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 June 30, 2017

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: 001-34207

Dynavax Technologies Corporation
(Exact name of registrant as specified in its charter)

Delaware	**33-0728374**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

2929 Seventh Street, Suite 100
Berkeley, CA 94710-2753
(510) 848-5100
(Address, including Zip Code, and telephone number, including area code, of the registrant's principal executive offices)

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

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

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

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth 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 Act). Yes ☐ No ☒

As of August 2, 2017, the registrant had outstanding 54,747,656 shares of common stock.

INDEX

DYNAVAX TECHNOLOGIES CORPORATION

FORWARD-LOOKING STATEMENTS

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 a number of risks and uncertainties. All statements that are not historical facts are forward-looking statements, including statements about our ability to successfully develop, timely achieve regulatory approval for and commercialize HEPLISAV-B™, our ability to successfully develop and obtain regulatory approval of our early stage product candidates, SD-101 and DV281, and our other early stage compounds, our business, collaboration and regulatory strategy, our intellectual property position, our product development efforts, our ability to successfully commercialize our product candidates, including HEPLISAV-B, our ability to manufacture commercial supply and meet regulatory requirements, the timing of the introduction of our products, uncertainty regarding our capital needs and future operating results and profitability, anticipated sources of funds as well as our plans, objectives, strategies, expectations and intentions. These statements appear throughout this Quarterly Report on Form 10-Q and can be identified by the use of forward-looking language such as "may," "will," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "future," or "intend," or the negative of these terms or other variations or comparable terminology.

Actual results may vary materially from those in our forward-looking statements as a result of various factors that are identified in "Item 1A—Risk Factors" and "Item 2—Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this document. No assurance can be given that the risk factors described in this Quarterly Report on Form 10-Q are all of the factors that could cause actual results to vary materially from the forward-looking statements. All forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. Readers should not place undue reliance on these forward-looking statements and are cautioned that any such forward-looking statements are not guarantees of future performance. We assume no obligation to update any forward-looking statements.

This Quarterly Report on Form 10-Q includes trademarks and registered trademarks of Dynavax Technologies Corporation. Products or service names of other companies mentioned in this Quarterly Report on Form 10-Q may be trademarks or registered trademarks of their respective owners. References herein to "we," "our," "us," "Dynavax" or the "Company" refer to Dynavax Technologies Corporation and its subsidiary.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Dynavax Technologies Corporation
Condensed Consolidated Balance Sheets
(In thousands, except per share amounts)

	June 30, 2017 (unaudited)	December 31, 2016 (Note 1)
Assets		
Current assets:		
Cash and cash equivalents	$ 37,675	$ 24,289
Marketable securities available-for-sale	89,286	57,126
Accounts and other receivables	810	1,342
Prepaid expenses and other current assets	4,434	6,842
Total current assets	132,205	89,599
Property and equipment, net	16,751	17,174
Goodwill	2,140	1,971
Restricted cash	619	602
Other assets	253	334
Total assets	$ 151,968	$ 109,680
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 681	$ 3,796
Accrued research and development	3,223	5,048
Accrued liabilities	7,184	11,192
Total current liabilities	11,088	20,036
Other long-term liabilities	353	443
Total liabilities	11,441	20,479
Commitments and contingencies (Note 4)		
Stockholders' equity:		
Preferred stock: $0.001 par value; 5,000 shares authorized at June 30, 2017 and December 31, 2016; no shares issued and outstanding at June 30, 2017 and December 31, 2016	-	-
Common stock: $0.001 par value; 139,000 and 69,500 shares authorized at June 30, 2017 and December 31, 2016, respectively; 54,748 and 38,599 shares issued and outstanding at June 30, 2017 and December 31, 2016, respectively	55	39
Additional paid-in capital	1,000,177	904,957
Accumulated other comprehensive loss	(1,929)	(3,624)
Accumulated deficit	(857,776)	(812,171)
Total stockholders' equity	140,527	89,201
Total liabilities and stockholders' equity	$ 151,968	$ 109,680

See accompanying notes.

Dynavax Technologies Corporation
Condensed Consolidated Statements of Operations
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Revenues:				
Collaboration revenue	$ -	$ 1,683	$ -	$ 2,578
Grant revenue	105	88	253	127
Service and license revenue	-	876	-	884
Total revenues	105	2,647	253	3,589
Operating expenses:				
Research and development	14,814	22,750	31,159	42,817
General and administrative	5,612	9,151	12,084	17,320
Restructuring	-	-	2,783	-
Total operating expenses	20,426	31,901	46,026	60,137
Loss from operations	(20,321)	(29,254)	(45,773)	(56,548)
Other income (expense):				
Interest income	235	220	380	445
Other income (expense), net	(232)	48	(212)	94
Net loss	$ (20,318)	$ (28,986)	$ (45,605)	$ (56,009)
Basic and diluted net loss per share	$ (0.41)	$ (0.75)	$ (1.00)	$ (1.46)
Weighted average shares used to compute basic and diluted net loss per share	49,700	38,496	45,787	38,491

Dynavax Technologies Corporation
Condensed Consolidated Statements of Comprehensive Loss
(In thousands)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net loss	$ (20,318)	$ (28,986)	$ (45,605)	$ (56,009)
Other comprehensive income:				
Unrealized (loss) gain on marketable securities available-for-sale	(16)	(41)	(45)	68
Cumulative foreign currency translation adjustments	1,437	(383)	1,740	303
Total other comprehensive income (loss)	1,421	(424)	1,695	371
Total comprehensive loss	$ (18,897)	$ (29,410)	$ (43,910)	$ (55,638)

See accompanying notes.

Dynavax Technologies Corporation
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Six Months Ended June 30,	
	2017	2016
Operating activities		
Net loss	$ (45,605)	$ (56,009)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,674	946
Gain on disposal of property and equipment	(24)	-
Accretion of discounts and amortization of premiums on marketable securities	(35)	123
Reversal of deferred rent upon lease amendment	(209)	-
Cash-settled portion of stock-based compensation expense	-	602
Stock compensation expense	7,184	6,368
Changes in operating assets and liabilities:		
Accounts and other receivables	532	(470)
Prepaid expenses and other current assets	(1,642)	204
Other assets	81	(115)
Accounts payable	(2,934)	1,604
Accrued liabilities and other long term liabilities	(1,664)	(3,160)
Deferred revenues	-	(2,654)
Net cash used in operating activities	(42,642)	(52,561)
Investing activities		
Purchases of marketable securities	(93,045)	(98,108)
Proceeds from maturities of marketable securities	60,875	135,170
Purchases of property and equipment, net	(242)	(4,916)
Net cash (used in) provided by investing activities	(32,412)	32,146
Financing activities		
Proceeds from issuance of common stock, net	88,200	-
(Tax withholding) proceeds from exercise of stock options and restricted stock awards, net	(303)	99
Proceeds from Employee Stock Purchase Plan	155	261
Net cash provided by financing activities	88,052	360
Effect of exchange rate changes on cash and cash equivalents	388	30
Net increase (decrease) in cash and cash equivalents	13,386	(20,025)
Cash and cash equivalents at beginning of period	24,289	44,812
Cash and cash equivalents at end of period	$ 37,675	$ 24,787
Supplemental disclosure of cash flow information		
Accrual for litigation settlement and insurance recovery (Note 4)	$ -	$ 4,050
Release of accrual for litigation settlement and insurance recovery (Note 4)	$ 4,050	$ -
Non-cash investing and financing activities:		
Disposal of fully depreciated property and equipment	$ -	$ 1,158
Net change in unrealized (loss) gain on marketable securities	$ (45)	$ 68

See accompanying notes.

Dynavax Technologies Corporation
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Organization and Summary of Significant Accounting Policies

Dynavax Technologies Corporation ("we," "our," "us," "Dynavax" or the "Company"), is a clinical-stage immunotherapy company focused on leveraging the power of the body's innate and adaptive immune response through toll-like receptor ("TLR") stimulation. Our current product candidates are being investigated for use in multiple cancer indications, as a vaccine for the prevention of hepatitis B and as a disease modifying therapy for asthma. We were incorporated in California in August 1996 under the name Double Helix Corporation, and we changed our name to Dynavax Technologies Corporation in September 1996. We reincorporated in Delaware in 2000.

Basis of Presentation

Our accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and pursuant to the instructions to Form 10-Q and Article 10 of Regulation S-X. In our opinion, these unaudited condensed consolidated financial statements include all adjustments, consisting of normal recurring adjustments, which we consider necessary to present fairly our financial position and the results of our operations and cash flows. As permitted under those rules, certain footnotes or other financial information that are normally required by GAAP have been condensed or omitted. Interim-period results are not necessarily indicative of results of operations or cash flows to be expected for a full-year period or any other interim-period. The condensed consolidated balance sheet at December 31, 2016 has been derived from audited financial statements at that date, but excludes disclosures required by GAAP for complete financial statements.

The unaudited condensed consolidated financial statements and these notes should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2016, as filed with the Securities and Exchange Commission (the "SEC").

The unaudited condensed consolidated financial statements include the accounts of Dynavax and our wholly-owned subsidiary, Dynavax GmbH. All significant intercompany accounts and transactions among these entities have been eliminated from the condensed consolidated financial statements. We operate in one business segment: the discovery and development of biopharmaceutical products.

Liquidity and Financial Condition

As of June 30, 2017, we had cash, cash equivalents and marketable securities of $127.0 million. During the six months ended June 30, 2017, we received $88.2 million in net proceeds from our At Market Issuance Sales Agreement (the "2015 ATM Agreement") and we used $42.6 million of cash in operating activities.

We have incurred significant operating losses and negative cash flows from operations since our inception. In January 2017, we implemented organizational restructuring and cost reduction plans to align around our immuno-oncology business while allowing us to advance HEPLISAV-B through the U.S. Food and Drug Administration ("FDA") review and approval process. To achieve these cost reductions, we suspended manufacturing activities, commercial preparations and other long term investment related to HEPLISAV-B and reduced our global workforce by approximately 40 percent.

We expect to continue to spend substantial funds in connection with the development and manufacturing of our product candidates, particularly SD-101 and DV281, our lead investigational cancer immunotherapeutic product candidates, human clinical trials for our other product candidates and additional applications and advancement of our technology. In order to continue ongoing development activities of our product candidates and to support commercialization of HEPLISAV-B, if approved, we will need additional funding or a partnership in support of HEPLISAV-B. This may occur through strategic alliance and licensing arrangements and/or future public or private debt and equity financings. Sufficient funding may not be available, or if available, may be on terms that significantly dilute or otherwise adversely affect the rights of existing stockholders. If adequate funds are not available in the future, we may need to delay, reduce the scope of or put on hold one or more development programs while we seek strategic alternatives, which could have an adverse impact on our ability to achieve our intended business objectives.

Our ability to raise additional capital in the equity and debt markets is dependent on a number of factors, including, but not limited to, the market demand for our common stock, which itself is subject to a number of development and business risks and uncertainties, as well as the uncertainty that we would be able to raise such additional capital at a price or on terms that are favorable to us.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make informed estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. Management's estimates are based on historical information available as of the date of the condensed consolidated financial statements and various other assumptions we believe are reasonable under the circumstances. Actual results could differ materially from these estimates.

Summary of Significant Accounting Policies

There have been no material changes in our significant accounting policies during the six months ended June 30, 2017, as compared with those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2016.

Revenue Recognition

Our revenues consist of amounts earned from collaborations, grants and fees from services and licenses. We enter into license and manufacturing agreements and collaborative research and development arrangements with pharmaceutical and biotechnology partners that may involve multiple deliverables. Our arrangements may include one or more of the following elements: upfront license payments, cost reimbursement for the performance of research and development activities, milestone payments, other contingent payments, contract manufacturing service fees, royalties and license fees. Each deliverable in the arrangement is evaluated to determine whether it meets the criteria to be accounted for as a separate unit of accounting or whether it should be combined with other deliverables. In order to account for the multiple-element arrangements, we identify the deliverables included within the arrangement and evaluate which deliverables represent separate units of accounting. Analyzing the arrangement to identify deliverables requires the use of judgment, and each deliverable may be an obligation to deliver services, a right or license to use an asset, or another performance obligation. We recognize revenue when there is persuasive evidence that an arrangement exists, delivery has occurred or services have been rendered, the price is fixed or determinable and collectability is reasonably assured.

