	**$[***]**	***Y***
13	1.1.1	Monthly Technical & Business Reports	[***]	-	
	1.2	**Analytical**			
	1.2.1	**Serum & T Cells**			
14		Start Up Meeting	[***]	$[***]	Y
15		Log Samples	**[***]**	$[***]	***Y***
16		Complete Sample Shipment	**[***]**	$[***]	
17		Results Tabulated & Sent to Vaxart	**[***]**	$[***]	
	1.2.2	**Mucosal Analysis**			
18		Start Up	[***]	$[***]	***Y***
18.1		Initial Start Up	[***]	$[***]	Y
19		Order & Receive Materials	[***]	$[***]	***Y***
20		Controls & Qualification Complete	**[***]**	$[***]	***Y***
21		Complete Nasal Analysis	**[***]**	$[***]	
22		Complete Saliva analysis	**[***]**	$[***]	
23		Complete additional analysis	**[***]**	$[***]	
	1.2.3	**Infection & Efficacy**			
24		Start Up	[***]	$[***]	***Y***
24.1		Task Kick-Off	[***]	$[***]	Y
25		***Lab Kit Replenishment***	**[***]**	**$[***]**	
25.1		Lab Kit Replenishment– ***first shipment***	**[***]**	**$[***]**	***Y***
26		Site to Central Lab Shipment	**[***]**	**$[***]**	
26.1		***Site to Central Lab Shipment – first shipments***	**[***]**	**$[***]**	***Y***
27		Central Lab: 3 shipments / 6 months	**[***]**	$[***]	
28		Statistical Analysis	**[***]**	$[***]	
29		Analysis Complete	**[***]**	$[***]	
30		Phase 2b Relative Efficacy & Infectious Report	**[***]**	-	
	1.2.4	**Correlates**			
31		Machine Learning & Programming	[***]	$[***]	
32		Statistical Analysis	**[***]**	$[***]	
33		Verification / Analysis Complete	**[***]**	$[***]	
34		Correlates of Protection Report	**[***]**	-	
	1.3	**Clinical**			
	1.3.1	**Site Start Up**	[***]		
35		Essential Documents Complete	**[***]**	$[***]	***Y***
35.1		Essential Documents 50% Complete	[***]	$[***]	Y
36		Site Contracts Complete	[***]	$[***]	Y
37		Regulatory Binders Complete	[***]	$[***]	***Y***
37.1		Regulatory Binders Draft	[***]	$[***]	Y
38		Site Initiation Visits	**[***]**	**$[***]**	
38.1		SIV – Initial Sites	[***]	$[***]	Y
38.2		***SIV – Additional Sites***	**[***]**	**$[***]**	
39		IP Shipments to Sites	**[***]**	$[***]	
39.1		IP Shipment to Sites – Initial Sites	**[***]**	$[***]	Y
40		Lab & Other Supplies to Sites	**[***]**	$[***]	
40.1		Lab & Other Supplies to Sites – Initial Sites	[***]	$[***]	Y
41		Study Meetings/Training	[***]	$[***]	**Y**
41.1		Study Meetings/Training – Initial Sites	[***]	$[***]	Y
	1.3.2	**Enrollment**			
42		Pre-screening	[***]	$[***]	***Y***
43		Screening	**[***]**	$[***]	
44		Randomization	**[***]**	**$[***]**	
44.1		***Randomization – 400 subjects***	**[***]**	**$[***]**	***Y***
	1.3.3	**Clinical Conduct**			
45		1st Person In	**[***]**	-	
46		Biosample Collection	**[***]**	**$[***]**	
46.1		***Biosample Collection – 400 subjects***	**[***]**	**$[***]**	***Y***
47		Interim Analysis	[***]	$[***]	
48		Source Data Verification	**[***]**	**$[***]**	
48.1		***SDV – 400 subjects***	**[***]**	**$[***]**	***Y***
49		Sites Supplies Management	**[***]**	$[***]	
50		***First 5,000 Patients Dosed***	**[***]**	**$[***]**	
50.1		Last Person Dosed	**[***]**	**$[***]**	
51		Conclusion of Follow Up	**[***]**	**$[***]**	
52		Unblinded Monitoring	**[***]**	$[***]	
	1.3.4	**Site Monitoring**			

53		Routine Monitoring Visit - 2-3 Visits Per Site (360 visits)			
54		Routine Monitoring Visits, Quarter 1	**[***]**	$[***]	***Y***
55		Routine Monitoring Visits, Quarter 2	**[***]**	$[***]	***Y***
56		Routine Monitoring Visits, Quarter 3	**[***]**	$[***]	
57		Routine Monitoring Visits, Quarter 4	**[***]**	$[***]	
58		Routine Monitoring Visits, Quarter 5	**[***]**	$[***]	
59		Routine Monitoring Visits, Quarter 6	**[***]**	$[***]	
60		Routine Monitoring Visits, Quarter 7	**[***]**	$[***]	
61		Routine Monitoring Visits, Quarter 8	**[***]**	$[***]	
62		Routine Monitoring Visits, Quarter 9	**[***]**	$[***]	
63		Routine Monitoring Visits, Quarter 10	**[***]**	$[***]	
64		Routine Monitoring Visits, Quarter 11	**[***]**	$[***]	
65		Routine Monitoring Visits, Quarter 12	**[***]**	$[***]	
	1.3.5	**Data Management / Statistics**			
66		Statistical Analysis Plan	**[***]**	$[***]	**Y**
66.1		SAP – Initial Work	[***]	$[***]	Y
67		Programming Specification, Dvlpt, & Review	**[***]**	$[***]	**Y**
67.1		Set up of TLF shells for 1st DSMB review	**[***]**	$[***]	Y
68		Method Validation	[***]	$[***]	**Y**
69		TFL Generation	**[***]**	$[***]	
	1.3.6	**Database Lock**			
70		Soft Lock	**[***]**	$[***]	
71		Hard Lock	**[***]**	$[***]	
		Data Safety Monitoring Board			
72		DSMB Meetings (6/14/2024-11/23/2026)			
73		DSMB Meeting	[***]	$[***]	***Y***
74		DSMB Meeting	**[***]**	$[***]	***Y***
75		DSMB Meeting	**[***]**	$[***]	***Y***
76		DSMB Meeting	[***]	$[***]	
77		DSMB Meeting	[***]	$[***]	
78		DSMB Meeting	[***]	$[***]	
79		DSMB Meeting	[***]	$[***]	
80		DSMB Meeting	[***]	$[***]	
81		DSMB Meeting	[***]	$[***]	
82		DSMB Meeting	[***]	$[***]	
		BARDA Update Meetings			
83		Year 1 Meeting - BARDA	[***]	$[***]	
84		Year 2 Meeting - BARDA	[***]	$[***]	
85		Year 3 Meeting - BARDA	[***]	$[***]	
		Reporting			
86		Annual Report 1	[***]	-	
87		Annual Report 2	[***]	-	
88		Annual Report 3	[***]	-	
	1.4.	**Regulatory (6/2024-7/1/2027)**			
89	1.4.2	FDA Annual Report 1	[***]	$[***]	***Y***
90	1.4.2	FDA Annual Report 2	[***]	$[***]	
91	1.4.2	FDA Annual Report 3	[***]	$[***]	
92	1.4.1	Regulatory Interactions - Quarter 1	[***]	$[***]	Y
93		Regulatory Interactions - Quarter 2	[***]	$[***]	***Y***
94		Regulatory Interactions - Quarter 3	[***]	$[***]	***Y***
95		Regulatory Interactions - Quarter 4	[***]	$[***]	
96		Regulatory Interactions - Quarter 5	[***]	$[***]	
97		Regulatory Interactions - Quarter 6	[***]	$[***]	
98		Regulatory Interactions - Quarter 7	[***]	$[***]	
99		Regulatory Interactions - Quarter 8	[***]	$[***]	
100		Regulatory Interactions - Quarter 9	[***]	$[***]	
101		Regulatory Interactions - Quarter 10	[***]	$[***]	
102		Regulatory Interactions - Quarter 11	[***]	$[***]	
103		Regulatory Interactions - Quarter 12	[***]	$[***]	
	1.5	***CMC / KP.2 Manufacturing - FFP***			
104		***Manufacturing Start***	**[***]**	**$[***]**	***Y***
105		***Research Virus Bank manufacturing***	**[***]**		
		KP.2 Bulk Drug Substance manufacture, test, and release			
106		***Lot A***	**[***]**	**$[***]**	***Y***
107		***Lot B***	**[***]**		
		KP.2 GMP Drug Product manufacture, test, and release			
108		***Lot A***	**[***]**	**$[***]**	***Y***
109		***Lot B***	**[***]**	**$[***]**	***Y***
110		***Stability Studies***	**[***]**		
111		***Kitting and Distribution to depot***	**[***]**	**$[***]**	***Y***

PHASE 2				
112		Kick Off / Program Initiation	[***]	$[***]
113		Materials & Supplies Acquisition	[***]	$[***]
114	1.1.1	Sample Processing	[***]	$[***]
115	1.1.1	Durability Sample Analysis	[***]	$[***]
116	1.1.1	Flow Analysis	[***]	$[***]
117	1.1.2	Sequence Memory Cells	[***]	$[***]
118	1.1.3	Produce Clones	[***]	$[***]
119	1.1.3	Complete Clone Analysis	[***]	$[***]
120	1.2	Phase 2 Final Report	[***]	-
121		Final Technical and Business Status Report	[***]	-
			Total	***$456,119,279***
			Contract Type	**CPFF**

Note: Upon project initiation, only certain milestones have been authorized and are labeled as such.

6. Data Rights

Vaxart has filed broad domestic and international patents covering its proprietary technology and creations for oral vaccination using adenovirus and TLR3 (US patents 7,879,602 and 8,222,224). Vaxart has also filed for patent protection on their COVID-19 vaccine candidates. All intellectual property is fully owned by Vaxart, without any encumbrances.

Vaxart anticipates that it will utilize intellectual property (including patented inventions) in the performance of any contract that either has been developed at private expense (and in which Vaxart has ownership in the case of patented invention pursuant to FAR 52.227-11 or data pursuant to FAR 52.227-14), developed by a third-party (in which Vaxart has appropriate license rights) or pursuant to a prior government contract (in which case Vaxart has ownership rights as determined by that contract). Vaxart will provide a more detailed statement of rights in intellectual property for government review and approval (including any declarations of rights in intellectual property by Vaxart's subcontractors) and does not anticipate any impediments in Vaxart's ability to develop the vaccine technology based upon intellectual property that will be utilized in performance.

Technical Data to Be Furnished with Restrictions	**Basis for Assertion**	**Asserted Rights Category**	**Name of Asserting Organization**	**Milestone Affected**
[***]	**Vaxart development prior to contract at private expense**	**Limited rights**	**Vaxart, Inc.**	**N/A; background**