Non-refundable upfront fees received for license and collaborative agreements and other payments under collaboration agreements where we have continuing performance obligations related to the payments are deferred and recognized over our estimated performance period. Revenue is recognized on a ratable basis, unless we determine that another method is more appropriate, through the date at which our performance obligations are completed. Management makes its best estimate of the period over which we expect to fulfill our performance obligations, which may include clinical development activities. Given the uncertainties of research and development collaborations, significant judgment is required to determine the duration of the performance period. We recognize revenues for costs that are reimbursed under collaborative agreements as the related research and development costs are incurred.

Contingent consideration received for the achievement of a substantive milestone is recognized in its entirety in the period in which the milestone is achieved. A milestone is defined as an event having all of the following characteristics: (i) there is substantive uncertainty at the date the arrangement is entered into that the event will be achieved, (ii) the event can only be achieved based in whole or in part on either the entity's performance or a specific outcome resulting from the entity's performance and (iii) if achieved, the event would result in additional payments being due to the entity.

Our license and collaboration agreements with our partners provide for payments to be paid to us upon the achievement of milestones. Given the challenges inherent in developing biologic products, there is substantial uncertainty whether any such milestones will be achieved at the time we entered into these agreements. In addition, we evaluate whether milestones meet the criteria to be considered substantive. The conditions include: (i) work is contingent on either of the following: (a) the vendor's performance to achieve the milestone or (b) the enhancement of the value of the deliverable item or items as a result of a specific outcome resulting from the vendor's performance to achieve the milestone; (ii) it relates solely to past performance and (iii) it is reasonable relative to all the deliverable and payment terms within the arrangement. As a result of our analysis, we may consider our development milestones to be substantive. Milestone payments that are contingent upon the achievement of substantive at-risk performance criteria are recognized in full upon achievement of those milestone events in accordance with the terms of the agreement. All revenue recognized to date under our collaborative agreements has been nonrefundable.

Our license and collaboration agreements with certain partners also provide for contingent payments based solely upon the performance of our partner. We expect to recognize the contingent payments as revenue upon receipt, provided that all other revenue recognition criteria have been satisfied.

Revenues from manufacturing services are recognized upon meeting the criteria for substantial performance and acceptance by the customer.

Revenue from royalty payments is contingent on future sales activities by our licensees. Royalty revenue is recognized when all revenue recognition criteria have been satisfied.

Revenue from government and private agency grants is recognized as the related research expenses are incurred and to the extent that funding is approved.

Research and Development Expenses and Accruals

Research and development expenses include personnel and facility-related expenses, outside contracted services including clinical trial costs, manufacturing and process development costs, research costs and other consulting services and non-cash stock-based compensation. Research and development costs are expensed as incurred. Amounts due under contracts with third parties may be either fixed fee or fee for service, and may include upfront payments, monthly payments and payments upon the completion of milestones or receipt of deliverables. Non-refundable advance payments under agreements are capitalized and expensed as the related goods are delivered or services are performed.

We contract with third parties to perform various clinical trial activities in the on-going development of potential products. The financial terms of these agreements are subject to negotiation, vary from contract to contract and may result in uneven payment flows to our vendors. Payments under the contracts depend on factors such as the achievement of certain events, successful enrollment of patients, and completion of portions of the clinical trial or similar conditions. Our accrual for clinical trials is based on estimates of the services received and efforts expended pursuant to contracts with clinical trial centers and clinical research organizations. We may terminate these contracts upon written notice and we are generally only liable for actual effort expended by the organizations to the date of termination, although in certain instances we may be further responsible for termination fees and penalties. We estimate our research and development expenses and the related accrual as of each balance sheet date based on the facts and circumstances known to us at that time. There have been no material adjustments to the prior period accrued estimates for clinical trial activities through June 30, 2017.

Restructuring

Restructuring costs are comprised of severance costs related to workforce reductions. We recognize restructuring charges when the liability is incurred. Employee termination benefits are accrued at the date management has committed to a plan of termination and employees have been notified of their termination dates and expected severance payments.

Recent Accounting Pronouncements

Accounting Standards Update 2014-09

In May 2014, the Financial Accounting Standards Board (“FASB”) issued guidance codified in ASC 606, Revenue Recognition, Revenue from Contracts with Customers, which amends the guidance in former ASC 605, Revenue Recognition, which provides a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and will supersede most current revenue recognition guidance. In July 2015, the FASB deferred the effective date for annual reporting periods beginning after December 15, 2017 (including interim periods within those periods), with early application permitted. The FASB issued supplemental adoption guidance and clarification to ASU 2014-09 in March 2016, April 2016 and May 2016 within ASU 2016-08 "Revenue From Contracts With Customers: Principal vs. Agent Considerations," ASU 2016-10 "Revenue From Contracts with Customers: Identifying Performance Obligations and Licensing," and ASU 2016-12 "Revenue from Contracts with Customers: Narrow-Scope Improvements and Practical Expedients," respectively. We are currently evaluating the impact (if any) this guidance will have on our consolidated financial statements. We anticipate adoption of ASC 606 using the modified retrospective method with a cumulative catch-up adjustment to the opening balance sheet of retained earnings at the effective date, during the first quarter of 2018. Based on preliminary assessment, the adoption of this guidance is not expected to materially impact the Company’s revenue recognition as there are no collaboration agreements where we have significant contractual obligations. We will reevaluate the impact of this guidance as we enter into new revenue arrangements and will continue to review variable consideration, potential disclosures, and the method of adoption in order to complete the evaluation of the impact on the consolidated financial statements. In addition, we will continue to monitor additional changes, modifications, clarifications or interpretations undertaken by the FASB, which may impact the current conclusions.

Accounting Standards Update 2016-02

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). The ASU requires companies to recognize lease right-of-use assets and lease liabilities by lessees for all operating leases with lease terms greater than 12 months. The ASU is effective for annual periods beginning after December 15, 2018 and interim periods therein on a modified retrospective basis, and will be effective for us starting in the first quarter of fiscal 2019 with early adoption permitted. We are currently evaluating the impact this guidance will have on our consolidated financial statements and believe the adoption will modify our analyses and disclosures of lease agreements considering operating leases are a significant portion of the Company’s total lease commitments.

Accounting Standards Update 2016-18

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force). This ASU requires that the reconciliation of the beginning-of-period and end-of-period amounts shown in the statement of cash flows include cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. The ASU is effective for annual periods beginning after December 15, 2018 with early adoption permitted. The adoption of this standard is not expected to have a material impact on our consolidated financial statements.

Accounting Standards Update 2017-04

In January 2017, the FASB issued ASU 2017-04, Intangibles – Goodwill and other (Topic 350), which simplifies the test for goodwill impairment by eliminating a previously required step. We will adopt the standard effective January 1, 2020. The adoption is not expected to have a material impact on our consolidated financial statements.

Accounting Standards Update 2017-09

In May 2017, the FASB issued ASU 2017-09, Compensation – Stock Compensation (Topic 718): Scope of Modification Accounting. The ASU provides guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting in Topic 718. The ASU is effective for annual periods beginning after December 15, 2017 with early adoption permitted. The adoption of this standard is not expected to have a material impact on our consolidated financial statements.

2. Fair Value Measurements

We measure fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The accounting standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value which are the following:

- Level 1—Observable inputs, such as quoted prices in active markets for identical assets or liabilities;
- Level 2—Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices 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 assets or liabilities; and
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities; therefore, requiring an entity to develop its own valuation techniques and assumptions.

The carrying amounts of cash equivalents, accounts and other receivables, accounts payable and accrued liabilities are considered reasonable estimates of their respective fair value because of their short-term nature.

Recurring Fair Value Measurements

The following table represents the fair value hierarchy for our financial assets (cash equivalents and marketable securities) measured at fair value on a recurring basis (in thousands):

	Level 1	Level 2	Level 3	Total
June 30, 2017				
Money market funds	$ 18,215	$ -	$ -	$ 18,215
U.S. Treasuries	-	6,779	-	6,779
U.S. government agency securities	-	43,373	-	43,373
Corporate debt securities	-	56,362	-	56,362
Total	$ 18,215	$ 106,514	$ -	$ 124,729

	Level 1	Level 2	Level 3	Total
December 31, 2016				
Money market funds	$ 18,981	$ -	$ -	$ 18,981
U.S. Treasuries	-	3,499	-	3,499
U.S. government agency securities	-	30,437	-	30,437
Corporate debt securities	-	24,941	-	24,941
Total	$ 18,981	$ 58,877	$ -	$ 77,858

Money market funds are highly liquid investments and are actively traded. The pricing information on these investment instruments is readily available and can be independently validated as of the measurement date. This approach results in the classification of these securities as Level 1 of the fair value hierarchy.

U.S. Treasuries, U.S. Government agency securities and corporate debt securities are measured at fair value using Level 2 inputs. We review trading activity and pricing for these investments as of each measurement date. When sufficient quoted pricing for identical securities is not available, we use market pricing and other observable market inputs for similar securities obtained from various third party data providers. These inputs represent quoted prices for similar assets in active markets or these inputs have been derived from observable market data. This approach results in the classification of these securities as Level 2 of the fair value hierarchy.

There were no transfers between Level 1 and Level 2 during the six months ended June 30, 2017.

3. Cash, cash equivalents and marketable securities

Cash, cash equivalents and marketable securities consist of the following (in thousands):

	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
June 30, 2017				
Cash and cash equivalents:				
Cash	$ 2,233	$ -	$ -	$ 2,233
Money market funds	18,215	-	-	18,215
U.S. government agency securities	4,496	-	-	4,496
Corporate debt securities	12,731	-	-	12,731
Total cash and cash equivalents	37,675	-	-	37,675
Marketable securities available-for-sale:				
U.S. Treasuries	6,788	-	(9)	6,779
U.S. government agency securities	38,902	-	(26)	38,876
Corporate debt securities	43,638	1	(8)	43,631
Total marketable securities available-for-sale	89,328	1	(43)	89,286
Total cash, cash equivalents and marketable securities	$ 127,003	$ 1	$ (43)	$ 126,961
December 31, 2016				
Cash and cash equivalents:				
Cash	$ 3,557	$ -	$ -	$ 3,557
Money market funds	18,981	-	-	18,981
U.S. government agency securities	1,751	-	-	1,751
Total cash and cash equivalents	24,289	-	-	24,289
Marketable securities available-for-sale:				
U.S. Treasuries	3,499	-	-	3,499
U.S. government agency securities	28,685	3	(2)	28,686
Corporate debt securities	24,938	5	(2)	24,941
Total marketable securities available-for-sale	57,122	8	(4)	57,126
Total cash, cash equivalents and marketable securities	$ 81,411	$ 8	$ (4)	$ 81,415

The maturities of our marketable securities available-for-sale are as follows (in thousands):

	June 30, 2017	
	Amortized Cost	Estimated Fair Value
Mature in one year or less	$ 89,328	$ 89,286
Mature after one year through two years	-	-
	$ 89,328	$ 89,286

There were no realized gains or losses from the sale of marketable securities during the six months ended June 30, 2017 and 2016.

We have classified our entire investment portfolio as available-for-sale and available for use in current operations and accordingly have classified all investments as short-term. Available-for-sale securities are carried at fair value based on inputs that are observable, either directly or indirectly, such as quoted market prices for similar securities; quoted prices 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 securities, with unrealized gains and losses included in accumulated other comprehensive income (loss) in stockholders' equity. Realized gains and losses and declines in value, if any, judged to be other than temporary on available-for-sale securities are included in interest income or expense. The cost of securities sold is based on the specific identification method. Management assesses whether declines in the fair value of investment securities are other than temporary. In determining whether a decline is other than temporary, management considers the following factors:

- Whether the investment has been in a continuous realized loss position for over 12 months;
- the duration to maturity of our investments;
- our intention and ability to hold the investment to maturity and if it is not more likely than not that we will be required to sell the investment before recovery of the amortized cost bases;

- the credit rating, financial condition and near-term prospects of the issuer; and
- the type of investments made.

To date, there have been no declines in fair value that have been identified as other than temporary.

4. Commitments and Contingencies

We lease our facilities in Berkeley, California ("Berkeley Lease") and Düsseldorf, Germany ("Düsseldorf Lease") under operating leases that expire in December 2025 and March 2023, respectively. In May 2017, we amended the Berkeley Lease to extend the term of the lease to expire in December 2025 and to terminate the lease of an adjacent building. The early termination of the adjacent building's lease did not result in a termination fee as the lease rate under the amended Berkeley Lease was not above market rates. In addition, as a result of the early termination, we reversed the deferred rent liability of $0.2 million against rent expense during the quarter ended June 30, 2017. The amended Berkeley Lease provides for periods of escalating rent. The total cash payments over the life of the Berkeley Lease and Dusseldorf Lease are divided by the total number of months in the lease period and the average rent is charged to expense each month during the lease period.

Total net rent expense related to our operating leases for the three month periods ended June 30, 2017 and 2016, was $0.4 million and $0.6 million, respectively. Total net rent expense related to our operating leases for the six month periods ended June 30, 2017 and 2016 was $1.0 million and $1.1 million, respectively. Deferred rent was $0.4 million and $0.3 million as of June 30, 2017 and December 31, 2016, respectively.

Future minimum payments under the non-cancelable portion of our operating leases at June 30, 2017, are as follows (in thousands):

Years ending December 31,		
2017 (remaining)	$	1,069
2018		2,332
2019		2,535
2020		2,597
2021		2,526
Thereafter		9,109
Total	$	20,168

In addition to the non-cancelable commitments included above, we have entered into contractual arrangements that obligate us to make payments to the contractual counterparties upon the occurrence of future events. In addition, in the normal course of operations, we have entered into license and other agreements and intend to continue to seek additional rights relating to compounds or technologies in connection with our discovery, manufacturing and development programs. Under the terms of the agreements, we may be required to pay future up-front fees, milestones and royalties on net sales of products originating from the licensed technologies, if any, or other payments contingent upon the occurrence of future events that cannot reasonably be estimated.

We rely on and have entered into agreements with research institutions, contract research organizations and clinical investigators as well as clinical and commercial material manufacturers. These agreements are terminable by us upon written notice. Generally, we are liable only for actual effort expended by the organizations at any point in time during the contract through the notice period.

From time to time, we may be involved in claims, suits, and proceedings arising from the ordinary course of our business, including actions with respect to intellectual property claims, commercial claims, and other matters. Such claims, suits, and proceedings are inherently uncertain and their results cannot be predicted with certainty. Regardless of the outcome, such legal proceedings can have an adverse impact on us because of legal costs, diversion of management resources, and other factors. In addition, it is possible that a resolution of one or more such proceedings could result in substantial damages, fines, penalties or orders requiring a change in our business practices, which could in the future materially and adversely affect our financial position, financial statements, results of operations, or cash flows in a particular period.

On September 7, 2016, we entered into a Stipulation of Settlement to settle the case entitled In re Dynavax Technologies Securities Litigation filed in 2013. The settlement, which was approved by the U.S. District Court for the Northern District of California on February 6, 2017, provided for a payment of $4.1 million by us and results in a dismissal and release of all claims against all defendants, including us. The settlement was paid by our insurers in February 2017. The $4.1 million accrued liability and corresponding $4.1 million prepaid expense and other current asset reflected in our consolidated balance sheets as of December 31, 2016 were released during the first quarter of 2017.

In February 2017, we tentatively agreed to a settlement for derivative complaints filed in 2013, all of which will be paid by our insurers. We recorded an accrual of $0.9 million reflected in accrued liabilities in the consolidated balance sheets as of December 31, 2016 and do not expect any significant additional charges related to this matter. In addition, we record anticipated recoveries under existing insurance contracts when recovery is assured. We recorded a current asset in the amount of $0.9 million reflected in prepaid expenses and other current assets in the consolidated balance sheets as of December 31, 2016. Amounts recorded for contingencies can result from a complex series of judgments about future events and uncertainties and can rely heavily on estimates and assumptions.

5. Collaborative Research and Development Agreements

AstraZeneca

Pursuant to a research collaboration and license agreement with AstraZeneca AB ("AstraZeneca"), as amended, we discovered and performed initial clinical development of AZD1419, a TLR9 agonist product candidate for the treatment of asthma.

Under the amended agreement we received non-refundable payments of $3.0 million and $5.4 million in 2011 and in 2014, respectively. These payments were deferred and recognized over the estimated period of performance at the time of payment, as subsequently revised.

We have also received payments for development work of $3.0 million, $6.0 million and $8.0 million, in 2011, 2012 and 2014, respectively, which were deferred and recognized as research and development expenses were incurred.

In January 2016, we amended our agreement with AstraZeneca whereby AstraZeneca will conduct the Phase 2a safety and efficacy trial of AZD1419 in patients with asthma that originally was to be conducted by Dynavax.

In June 2016, all of our remaining contractual obligations under our agreement with AstraZeneca were completed. As no further performance obligations remain, we revised the estimated period of performance of development work to June 2016 from September 2016, and recognized remaining deferred payments as revenue as of June 30, 2016. The revision of the performance period led to the recognition of an additional $0.8 million in collaboration revenue during 2016.

In November 2016, AstraZeneca initiated the Phase 2a trial of AZD1419 in asthma patients. Upon AstraZeneca's initiation of the Phase 2a trial, we earned a milestone payment of $7.2 million, which was offset against the $7.4 million in unused development funding previously advanced by AstraZeneca. We recognized the $7.2 million milestone as revenue during the fourth quarter of 2016. The remaining balance of unused development funding, net of the $7.2 million milestone payment, was $0.2 million which was paid during the first quarter of 2017. No liability related to unused development funding remains on the accompanying condensed consolidated balance sheet as of June 30, 2017.

Under the terms of the agreement, as amended, we are eligible to receive up to approximately $100 million in additional milestone payments, based on the achievement of certain development and regulatory objectives. Additionally, upon commercialization of AZD1419, we are eligible to receive tiered royalties ranging from the mid to high single-digits based on product sales of any products originating from the collaboration. We have the option to co-promote in the United States products arising from the collaboration, if any. AstraZeneca has the right to sublicense its rights upon our prior consent.

The following table summarizes the revenues earned under our agreement with AstraZeneca, included as collaboration revenue in our consolidated statements of operations (in thousands):

As of June 30, 2017 and December 31, 2016, no deferred revenue from the initial payment, subsequent payment or development funding payments remained.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Initial payment	$ -	$ 347	$ -	$ 521
Subsequent payment	-	1,302	-	1,953
Performance of research activities	-	34	-	104
Total	$ -	$ 1,683	$ -	$ 2,578

Absent early termination, the agreement will expire when all of AstraZeneca's payment obligations expire. AstraZeneca has the right to terminate the agreement at any time upon prior written notice and either party may terminate the agreement early upon written notice if the other party commits an uncured material breach of the agreement.

6. Net Loss Per Share

Basic net loss per share is calculated by dividing the net loss by the weighted-average number of common shares outstanding during the period. Diluted net loss per share is computed by dividing the net loss by the weighted-average number of common shares outstanding during the period and giving effect to all potentially dilutive common shares using the treasury-stock method. For purposes of this calculation, outstanding options and stock awards are considered to be potentially dilutive common shares and are only included in the calculation of diluted net loss per share when their effect is dilutive. Stock options and stock awards totaling approximately 6,310,000 and 4,510,000 shares of common stock as of June 30, 2017 and 2016, respectively, were excluded from the calculation of diluted net loss per share for the three and six months ended June 30, 2017 and 2016, because the effect of their inclusion would have been anti-dilutive. For periods in which we have a net loss and no instruments are determined to be dilutive, such as the three and six months ended June 30, 2017 and 2016, basic and diluted net loss per share are the same.

7. Common Stock

Common Stock Outstanding

As of June 30, 2017, there were 54,747,656 shares of our common stock outstanding.

On November 12, 2015, we entered into the 2015 ATM Agreement with Cowen and Company, LLC ("Cowen") under which we could offer and sell our common stock from time to time up to aggregate sales proceeds of $90 million through Cowen as our sales agent. As of June 30, 2017, we received net cash proceeds of $88.2 million resulting from sales of 15,997,202 shares of our common stock under the 2015 ATM Agreement. The ATM Agreement terminated in June 2017.

8. Equity Plans and Stock-Based Compensation

Option activity under our stock-based compensation plans during the six months ended June 30, 2017 was as follows (in thousands except per share amounts):

	Shares Underlying Outstanding Options (in thousands)	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands)
Balance at December 31, 2016	3,975	$ 21.38		
Options granted	279	6.08		
Options exercised	-	-		
Options cancelled:				
Options forfeited (unvested)	(310)	18.24		
Options cancelled (vested)	(193)	29.32		
Balance at June 30, 2017	3,751	20.09	6.09	$ 1,136
Vested and expected to vest at June 30, 2017	3,741	20.10	6.09	$ 1,136
Exercisable at June 30, 2017	2,290	22.34	5.57	$ 151

In June 2017, stockholders of the Company approved a proposal to increase the aggregate number of shares of common stock authorized for issuance under the 2011 Equity Incentive Plan, as amended, by 1,600,000 shares.

Restricted stock unit activity under our stock-based compensation plans during the six months ended June 30, 2017 was as follows (in thousands except per share amounts):

	Number of Shares (In thousands)	Weighted-Average Grant-Date Fair Value
Non-vested as of December 31, 2016	699	$ 12.12
Granted	2,124	4.76
Vested	(171)	18.62
Forfeited or expired	(93)	12.25
Non-vested as of June 30, 2017	2,559	$ 5.58

The aggregate intrinsic value of the restricted stock units outstanding as of June 30, 2017, based on our stock price on that date, was $24.7 million. Fair value of restricted stock units is determined at the date of grant using our closing stock price.

As of June 30, 2017, approximately 110,000 shares underlying stock options and restricted stock units awards with performance-based vesting criteria were outstanding. Vesting criteria for these performance-based awards were not probable as of June 30, 2017.

Under our stock-based compensation plans, option awards generally vest over a three or four-year period contingent upon continuous service, and expire seven to ten years from the date of grant (or earlier upon termination of continuous service). The fair value-based measurement of each option is estimated on the date of grant using the Black-Scholes option valuation model.

The fair value-based measurements and weighted-average assumptions used in the calculations of these measurements are as follows:

	Stock Options		Stock Options		Employee Stock Purchase Plan	
	Three Months Ended June 30,		Six Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016	2017	2016
Weighted-average fair value	$ 3.90	$ 10.25	$ 4.12	$ 9.79	$ 2.37	$ 8.18
Risk-free interest rate	1.8%	1.5%	1.9%	1.4%	0.9%	0.6%
Expected life (in years)	4.5	5.4	4.5	5.0	1.2	1.2
Volatility	0.9	0.7	0.9	0.7	1.0	0.6

We recognized stock-based compensation expense of $3.4 million and $3.1 million for the three months ended June 30, 2017 and 2016, respectively. We recognized stock-based compensation expense of $7.2 million and $6.4 million for the six months ended June 30, 2017 and 2016, respectively. Compensation expense is based on awards ultimately expected to vest and reflects estimated forfeitures. The components of stock-based compensation expense were (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Research and development	$ 1,771	$ 1,336	$ 3,734	$ 2,851
General and administrative	1,592	1,788	3,450	3,517
Total	$ 3,363	$ 3,124	$ 7,184	$ 6,368

As of June 30, 2017, the total unrecognized compensation cost related to non-vested equity awards including all awards with time-based vesting amounted to $25.3 million, which is expected to be recognized over the remaining weighted-average vesting period of 1.9 years. Additionally, as of June 30, 2017, the total unrecognized compensation cost related to equity awards with performance-based vesting criteria not deemed probable of vesting amounted to $0.6 million.

Employee Stock Purchase Plan

The 2014 Employee Stock Purchase Plan, as amended, (the "Purchase Plan") provides for the purchase of common stock by eligible employees and became effective on May 28, 2014. The purchase price per share is the lesser of (i) 85% of the fair market value of the common stock on the commencement of the offer period (generally, the sixteenth day in February or August) or (ii) 85% of the fair market value of the common stock on the exercise date, which is the last day of a purchase period (generally, the fifteenth day in February or August). As of June 30, 2017, employees have acquired 90,156 shares of our common stock under the Purchase Plan and 137,885 shares of our common stock remained available for future purchases under the Purchase Plan.

9. Restructuring

In January 2017, we implemented organizational restructuring and cost reduction plans to align around our immuno-oncology business while allowing us to advance HEPLISAV-B through the FDA review and approval process. To achieve these cost reductions, we suspended manufacturing activities, commercial preparations and other long term investment related to HEPLISAV-B and reduced our global workforce by approximately 40 percent.

In the first quarter of 2017 we recorded charges of $2.8 million related to severance, other termination benefits and outplacement services. There were no additional charges during the three months ended June 30, 2017. Of that amount, we paid $2.5 million during the first half of 2017 and expect to pay approximately $0.3 million in the third quarter of 2017.

The outstanding restructuring liabilities are included in accrued liabilities on the condensed consolidated balance sheets. As of June 30, 2017, the components of the liabilities were as follows (in thousands):

	Employee Severance and Other Benefits
Restructuring charges	$ 2,783
Cash payments	(2,523)
Balance at June 30, 2017	$ 260

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements that involve a number of risks and uncertainties. Our actual results could differ materially from those indicated by forward-looking statements as a result of various factors, including but not limited to, the period for which we estimate our cash resources are sufficient, the availability of additional funds, as well as those set forth under "Risk Factors" and those that may be identified from time to time in our reports and registration statements filed with the Securities and Exchange Commission.

The following discussion and analysis is intended to provide an investor with a narrative of our financial results and an evaluation of our financial condition and results of operations. This discussion should be read in conjunction with the unaudited Condensed Consolidated Financial Statements and related Notes included in Item 1 of this Quarterly Report on Form 10-Q and the Consolidated Financial Statements and related Notes and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K for the year ended December 31, 2016.

Overview

We are a clinical-stage immunotherapy company focused on leveraging the power of the body's innate and adaptive immune responses through toll-like receptor ("TLR") stimulation. Our current product candidates are being investigated for use in multiple cancer indications, as a vaccine for the prevention of hepatitis B and as a disease modifying therapy for asthma.

Our lead cancer immunotherapy candidate is SD-101, a C Class CpG TLR9 agonist that was selected for characteristics optimal for treatment of cancer, including high interferon induction. Directly injecting SD-101 into a tumor site optimizes its effect by ensuring proximity to tumor-specific antigens. In animal models, SD-101 demonstrated significant anti-tumor effects at both the injected site and at distant sites. We are conducting a clinical program intended to assess potential efficacy of SD-101 in a range of tumors and in combination with a range of treatments, including checkpoint inhibitors and other therapies. In June 2017, we presented updated data at the American Society of Clinical Oncology Annual Meeting in patients with metastatic melanoma from the dose-escalation phase of an ongoing Phase 1/2 study of SD-101 in combination with Keytruda® (pembrolizumab), an anti-PD-1 therapy developed by Merck, known as MSD outside the United States and Canada. Results in patients naïve to anti-PD-1 or anti-PDL-1 treatment showed an overall response rate of 100 percent (seven of seven evaluable patients) and a complete response rate of 29 percent. The combination of the two drugs was generally well tolerated with no dose-limiting toxicities.

We are developing DV281, a novel investigational TLR9 agonist designed specifically for focused delivery to primary lung tumors and lung metastases. Inhaled DV281 is planned to enter clinical trials for non-small cell lung cancer, in combination with anti-PD-1 therapy, in the second half of 2017.

HEPLISAV-B is our investigational adult hepatitis B vaccine. We resubmitted our application to market HEPLISAV-B to the FDA in February 2017 and on July 28, 2017 the FDA's Vaccines and Related Biological Products Advisory Committee ("VRBPAC") voted 12 to 1 (with 3 abstentions) that the safety data for HEPLISAV-B support licensure for immunization against hepatitis B infection in adults 18 years of age and older. A prior VRBPAC panel voted 13 to 1 that the immunogenicity data for HEPLISAV-B support approval and thus the July 2017 VRBPAC was only asked to vote on safety. The FDA is not bound by VRBPAC's recommendations regarding safety and efficacy, but takes its advice into consideration when reviewing marketing applications.

The July 2017 VRBPAC provided commentary on the design of our proposed post-marketing safety study for HEPLISAV-B that will require further discussion and agreement with the FDA prior to approval. HEPLISAV-B has a Prescription Drug User Fee Act ("PDUFA") date of August 10, 2017. However, in discussions with the FDA following the VRBPAC meeting, we and the Agency agreed that due to the feedback by the VRBPAC regarding the post-marketing safety study and the proximity to the PDUFA date, more time is required to finalize key details of the study prior to approval. As such, the FDA has sent us a request for additional information regarding the post-marketing study. As discussed with the FDA, our response to the Information Request will trigger a major amendment to the HEPLISAV-B Biologics License Application ("BLA"). This will extend the PDUFA date, expected to be November 10, 2017, to provide the Agency and us up to three months to agree on the design of the post-marketing study prior to approval. If approved on or about this date, we currently plan to launch HEPLISAV-B in the United States in early 2018.

In January 2017, we implemented organizational restructuring and cost reduction plans to align around our immuno-oncology business while allowing us to advance HEPLISAV-B through the FDA review and approval process. We expect HEPLISAV-B costs prior to an FDA decision to be approximately $1.4 million per month and all other operating costs to support continued development of our oncology business for the remaining two quarters of 2017 to be approximately $30 to $32 million. To achieve these cost reductions, we suspended manufacturing activities, commercial preparations and other long term investment related to HEPLISAV-B and reduced our global workforce by approximately 40 percent.

AZD1419 is being developed by AstraZeneca AB ("AstraZeneca") for the treatment of asthma pursuant to a collaboration and license agreement. AstraZeneca initiated a Phase 2a trial in 2016.

Our revenues consist of amounts earned from collaborations, grants and fees from services and licenses. Product revenue will depend on our ability to receive regulatory approvals for, and successfully market, our drug candidates. We have yet to generate any revenues from product sales and have recorded an accumulated deficit of $857.8 million as of June 30, 2017. These losses have resulted principally from costs incurred in connection with research and development activities, compensation and other related personnel costs and general corporate expenses. Research and development activities include costs of outside contracted services including clinical trial costs, manufacturing and process development costs, research costs and other consulting services. Salaries and other personnel-related costs include non-cash stock-based compensation associated with options and other equity awards granted to employees. General corporate expenses include outside services such as accounting, consulting, business development, commercial, investor relations, insurance services and legal costs. Our operating results may fluctuate substantially from period to period principally as a result of the timing of preclinical activities and other activities related to clinical trials for our drug candidates.

Since our inception, we have relied primarily on the proceeds from public and private sales of our equity securities, government grants and revenues from collaboration agreements to fund our operations. We expect to continue to spend substantial funds in connection with the development and manufacturing of our product candidates, particularly SD-101 and DV281, our lead investigational cancer immunotherapeutic product candidates, human clinical trials for our other product candidates and additional applications and advancement of our technology. In order to continue our development activities and if HEPLISAV-B is approved, we will need additional funding or a partnership to enable continued development work and commercialization of HEPLISAV-B. This may occur through strategic alliance and licensing arrangements and/or future public or private debt and equity financings. If adequate funds are not available in the future, we may need to delay, reduce the scope of or put on hold one or more development programs while we seek strategic alternatives.

Critical Accounting Policies and the Use of Estimates

The accompanying discussion and analysis of our financial condition and results of operations are based upon our condensed consolidated financial statements and the related disclosures, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet dates and the reported amounts of revenues and expenses for the periods presented. On an ongoing basis, we evaluate our estimates, assumptions and judgments described below that have the greatest potential impact on our condensed consolidated financial statements, including those related to revenue recognition, research and development activities and stock-based compensation. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Accounting assumptions and estimates are inherently uncertain and actual results may differ materially from these estimates under different assumptions or conditions. We believe that there have been no significant changes in our critical accounting policies during the six months ended June 30, 2017, as compared with those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2016.

Results of Operations

Revenues

Revenues consist of amounts earned from collaborations, grants and services and license fees. Service and license fees include revenues related to license fees and royalty payments.

The following is a summary of our revenues (in thousands, except for percentages):

	Three Months Ended June 30,		Increase (Decrease) from 2016 to 2017		Six Months Ended June 30,		Increase (Decrease) from 2016 to 2017	
Revenues:	**2017**	**2016**	**$**	**%**	**2017**	**2016**	**$**	**%**
Collaboration revenue	$ -	$ 1,683	$ (1,683)	(100)%	$ -	$ 2,578	$ (2,578)	(100)%
Grant revenue	105	88	17	19%	253	127	126	99%
Service and license revenue	-	876	(876)	(100)%	-	884	(884)	(100)%
Total revenues	$ 105	$ 2,647	$ (2,542)	(96)%	$ 253	$ 3,589	$ (3,336)	(93)%

Collaboration revenue decreased in the 2017 periods as all performance obligations under the AstraZeneca agreement were completed in 2016. Service and license revenue decreased in the 2017 periods as no manufacturing services were performed on behalf of third parties in 2017.

Research and Development Expense

Research and development expense consists of compensation and related personnel costs (which include benefits, recruitment, travel and supply costs), outside services, allocated facility costs and non-cash stock-based compensation. Outside services relate to our preclinical experiments and clinical trials, regulatory filings and manufacturing of our product candidates. For the six months ended June 30, 2017 and 2016, approximately 37% and 71%, respectively, of our total research and development expense, excluding non-cash stock-based compensation, is related to our investigational adult hepatitis B vaccine, HEPLISAV-B. The following is a summary of our research and development expense (in thousands, except for percentages):

	Three Months Ended June 30,		Increase (Decrease) from 2016 to 2017		Six Months Ended June 30,		Increase (Decrease) from 2016 to 2017	
Research and Development:	**2017**	**2016**	**$**	**%**	**2017**	**2016**	**$**	**%**
Compensation and related personnel costs	$ 6,538	$ 9,473	$ (2,935)	(31)%	$ 14,718	$ 18,362	$ (3,644)	(20)%
Outside services	4,588	9,332	(4,744)	(51)%	8,626	16,681	(8,055)	(48)%
Facility costs	1,917	2,609	(692)	(27)%	4,081	4,923	(842)	(17)%
Non-cash stock-based compensation	1,771	1,336	435	33%	3,734	2,851	883	31%
Total research and development	$ 14,814	$ 22,750	$ (7,936)	(35)%	$ 31,159	$ 42,817	$ (11,658)	(27)%

For both the three and six months ended June 30, 2017 compared to 2016:

Compensation and related personnel costs decreased due to implementation of organizational restructuring and cost reduction plans in January 2017. Outside services expense decreased primarily due to a reduction of costs related to HEPLISAV-B clinical and manufacturing activities partially offset by increased costs relating to seeking regulatory approval for HEPLISAV-B and the ongoing development of SD-101 and earlier stage oncology programs. Non-cash stock-based compensation increased due to recognition of expense related to share-based awards granted to employees in 2016 and 2017. Facility costs, which includes an overhead allocation primarily comprised of occupancy and related expenses, decreased due to overall lower facility and related costs and a decrease in headcount.

General and Administrative Expense

General and administrative expense consists of compensation and related personnel costs; costs for outside services such as accounting, commercial development, consulting, business development and investor relations and for insurance; legal costs that include corporate and patent-related expenses; allocated facility costs and non-cash stock-based compensation.

The following is a summary of our general and administrative expense (in thousands, except for percentages):

	Three Months Ended June 30,		Increase (Decrease) from 2016 to 2017		Six Months Ended June 30,		Increase (Decrease) from 2016 to 2017	
General and Administrative:	**2017**	**2016**	**$**	**%**	**2017**	**2016**	**$**	**%**
Compensation and related personnel costs	$ 2,029	$ 3,449	$ (1,420)	(41)%	$ 4,205	$ 6,413	$ (2,208)	(34)%
Outside services	1,342	3,213	(1,871)	(58)%	2,842	5,725	(2,883)	(50)%
Legal costs	632	439	193	44%	1,345	1,175	170	14%
Facility costs	17	262	(245)	(94)%	242	490	(248)	(51)%
Non-cash stock-based compensation	1,592	1,788	(196)	(11)%	3,450	3,517	(67)	(2)%
Total general and administrative	$ 5,612	$ 9,151	$ (3,539)	(39)%	$ 12,084	$ 17,320	$ (5,236)	(30)%

For both the three and six months ended June 30, 2017 compared to 2016:

Compensation and related personnel costs and non-cash stock-based compensation decreased due to implementation of organizational restructuring and cost reduction plans in January 2017. Outside services decreased as the first six months of 2016 included costs related to hiring of consultants for administrative and commercial development services for the anticipated commercial launch of HEPLISAV-B.

Restructuring

In January 2017, we implemented organizational restructuring and cost reduction plans to align around our immuno-oncology business while allowing us to advance HEPLISAV-B through the FDA review and approval process. To achieve these cost reductions, we suspended manufacturing activities, commercial preparations and other longer term investment related to HEPLISAV-B and reduced our global workforce by approximately 40 percent. If HEPLISAV-B is approved, we plan to use existing stockpiled inventory to support initial commercial demand.

During the six months ended June 30, 2017 we recorded charges of $2.8 million related to severance, other termination benefits and outplacement services. Of that amount, we paid $2.5 million during the first six months of 2017 and expect to pay approximately $0.3 million, in aggregate, in the third quarter of 2017.

Interest Income and Other Income (Expense), Net

Interest income is reported net of amortization of premiums and discounts on marketable securities and realized gains and losses on investments. Other income (expense), net includes gains and losses on foreign currency transactions and disposal of property and equipment.

The following is a summary of our interest income and other income (expense), net (in thousands, except for percentages):

	Three Months Ended June 30,		Increase (Decrease) from 2016 to 2017		Six Months Ended June 30,		Increase (Decrease) from 2016 to 2017	
	2017	2016	$	%	2017	2016	$	%
Interest income	$ 235	$ 220	$ 15	7%	$ 380	$ 445	$ (65)	(15)%
Other income (expense), net	$ (232)	$ 48	$ (280)	(583)%	$ (212)	$ 94	$ (306)	(326)%

Interest income for the second quarter of 2017 increased due to a higher average rate of return on our investments as compared to the second quarter of 2016. Interest income for the six months ended June 30, 2017 decreased due to a lower average investment balance compared to the six months ended June 30, 2016 notwithstanding a higher average rate of return. Other income (expense), net decreased primarily due to loss on foreign currency transactions resulting from fluctuations in the value of the Euro compared to the U.S. dollar.

Liquidity and Capital Resources

As of June 30, 2017, we had $127.0 million in cash, cash equivalents and marketable securities. Since our inception, we have relied primarily on the proceeds from public and private sales of our equity securities, government grants and revenues from collaboration agreements to fund our operations. Our funds are currently invested in short-term money market funds, U.S. Treasuries, U.S. Government agency securities and corporate debt securities.

On November 12, 2015, we entered into the 2015 At Market Issuance Sales Agreement ("2015 ATM Agreement") with Cowen and Company, LLC ("Cowen") under which we may offer and sell our common stock having aggregate sales proceeds of up to $90 million from time to time through Cowen as our sales agent. As of June 30, 2017, we have received net cash proceeds of $88.2 million resulting from sales of 15,997,202 shares of our common stock under the 2015 ATM Agreement. The ATM Agreement terminated in June 2017.

During the six months ended June 30, 2017, we used $42.6 million of cash for our operations primarily due to our net loss of $45.6 million, of which $8.6 million consisted of non-cash charges such as stock-based compensation, depreciation and amortization, reversal of deferred rent upon lease amendment and accretion and amortization on marketable securities. We also recorded charges of $2.8 million primarily related to severance, resulting from implementation of organizational restructuring and cost reduction plans in January 2017. By comparison, during the six months ended June 30, 2016, we used $52.6 million of cash for our operations primarily due to a net loss of $56.0 million, of which $8.0 million consisted of non-cash charges such as stock-based compensation, depreciation and amortization and accretion and amortization on marketable securities. Cash used in our operations during the first six months of 2017 decreased by $9.9 million. Net cash used in operating activities is impacted by changes in our operating assets and liabilities due to timing of cash receipts and expenditures.

During the six months ended June 30, 2017, net cash used in investing activities was $32.4 million compared to $32.1 million in net cash provided by investing activities for the six months ended June 30, 2016. Cash used in investing activities during the first six months of 2017 included $32.2 million of net purchases of marketable securities compared with $37.1million of net proceeds of marketable securities during the first six months of 2016. Cash used in net purchases of property and equipment decreased by $4.7

million during the first six months of 2017 compared to the same period in 2016 primarily due to the purchase of manufacturing equipment in 2016 for HEPLISAV-B.

During the six months ended June 30, 2017 and 2016, net cash provided by financing activities was $88.1 million and $0.4 million, respectively. Cash provided by financing activities in the first six months of 2017 included net proceeds of $88.2 million from the issuance of common stock under our 2015 ATM Agreement.

We have incurred significant operating losses and negative cash flows from operations since our inception. As of June 30, 2017, we had cash, cash equivalents and marketable securities of $127.0 million and we used $42.6 million of cash in operating activities during the first six months of 2017. We believe that our available cash, cash equivalents and marketable securities will be sufficient to meet our projected operating requirements for at least the next 12 months from the date of this filing. We expect to continue to spend substantial funds in connection with the development and manufacturing of our product candidates, particularly SD-101and DV281, our lead investigational cancer immunotherapeutic product candidates, human clinical trials for our other product candidates and additional applications and advancement of our technology. In order to continue our development activities and if HEPLISAV-B is approved, we will need additional funding or a partnership to enable commercialization. This may occur through strategic alliance and licensing arrangements and/or future public or private debt and equity financings. Sufficient funding may not be available, or if available, may be on terms that significantly dilute or otherwise adversely affect the rights of existing stockholders. If adequate funds are not available in the future, we may need to delay, reduce the scope of or put on hold one or more development programs while we seek strategic alternatives, which could have an adverse impact on our ability to achieve our intended business objectives.

Our ability to raise additional capital in the equity and debt markets, should we choose to do so, is dependent on a number of factors, including, but not limited to, the market demand for our common stock, which itself is subject to a number of development and business risks and uncertainties, as well as the uncertainty that we would be able to raise such additional capital at a price or on terms that are favorable to us.

Contractual Obligations

We lease our facilities in Berkeley, California ("Berkeley Lease") and Düsseldorf, Germany ("Düsseldorf Lease") under operating leases that expire in December 2025 and March 2023, respectively. In May 2017, we amended the Berkeley Lease to extend the term of the Berkeley Lease to expire in December 2025 and to terminate the lease of an adjacent building. As a result of the amendment to the Berkeley Lease, our total future minimum lease payments at June 30, 2017 are $20.2 million.

In addition to the non-cancelable commitments included above, we have entered into contractual arrangements that obligate us to make payments to the contractual counterparties upon the occurrence of future events. In addition, in the normal course of operations, we have entered into license and other agreements and intend to continue to seek additional rights relating to compounds or technologies in connection with our discovery, manufacturing and development programs. Under the terms of the agreements, we may be required to pay future up-front fees, milestones and royalties on net sales of products originating from the licensed technologies, if any, or other payments contingent upon the occurrence of future events that cannot reasonably be estimated.

We rely on and have entered into agreements with research institutions, contract research organizations and clinical investigators as well as clinical and commercial material manufacturers. These agreements are terminable by us upon written notice. Generally, we are liable only for actual effort expended by the organizations at any point in time during the contract through the notice period.

Off-balance Sheet Arrangements

We do not have any off-balance sheet arrangements as defined by rules enacted by the Securities and Exchange Commission and, accordingly, no such arrangements are likely to have a current or future effect on our financial position.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative and Qualitative Disclosure About Market Risk

Interest Rate Risk

We are subject to interest rate risk. Our investment portfolio is maintained in accordance with our investment policy, which defines allowable investments, specifies credit quality standards and limits the credit exposure of any single issuer. The primary objective of our investment activities is to preserve principal and, secondarily, to maximize income we receive from our investments without significantly increasing risk. Some of the securities that we invest in may have market risk. This means that a change in prevailing interest rates may cause the principal amount of the investment to fluctuate. To minimize this risk, we maintain our portfolio of cash equivalents and investments in short-term money market funds, U.S. government agency securities, U.S. Treasuries and corporate debt securities. We do not invest in auction rate securities or securities collateralized by home mortgages, mortgage bank debt or home equity loans. We do not have derivative financial instruments in our investment portfolio. To assess our risk, we calculate that if interest rates were to rise or fall from current levels by 100 basis points or by 125 basis points, the pro forma change in fair value of our net unrealized loss on investments would be $0.7 million or $0.9 million, respectively.

Due to the short duration and nature of our cash equivalents and marketable securities, as well as our intention to hold the investments to maturity, we do not expect any material loss with respect to our investment portfolio.

Foreign Currency Risk

We have certain investments outside the U.S. for the operations of Dynavax GmbH with exposure to foreign exchange rate fluctuations. The cumulative translation adjustment reported in the condensed consolidated balance sheet as of June 30, 2017 was $1.9 million primarily related to translation of Dynavax GmbH assets, liabilities and operating results from Euros to U.S. dollars. As of June 30, 2017, the effect of our exposure to these exchange rate fluctuations has not been material, and we do not expect it to become material in the foreseeable future. We do not hedge our foreign currency exposures and have not used derivative financial instruments for speculation or trading purposes.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Principal Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can only provide reasonable, not absolute, assurance of achieving the desired control objectives.

Based on their evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report, our management, with participation of our Chief Executive Officer and our Chief Financial Officer, concluded that our disclosure controls and procedures are effective and were operating at the reasonable assurance level to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms.

(b) Changes in internal controls

There has been no change in our internal controls over financial reporting as defined in Rule 13a – 15(f) under the Exchange Act during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time in the ordinary course of business, Dynavax receives claims or allegations regarding various matters, including employment, vendor and other similar situations in the conduct of our operations.

On July 3, 2013, a purported stockholder derivative complaint was filed in the Superior Court of California for the County of Alameda against certain of our current and former executive officers and directors. On August 9, 2013, a substantially similar purported stockholder derivative complaint was filed in the U.S. District Court for the Northern District of California. The derivative complaints allege breaches of fiduciary duties by the defendants and other violations of law. In general, the complaints allege that certain of our current and former executive officers and directors caused or allowed for the dissemination of materially false and misleading statements regarding our product, HEPLISAV-B. Plaintiffs are seeking unspecified monetary damages, including restitution from defendants, attorneys' fees and costs, and other relief.

On August 21, 2013, pursuant to a stipulation between the parties, the state court stayed the state derivative case pending a decision on the Company's motion to dismiss in the *In re Dynavax Technologies Securities Litigation*. On October 17, 2013, pursuant to a stipulation between the parties, the federal court stayed the federal derivative case pending a decision on the Company's motion to dismiss in the *In re Dynavax Technologies Securities Litigation*. On May 8, 2015, the parties filed a stipulation to keep the state derivative case stayed until a final resolution in the *In re Dynavax Technologies Securities Litigation*. On May 15, 2015, the parties also stipulated to keep the federal derivative case stayed until a final resolution in the *In re Dynavax Technologies Securities Litigation*. The parties have agreed to a settlement in principle that is comprised of certain "Governance Reforms" and the payment of up to $950,000 in attorneys' fees to plaintiffs' counsel. A hearing is scheduled on August 8, 2017 in which the parties will seek preliminary approval of the settlement by the Court.

On November 18, 2016, two substantially similar securities class action complaints were filed in the U.S. District Court for the Northern District of California against the Company and two of its executive officers, in *Soontjens v. Dynavax Technologies Corporation et. al.*, ("*Soontjens*") and *Shumake v. Dynavax Technologies Corporation et al.*, ("*Shumake*"). The *Soontjens* complaint alleges that between March 10, 2014 and November 11, 2016, the Company and certain of its executive officers violated Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder, in connection with statements related to HEPLISAV-B. The *Shumake* complaint alleges violations of the same statutes related to the same subject, but between January 7, 2016 and November 11, 2016. The plaintiffs in both actions are seeking an unspecified amount of damages and attorneys' fees and costs. On January 17, 2017, these two actions and all related actions that subsequently may be filed in, or transferred to, the District Court were consolidated into a single case entitled *In re Dynavax Technologies Securities Litigation*. On January 31, 2017, the court appointed lead plaintiff and lead counsel. Lead plaintiff filed a consolidated amended complaint on March 17, 2017. Defendants' filed a motion to dismiss the consolidated amended complaint on May 1, 2017. A hearing on the motion to dismiss is set for September 5, 2017.

On January 18, 2017, the Company was made aware of a derivative complaint that a purported stockholder of the Company intended to file in the Superior Court of California for the County of Alameda against certain of the Company's current executive officers and directors (the "*McDonald* Complaint"). The *McDonald* Complaint was apparently filed on February 16, 2017, although the Company was not provided a copy of it until March 15, 2017. Additionally, on January 19, 2017, another purported stockholder of the Company filed a separate derivative complaint in the Superior Court of California for the County of Alameda against the same officers and directors who were named in the *McDonald* Complaint (the "*Shumake* Complaint"). Both complaints generally allege that the defendants caused or allowed the Company to issue materially misleading statements and/or omit material information regarding HEPLISAV-B and the clinical trial related thereto and otherwise mismanaged the clinical trial related to HEPLISAV-B. The complaints seek unspecified monetary damages, including restitution from defendants, corporate governance changes, attorneys' fees and costs, and other relief. Defendants were never served with the *Shumake* Complaint. On June 23, 2017, the plaintiff voluntarily dismissed the *Shumake* Complaint without prejudice. Defendants filed a demurrer in the *McDonald* case seeking to dismiss the lawsuit on June 19, 2017. On July 26, 2017, pursuant to a stipulation between the parties, the state court stayed the *McDonald* case pending the final resolution of the 2016 securities class action, *In re Dynavax Technologies Securities Litigation*.

The Company believes that it has meritorious defenses and intends to defend these lawsuits vigorously. However, the lawsuits are subject to inherent uncertainties, the actual costs may be significant, and we may not prevail. We believe we are entitled to coverage under our relevant insurance policies with respect to these lawsuits, but coverage could be denied or prove to be insufficient.

ITEM 1A. RISK FACTORS

Various statements in this Quarterly Report on Form 10-Q are forward-looking statements concerning our future efforts to obtain regulatory approval, timing of development activities, commercialize approved products, expenses, revenues, liquidity and cash needs, as well as our plans and strategies. These forward-looking statements are based on current expectations and we assume no obligation to update this information. Numerous factors could cause our actual results to differ significantly from the results

described in these forward-looking statements, including the following risk factors. We have marked with an asterisk (*) those risks described below that reflect substantive changes from, or additions to, the risks described under Part 1, Item 1A "Risk Factors" included in our Annual Report on Form 10-K for the year ended December 31, 2016 that was filed with the Securities and Exchange Commission on March 13, 2017.

Risks Related to our Business

We are dependent on the success of our product candidates, especially HEPLISAV-B and SD-101, which depend on regulatory approval. The FDA or foreign regulatory agencies may determine our clinical trials or other data regarding safety, efficacy, consistency of manufacture or compliance with GMP regulations are insufficient for regulatory approval. Failure to obtain regulatory approvals or the delay and additional costs that would be required to obtain regulatory approvals could require us to discontinue operations.*

None of our product candidates has been approved for sale by any regulatory agency. Any product candidate we develop is subject to extensive regulation by federal, state and local governmental authorities in the U.S., including the FDA, and foreign regulatory agencies. Our success is primarily dependent on our ability to obtain regulatory approvals for our most advanced product candidates. Approval processes in the U.S. and in other countries are uncertain, can take many years and require the expenditure of substantial resources, and we are unable to predict the timing of when regulatory approval may be received, if ever, in any jurisdiction.

For our most advanced product, HEPLISAV-B, we received a second complete response letter ("CRL") in November 2016 ("2016 CRL") from the FDA based upon their review of our BLA filing requesting information regarding several topics, including clarification of specific adverse events of special interest (AESIs), a numerical imbalance in a small number of cardiac events in a single study, new analyses of the integrated safety data base across different time periods, and post-marketing commitments. We resubmitted the application in February 2017 and on July 28, 2017 the FDA's Vaccines and Related Biological Products Advisory Committee ("VRBPAC") voted 12 to 1 (with 3 abstentions) that the safety data for HEPLISAV-B support licensure for immunization against hepatitis B infection in adults 18 years of age and older. A prior VRBPAC panel voted 13 to 1 that the immunogenicity data for HEPLISAV-B support approval and thus the July 2017 VRBPAC was only asked to vote on safety. The FDA is not bound by VRBPAC's recommendations regarding safety and efficacy, but takes its advice into consideration when reviewing marketing applications.

The July 2017 VRBPAC provided commentary on the design of our proposed post-marketing safety study for HEPLISAV-B that will require further discussion and agreement with the FDA prior to approval. HEPLISAV-B has a Prescription Drug User Fee Act ("PDUFA") date of August 10, 2017. However, in discussions with the FDA following the VRBPAC meeting, we and the Agency agreed that due to the feedback by the VRBPAC regarding the post-marketing safety study and the proximity to the PDUFA date, more time is required to finalize key details of the study prior to approval. As such, the FDA has sent us a request for additional information regarding the post-marketing study. As discussed with the FDA, our response to the Information Request will trigger a major amendment to the HEPLISAV-B Biologics License Application ("BLA"). This will extend the PDUFA date, expected to be November 10, 2017, to provide for our discussions with the Agency for up to three months to agree on the design of the post-marketing study prior to approval. If approved on or about this date, we currently plan to launch HEPLISAV-B in the United States in early 2018. If not approved by then, we may need to delay the launch.

While the FDA has indicated it will complete its review within the additional three month period, there can be no assurance that the Agency will complete its review within that time frame and thus the review period could be further extended. In addition, unless we reach an agreement on the post-marketing study our BLA may not be approved or the study may result in a cost that restricts our ability to justify further investment in the product. Finally, despite the favorable VRBPAC vote, there can be no assurance that the FDA will not issue a CRL in reconsidering our submission or otherwise further delay the review period.

In the U.S., our BLA must be approved by the FDA and corresponding applications to foreign regulatory agencies must be approved by those agencies before we may sell the product in their respective geographic area. Obtaining approval of a BLA and corresponding foreign applications is highly uncertain and we may fail to obtain approval. The BLA review process is extensive, lengthy, expensive and uncertain, and the FDA or foreign regulatory agencies may delay, limit or deny approval of our application for many reasons, including: whether the data from our clinical trials, including the Phase 3 results, or the development program are satisfactory to the FDA or foreign regulatory agency; disagreement with the number, design, size, conduct or implementation of our clinical trials or proposed post-marketing study, or a conclusion that the data fails to meet statistical or clinical significance or safety requirements; acceptability of data generated at our clinical trial sites that are monitored by third party contract research organizations ("CROs"); ; or a decision by the FDA not to approve our BLA despite an advisory committee recommendation of approval; and deficiencies in our manufacturing processes or facilities or those of our third party contract manufacturers and suppliers, if any. For example, in our first CRL, received in 2013, HEPLISAV-B was not approvable for the proposed indication based on insufficient patient safety data for an indication in adults 18-70 years of age without further evaluation of safety. While we conducted a study intended to obtain additional safety data information and submitted the study results and additional information regarding our manufacturing controls and facilities to the FDA, after we resubmitted our BLA we received the 2016 CRL from the FDA seeking additional information on several additional

topics, including clarification regarding specific adverse events of special interest, a numerical imbalance in a small number of cardiac events in a single study (HBV-23), new analyses of the integrated safety database across different time periods, and post-marketing commitments. We have responded to the 2016 CRL, but there can be no assurance that we will address the outstanding FDA questions in a manner sufficient for approval in the U.S.

In February 2014, we announced our withdrawal of our Marketing Authorization Application ("MAA") for approval of HEPLISAV-B to the EMA, in part because the required time frame for response under the MAA procedure was not long enough to permit the collection of the necessary clinical data.

In addition, we obtain guidance from regulatory authorities on certain aspects of our clinical development activities and seek to comply with written guidelines provided by the authorities. These discussions and written guidelines are not binding obligations on the part of the regulatory authorities and the regulatory authorities may require additional patient data or studies to be conducted. Regulatory authorities may revise or retract previous guidance during the course of a clinical trial or after completion of the trial. The authorities may also disqualify a clinical trial from consideration in support of approval of a potential product if they deem the guidelines have not been met. The FDA or foreign regulatory agencies may determine our clinical trials or other data regarding safety, efficacy or consistency of manufacture or compliance with GMP regulations are insufficient for regulatory approval.

Failure to receive approval or significant additional delay in obtaining an FDA approval decision by the anticipated new November 10, 2017 PDUFA date for HEPLISAV-B would have a material adverse effect on our business and results of operations, including possible termination of HEPLISAV-B development and further restructuring of our organization. In January 2017, following our receipt of the 2016 CRL, we restructured our business to emphasize our immuno-oncology programs and implemented a reduction in our global workforce of approximately 40 percent. During the pendency of an FDA decision on approval, we expect to increase expenditures relating to HEPLISAV-B in anticipation of potential approval. Even if HEPLISAV-B is approved, the labeling approved by the relevant regulatory authority may negatively impact the potential commercial opportunity for this product, including restricting how and to whom we and our potential partners, if any, may market the product or the manner in which our HEPLISAV-B product may be administered and sold, which could limit the potential for entering into a partnership and commercial opportunity for such product.

Before granting product approval, the FDA must determine that our or our third party contractors' manufacturing facilities meet GMP requirements before we can use them in the commercial manufacture of our products. We and all of our contract manufacturers are required to comply with the applicable GMP regulations. Manufacturers of biological products must also comply with the FDA's general biological product standards. In addition, GMP regulations require quality control and quality assurance as well as the corresponding maintenance of records and documentation sufficient to ensure the quality of the approved product. Failure to comply with the statutory and regulatory requirements subjects the manufacturer to possible legal or regulatory action, such as delay of approval, suspension of manufacturing, seizure of product or voluntary recall of a product.

The FDA may require more clinical trials for our product candidates than we currently expect or are conducting before granting regulatory approval, if regulatory approval is granted at all. Our clinical trials may be extended which may lead to substantial delays in the regulatory approval process for our product candidates, which will impair our ability to generate revenues.

Our registration and commercial timelines depend on further discussions with the FDA and corresponding foreign regulatory agencies and requirements and requests they may make for additional data or completion of additional clinical trials. Any such requirements or requests could:

- adversely affect our ability to timely and successfully commercialize or market these product candidates;
- result in significant additional costs;
- potentially diminish any competitive advantages for those products;
- potentially limit the markets for those products;
- adversely affect our ability to enter into collaborations or receive milestone payments or royalties from potential collaborators;
- cause us to abandon the development of the affected product candidate; or
- limit our ability to obtain additional financing on acceptable terms, if at all.

Clinical trials for our product candidates are expensive and time consuming, may involve combinations with other agents, may take longer than we expect or may not be completed at all, and their outcomes are uncertain.*

Clinical trials, including post-marketing studies, to generate sufficient data to meet FDA requirements can be expensive and time consuming. With respect to HEPLISAV-B, the Agency has requested additional information regarding our proposed post-marketing study. Unless we reach an agreement on the post-marketing study, our BLA may not be approved or the study may result in a cost that restricts our ability to justify further investment in the product.

We are currently undertaking clinical trials of SD-101, including combination studies with other oncology agents, and expect to commence clinical trials for other product candidates in our immuno-oncology pipeline in the future. Our strategy with respect to development of SD-101 involves combination studies with other oncology agents. While we believe that this combination agent approach increases the potential for success, our clinical trials involving SD-101 are and will continue to be dependent on agreement with our combination agent study partners regarding the use of the other agents, concurrence on a protocol and supply of clinical materials. Most of our combination agent study partners, such as Merck, are significantly larger than we are and are conducting various other combination studies with other immuno-oncology agents and collaborators. We are not certain these clinical trials will be successful, or that even if successful we would be able to reach agreement to conduct larger, more extensive clinical trials required to achieve regulatory approval for a combination product candidate regimen. In addition, results from smaller, earlier stage clinical studies may not be representative of larger, controlled clinical trials that would be required in order to obtain regulatory approval of a product candidate or a combination of product candidates.

Each of our clinical trials requires the investment of substantial planning, expense and time and the timing of the commencement, continuation and completion of these clinical trials may be subject to significant delays relating to various causes, including scheduling conflicts with participating clinicians and clinical institutions, difficulties in identifying and enrolling participants who meet trial eligibility criteria, failure of participants to complete the clinical trial, delay or failure to obtain Institutional Review Board ("IRB") or regulatory approval to conduct a clinical trial at a prospective site, unexpected adverse events and shortages of available drug supply. Participant enrollment is a function of many factors, including the size of the relevant population, the proximity of participants to clinical sites, the eligibility criteria for the trial, the existence of competing clinical trials and the availability of alternative or new treatments.

Failure by us or our CROs to conduct a clinical study in accordance with GCP standards and other applicable regulatory requirements could result in disqualification of the clinical trial from consideration in support of approval of a potential product.

We are responsible for conducting our clinical trials consistent with GCP standards and for oversight of our vendors to ensure that they comply with such standards. We depend on medical institutions and CROs to conduct our clinical trials in compliance with GCP. To the extent that they fail to comply with GCP standards, fail to enroll participants for our clinical trials, or are delayed for a significant time in the execution of our trials, including achieving full enrollment, we may be affected by increased costs, program delays or both, which may harm our business.

Clinical trials must be conducted in accordance with FDA or other applicable foreign government guidelines and are subject to oversight by the FDA, other foreign governmental agencies and IRBs at the medical institutions where the clinical trials are conducted. In addition, clinical trials must be conducted with supplies of our product candidates produced under GMP and other requirements in foreign countries, and may require large numbers of participants.

The FDA or other foreign governmental agencies or we ourselves could delay, suspend or halt our clinical trials of a product candidate for numerous reasons, including with respect to our product candidates and those of our partners in combination agent studies:

- deficiencies in the trial design;
- deficiencies in the conduct of the clinical trial including failure to conduct the clinical trial in accordance with regulatory requirements or clinical protocols;
- deficiencies in the clinical trial operations or trial sites resulting in the imposition of a clinical hold;
- a product candidate may have unforeseen adverse side effects, including fatalities, or a determination may be made that a clinical trial presents unacceptable health risks;
- the time required to determine whether a product candidate is effective may be longer than expected;
- fatalities or other adverse events arising during a clinical trial that may not be related to clinical trial treatments;
- a product candidate or combination study may appear to be no more effective than current therapies;
- the quality or stability of a product candidate may fail to conform to acceptable standards;

- the inability to produce or obtain sufficient quantities of a product candidate to complete the trials;
- our inability to reach agreement on acceptable terms with prospective CROs and trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- our inability to obtain IRB approval to conduct a clinical trial at a prospective site;
- the inability to obtain regulatory approval to conduct a clinical trial;
- lack of adequate funding to continue a clinical trial, including the occurrence of unforeseen costs due to enrollment delays, requirements to conduct additional trials and studies and increased expenses associated with the services of our CROs and other third parties;
- the inability to recruit and enroll individuals to participate in clinical trials for reasons including competition from other clinical trial programs for the same or similar indications; or
- the inability to retain participants who have initiated a clinical trial but may withdraw due to side effects from the therapy, lack of efficacy or personal issues, or who are lost to further follow-up.

In addition, we may experience significant setbacks in advanced clinical trials, even after promising results in earlier trials, such as unexpected adverse events that occur when our product candidates are combined with other therapies and drugs or given to larger populations, which often occur in later-stage clinical trials, or less favorable clinical outcomes. In addition, clinical results are frequently susceptible to varying interpretations that may delay, limit or prevent regulatory approvals. Also, patient advocacy groups and parents of trial participants may demand additional clinical trials or continued access to drug even if our interpretation of clinical results received thus far leads us to determine that additional clinical trials or continued access are unwarranted. Any disagreement with patient advocacy groups or parents of trial participants may require management's time and attention and may result in legal proceedings being instituted against us, which could be expensive, time-consuming and distracting, and may result in delay of the program. Negative or inconclusive results or adverse medical events, including participant fatalities that may be attributable to our product candidates, during a clinical trial may necessitate that it be redesigned, repeated or terminated. Further, some of our clinical trials may be overseen by a Data Safety Monitoring Board ("DSMB"), and the DSMB may determine to delay or suspend one or more of these trials due to safety or futility findings based on events occurring during a clinical trial. Any such delay, suspension, termination or request to repeat or redesign a trial could increase our costs and prevent or significantly delay our ability to commercialize our product candidates.

SD-101, HEPLISAV-B and most of our earlier stage programs rely on oligonucleotide TLR agonists. Serious adverse event data relating to TLR agonists may require us to reduce the scope of or discontinue our operations.

Most of our programs, including our most advanced such as HEPLISAV-B and SD-101, incorporate TLR9 agonist CpG oligonucleotides. If any of our product candidates in clinical trials or similar products from competitors produce serious adverse event data, we may be required to delay, discontinue or modify many of our clinical trials or our clinical trial strategy. If a safety risk based on mechanism of action or the molecular structure were identified, it may hinder our ability to develop our product candidates or enter into potential collaboration or commercial arrangements. Rare diseases and a numerical imbalance in cardiac adverse events have been observed in patients in our clinical trials. If adverse event data are found to apply to our TLR agonist and/or inhibitor technology as a whole, we may be required to significantly reduce or discontinue our operations.

We have no commercialization experience, and the time and resources to reinstitute manufacturing and develop sales, marketing and distribution capabilities for HEPLISAV-B are significant. If we fail to achieve and sustain commercial success for HEPLISAV-B, either independently or with a partner, our business would be harmed.*

If our most advanced product candidate, HEPLISAV-B, is approved, we will need us to establish sales, marketing and distribution capabilities, or make arrangements with third parties to perform these services. These efforts will require resources and time and we may not be able to enter into these arrangements on acceptable terms. In particular, significant resources may be necessary to successfully market, sell and distribute HEPLISAV-B to patients with diabetes, a group recommended by the Centers for Disease Control ("CDC") and Advisory Committee on Immunization Practices ("ACIP") to receive hepatitis B vaccination. Moreover, our pricing and reimbursement strategies with respect to our initial approval plans for HEPLISAV-B may significantly impact our ability to achieve commercial success in this potential patient population.

If we, or our partners, if any, are not successful in setting our marketing, pricing and reimbursement strategy, recruiting sales and marketing personnel or in building a sales and marketing infrastructure, we will have difficulty commercializing HEPLISAV-B, which would adversely affect our business and financial condition. To the extent we rely on other pharmaceutical or biotechnology companies with established sales, marketing and distribution systems to market HEPLISAV-B, we will need to establish and maintain partnership arrangements, and we may not be able to enter into these arrangements on acceptable terms or at all. To the extent that we

enter into co-promotion or other arrangements, certain revenues we receive will depend upon the efforts of third parties, which may not be successful and are only partially in our control.

We rely on our facility in Düsseldorf, Germany and third parties to supply materials or perform processes necessary to manufacture our product candidates. We rely on a limited number of suppliers to produce the oligonucleotides we require for development and commercialization. Additionally, we have limited experience in manufacturing our product candidates in commercial quantities.*

We rely on our facility in Düsseldorf and third parties to perform the multiple processes involved in manufacturing our product candidates, including 1018 and SD-101, certain antigens, the combination of the oligonucleotide and the antigens, and the formulation, fill and finish. In connection with our restructuring in January 2017, we elected to retain, but furlough, the majority of the workforce in Düsseldorf supporting the manufacture of HEPLISAV-B and utilize the existing stockpiled inventory of HEPLISAV-B to meet expected initial demand if the product is approved. If HEPLISAV-B is approved, we will need to re-activate and qualify our facility in Düsseldorf. If expected initial demand exceeds our estimates, this may result in a shortage until we can begin manufacturing. Regulatory or other limitations on our ability to re-activate our manufacturing facility, or the termination or interruption of relationships with key suppliers may result in higher cost or delays in our product development or commercialization efforts.

We have also relied on a limited number of suppliers to produce oligonucleotides for clinical trials and a single supplier to produce our 1018 for HEPLISAV-B. To date, we have manufactured only small quantities of oligonucleotides ourselves for development purposes. If we were unable to maintain our existing suppliers for 1018 and SD-101, we would have to establish an alternate qualified manufacturing capability, which would result in significant additional operating costs and delays in developing and commercializing our product candidates, particularly HEPLISAV-B. We or other third parties may not be able to produce product at a cost, quantity and quality that are available from our current third-party suppliers or at all.

We utilize our facility in Düsseldorf to manufacture rHBsAg for HEPLISAV-B. The commercial manufacturing of biological products is a time-consuming and complex process, which must be performed in compliance with GMP regulations. There can be no assurance that the FDA will find our manufacturing controls and facilities to be acceptable to support the approval of HEPLISAV-B.

In addition, we may not be able to comply with ongoing and comparable foreign regulations, and our manufacturing process may be subject to delays, disruptions or quality control/quality assurance problems. Noncompliance with these regulations or other problems with our manufacturing process may limit, delay or disrupt the commercialization of HEPLISAV-B or our other product candidates and could result in significant expense.

If we receive regulatory approval for our product candidates, we will be subject to ongoing FDA and foreign regulatory obligations and continued regulatory review.

We and our third party manufacturers and suppliers are required to comply with applicable GMP regulations and other international regulatory requirements. The regulations require that our product candidates be manufactured and records maintained in a prescribed manner with respect to manufacturing, testing and quality control/quality assurance activities. Manufacturers and suppliers of key components and materials must be named in a BLA submitted to the FDA for any product candidate for which we are seeking FDA approval. Additionally, third party manufacturers and suppliers and any manufacturing facility must undergo a pre-approval inspection before we can obtain marketing authorization for any of our product candidates. Even after a manufacturer has been qualified by the FDA, the manufacturer must continue to expend time, money and effort in the area of production and quality control to ensure full compliance with GMP. Manufacturers are subject to regular, periodic inspections by the FDA following initial approval. Further, to the extent that we contract with third parties for the manufacture of our products, our ability to control third-party compliance with FDA requirements will be limited to contractual remedies and rights of inspection.

If, as a result of the FDA's inspections, it determines that the equipment, facilities, laboratories or processes do not comply with applicable FDA regulations and conditions of product approval, the FDA may not approve the product or may suspend the manufacturing operations. If the manufacturing operations of any of the suppliers for our product candidates are suspended, we may be unable to generate sufficient quantities of commercial or clinical supplies of product to meet market demand, which would harm our business. In addition, if delivery of material from our suppliers were interrupted for any reason, we might be unable to ship our approved product for commercial supply or to supply our products in development for clinical trials. Significant and costly delays can occur if the qualification of a new supplier is required.

Failure to comply with regulatory requirements could prevent or delay marketing approval or require the expenditure of money or other resources to correct. Failure to comply with applicable requirements may also result in warning letters, fines, injunctions, civil penalties, recall or seizure of products, total or partial suspension of production, refusal of the government to renew marketing applications and criminal prosecution, any of which could be harmful to our ability to generate revenues and our stock price.

Any regulatory approvals that we receive for our product candidates are likely to contain requirements for post-marketing follow-up studies, which may be costly. Product approvals, once granted, may be modified based on data from subsequent studies or commercial use. As a result, limitations on labeling indications or marketing claims, or withdrawal from the market may be required if problems occur after approval and commercialization.

We may develop, seek regulatory approval for and market our product candidates outside the U.S., requiring a significant commitment of resources. Failure to successfully manage our international operations could result in significant unanticipated costs and delays in regulatory approval or commercialization of our product candidates.

We may seek to introduce certain of our product candidates, including HEPLISAV-B, in various markets outside the U.S. Developing, seeking regulatory approval for and marketing our product candidates outside the U.S. could impose substantial burdens on our resources and divert management's attention from domestic operations. International operations are subject to risk, including:

- the difficulty of managing geographically distant operations, including recruiting and retaining qualified employees, locating adequate facilities and establishing useful business support relationships in the local community;
- compliance with varying international regulatory requirements, laws and treaties;
- securing international distribution, marketing and sales capabilities;
- adequate protection of our intellectual property rights;
- obtaining regulatory and pricing approvals at a level sufficient to justify commercialization;
- legal uncertainties and potential timing delays associated with tariffs, export licenses and other trade barriers;
- diverse tax consequences;
- the fluctuation of conversion rates between foreign currencies and the U.S. dollar; and
- regional and geopolitical risks.

We have withdrawn our MAA for HEPLISAV-B in Europe and we may not be able to provide sufficient data or respond to other comments to our previously filed MAA sufficient to obtain regulatory approvals in Europe in a reasonable time period or at all. Any failure or delay in obtaining regulatory approval in one jurisdiction may have a negative effect on the regulatory approval process in other jurisdictions. If we are unable to successfully manage our international operations, we may incur significant unanticipated costs and delays in regulatory approval or commercialization of our product candidates, which would impair our ability to generate revenues.

If any products we develop are not accepted by the market or if regulatory agencies limit our labeling indications, require labeling content that diminishes market uptake of our products or limits our marketing claims, we may be unable to generate significant revenues, if any.

Even if we obtain regulatory approval for our product candidates and are able to commercialize them, our products may not gain market acceptance among physicians, patients, healthcare payors and the medical community.

The degree of market acceptance of any of our approved products will depend upon a number of factors, including:

- the indication for which the product is approved and its approved labeling;
- the presence of other competing approved therapies;
- the potential advantages of the product over existing and future treatment methods;
- the relative convenience and ease of administration of the product;
- the strength of our sales, marketing and distribution support;
- the price and cost-effectiveness of the product; and
- sufficient third-party reimbursement.

The FDA or other regulatory agencies could limit the labeling indication for which our product candidates may be marketed or could otherwise limit marketing efforts for our products. If we are unable to achieve approval or successfully market any of our product candidates, or marketing efforts are restricted by regulatory limits, our ability to generate revenues could be significantly impaired.

We face uncertainty regarding coverage, pricing and reimbursement and the practices of third party payors, which may make it difficult or impossible to sell our product candidates on commercially reasonable terms.

In both domestic and foreign markets, our ability to achieve profitability will depend in part on the negotiation of a favorable price or the availability of appropriate reimbursement from third party payors, in particular for HEPLISAV-B where existing products are already marketed. While in the U.S., pricing for hepatitis B vaccines is currently stable and reimbursement is favorable as private and public payors recognize the value of prophylaxis in this setting given the high costs of potential morbidity and mortality, there can be no assurance that HEPLISAV-B would launch with stable pricing and favorable reimbursement.

Existing laws affecting the pricing and coverage of pharmaceuticals and other medical products by government programs and other third party payors may change before any of our product candidates are approved for marketing. In addition, third party payors are increasingly challenging the price and cost-effectiveness of medical products and services, and pricing and reimbursement decisions may not allow our products to compete effectively with existing or competitive products. Because we intend to offer products, if approved, that involve new technologies and new approaches to treating disease, the willingness of third party payors to reimburse for our products is uncertain. We will have to charge a price for our products that is sufficient to enable us to recover our considerable investment in product development and our operating costs. Adequate third-party reimbursement may not be available to enable us to maintain price levels sufficient to achieve profitability and could harm our future prospects and reduce our stock price.

We are unable to predict what impact the Health Care and Education Reconciliation Act of 2010 or other reform legislation will have on our business or future prospects. The uncertainty as to the nature and scope of the implementation of any proposed reforms limits our ability to forecast changes that may affect our business. In Europe, the success of our products, in particular HEPLISAV-B, will depend largely on obtaining and maintaining government reimbursement because many providers in European countries are unlikely to use medical products that are not reimbursed by their governments. Many countries in Europe have adopted legislation and increased efforts to control prices of healthcare products. We are unable to predict the impact these actions will have on our business or future prospects.

We rely on CROs to conduct our clinical trials. If these third parties do not fulfill their contractual obligations or meet expected deadlines, our planned clinical trials may be delayed and we may fail to obtain the regulatory approvals necessary to commercialize our product candidates.

We rely on third parties to conduct our clinical trials. If these third parties do not perform their obligations or meet expected deadlines our planned clinical trials may be extended, delayed, modified or terminated. While we conduct regular reviews of the data, we are dependent on the processes and quality control efforts of our third party contractors to ensure that detailed, quality records are maintained to support the results of the clinical trials that they are conducting on our behalf. Any extension, delay, modification or termination of our clinical trials or failure to ensure adequate documentation and the quality of the results in the clinical trials could delay or otherwise adversely affect our ability to commercialize our product candidates and could have a material adverse effect on our business and operations.

A key part of our business strategy is to establish collaborative relationships to commercialize and fund development of our product candidates. We may not succeed in establishing and maintaining collaborative relationships, which may significantly limit our ability to develop and commercialize our products successfully, if at all.*

We may need to establish collaborative relationships to obtain domestic and international sales, marketing and distribution capabilities for our product candidates, in particular with respect to the commercialization of HEPLISAV-B, if approved. Failure to obtain a collaborative relationship for HEPLISAV-B, particularly in markets requiring extensive sales efforts, may significantly impair the potential for this product and we may be required to raise additional capital. The process of establishing and maintaining collaborative relationships is difficult, time-consuming and involves significant uncertainty, including:

- our partners may seek to renegotiate or terminate their relationships with us due to unsatisfactory clinical results, manufacturing issues, a change in business strategy, a change of control or other reasons;
- our shortage of capital resources may impact the willingness of companies to collaborate with us;
- our contracts for collaborative arrangements are terminable at will on written notice and may otherwise expire or terminate and we may not have alternative funding available;
- our partners may choose to pursue alternative technologies, including those of our competitors;
- we may have disputes with a partner that could lead to litigation or arbitration;
- we have limited control over the decisions of our partners and they may change the priority of our programs in a manner that would result in termination of the agreement or add significant delay in the partnered program;

- our ability to generate future payments and royalties from our partners depends upon the abilities of our partners to establish the safety and efficacy of our drug candidates, obtain regulatory approvals and successfully manufacture and achieve market acceptance of products developed from our drug candidates;
- we or our partners may fail to properly initiate, maintain or defend our intellectual property rights, where applicable, or a party may use our proprietary information in such a way as to invite litigation that could jeopardize or potentially invalidate our proprietary information or expose us to potential liability;
- our partners may not devote sufficient capital or resources towards our product candidates; and
- our partners may not comply with applicable government regulatory requirements.

If any collaborator fails to fulfill its responsibilities in a timely manner, or at all, our research, clinical development, manufacturing or commercialization efforts pursuant to that collaboration could be delayed or terminated, or it may be necessary for us to assume responsibility for expenses or activities that would otherwise have been the responsibility of our collaborator. If we are unable to establish and maintain collaborative relationships on acceptable terms or to successfully transition terminated collaborative agreements, we may have to delay or discontinue further development of one or more of our product candidates, undertake development and commercialization activities at our own expense or find alternative sources of capital.

Many of our competitors have greater financial resources and expertise than we do. If we are unable to successfully compete with existing or potential competitors as a result of these disadvantages we may be unable to generate revenues and our business will be harmed.

We compete with pharmaceutical companies, biotechnology companies, academic institutions and research organizations, in developing therapies to prevent or treat cancer and infectious and inflammatory diseases. For example, if it is approved in the future, HEPLISAV-B will compete in the U.S. with established hepatitis B vaccines marketed by Merck and GSK and outside the U.S. with vaccines from those companies and several additional established pharmaceutical companies. The field of oncology therapeutics is extremely competitive, with numerous biotechnology and pharmaceutical companies developing therapies for all of the targets we are pursuing. Competitors may develop more effective, more affordable or more convenient products or may achieve earlier patent protection or commercialization of their products. These competitive products may render our product candidates obsolete or limit our ability to generate revenues from our product candidates.

Existing and potential competitors may also compete with us for qualified scientific and management personnel, as well as for technology that would be advantageous to our business. Although certain of our employees have commercialization experience, as a company we currently have limited sales, marketing and distribution capabilities. Our success in developing marketable products and achieving a competitive position will depend, in part, on our ability to attract and retain qualified personnel. If we do not succeed in attracting new personnel and retaining and motivating existing personnel, our operations may suffer and we may be unable to obtain financing, enter into collaborative arrangements, sell our product candidates or generate revenues.

As we evolve from a company primarily involved in research and development to a company potentially involved in commercialization, we may encounter difficulties in managing our growth and expanding our operations successfully.*

If we are successful in advancing HEPLISAV-B through approval and commercialization, we will need to expand our organization, including adding marketing and sales capabilities or contracting with third parties to provide these capabilities for us. As our operations expand, we expect that we will also need to manage additional relationships with various collaborative partners, suppliers and other third parties. Future growth will impose significant added responsibilities on our organization, in particular on management. Our future financial performance and our ability to commercialize HEPLISAV-B and to compete effectively will depend, in part, on our ability to manage any future growth effectively. To that end, we may not be able to manage our growth efforts effectively, and hire, train and integrate additional management, administrative and sales and marketing personnel, and our failure to accomplish any of these activities could prevent us from successfully growing our company.

If we fail to comply with the extensive requirements applicable to biopharmaceutical manufacturers and marketers under the healthcare fraud and abuse, anticorruption, privacy, transparency and other laws of the jurisdictions in which we conduct our business, we may be subject to significant liability.

Our activities, and the activities of our agents, including some contracted third parties, are subject to extensive government regulation and oversight both in the U.S. and in foreign jurisdictions. If we obtain approval for and commercialize a vaccine or other product, our interactions with physicians and others in a position to prescribe or purchase our products will be subject to a legal regime designed to prevent healthcare fraud and abuse. We also are subject to laws pertaining to transparency of transfers of value to healthcare providers; privacy and data protection; compliance with industry voluntary compliance guidelines; and prohibiting the payment of bribes. Relevant U.S. laws include:

- the Anti-Kickback Statute, which prohibits persons from, among other things, knowingly and willfully soliciting, receiving, offering or paying remuneration, directly or indirectly, in exchange for or to induce either the referral of an individual for, or the purchase, order or recommendation of, any good or service for which payment may be made under federal health care programs, such as the Medicare and Medicaid programs;
- federal false claims laws which prohibit individuals or entities from, among other things, knowingly presenting, or causing to be presented, claims for payment to the government or its agents that are false or fraudulent;
- laws that require transparency regarding financial arrangements with health care professionals, such as the reporting and disclosure requirements imposed by the Patient Protection and Affordable Care Act ("PPACA") and state laws;
- the federal Health Insurance Portability and Accountability Act of 1997 ("HIPAA"), which created new federal criminal statutes that prohibit executing a scheme to defraud any healthcare benefit program and making false statements relating to healthcare matters;
- HIPAA, as amended by the Health Information Technology and Criminal Health Act, and its implementing regulations, which imposes certain requirements relating to the privacy, security, and transmission of individually identifiable health information;
- the Foreign Corrupt Practices Act, which prohibits the payment of bribes to foreign government officials and requires that a company's books and records accurately reflect the company's transactions; and
- foreign and state law equivalents of each of the federal laws described above, such as anti-kickback and false claims laws which may apply to items or services reimbursed by state health insurance programs or any third party payor, including commercial insurers; and state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the applicable compliance guidance promulgated by the federal government.

The Office of Inspector General for the Department of Health and Human Services, the Department of Justice, states' Attorneys General and other governmental authorities actively enforce the laws and regulations discussed above. These entities also coordinate extensively with the FDA, using legal theories that connect violations of the Federal Food, Drug and Cosmetic Act (such as off-label promotion) to the eventual submission of false claims to government healthcare programs. Prosecution of such promotion cases under the healthcare fraud and abuse laws provides the potential for private parties (qui tam relators, or "whistleblowers") to initiate cases on behalf of the government and provides for significantly higher penalties upon conviction.

In the U.S., pharmaceutical and biotechnology companies have been the target of numerous government prosecutions and investigations alleging violations of law, including claims asserting impermissible off-label promotion of pharmaceutical products, payments intended to influence the referral of federal or state health care business, submission of false claims for government reimbursement, or submission of incorrect pricing information.

Violations of any of the laws described above or any other applicable governmental regulations and other similar foreign laws may subject us, our employees or our agents to criminal and/or civil sanctions, including fines, civil monetary penalties, exclusion from participation in government health care programs (including Medicare and Medicaid), and the restriction or restructuring of our operations, any of which could adversely affect our ability to operate our business and our financial results. Additionally, whether or not we have complied with the law, an investigation into alleged unlawful conduct may cause us to incur significant expense, cause reputational damage, divert management time and attention, and otherwise adversely affect our business. While we have developed and instituted a corporate compliance program, we cannot guarantee that we, our employees, our consultants, contractors, or other agents are or will be in compliance with all applicable U.S. or foreign laws.

We expect there will continue to be federal and state laws and/or regulations, proposed and implemented, that could impact our operations and business. The extent to which future legislation or regulations, if any, relating to health care fraud and abuse laws and/or enforcement, may be enacted or what effect such legislation or regulation would have on our business remains uncertain.

The loss of key personnel, including our Chief Executive Officer, could delay or prevent achieving our objectives.

We depend on our senior executive officers, as well as key scientific and other personnel. Our research, product development and business efforts could be adversely affected by the loss of one or more key members of our scientific or management staff, including our Chief Executive Officer. We currently have no key person insurance on any of our employees.

We face product liability exposure, which, if not covered by insurance, could result in significant financial liability.

While we have not experienced any product liability claims to date, the use of any of our product candidates in clinical trials and the sale of any approved products will subject us to potential product liability claims and may raise questions about a product's safety and efficacy. As a result, we could experience a delay in our ability to commercialize one or more of our product candidates or reduced sales of any approved product candidates. In addition, a product liability claim may exceed the limits of our insurance policies and exhaust our internal resources. We have obtained limited clinical trial liability and umbrella insurance coverage for our clinical trials. This coverage may not be adequate or may not continue to be available in sufficient amounts, at an acceptable cost or at all. We also may not be able to obtain commercially reasonable product liability insurance for any product approved for marketing in the future. A product liability claim, product recalls or other claims, as well as any claims for uninsured liabilities or in excess of insured liabilities, would divert our management's attention from our business and could result in significant financial liability.

We are involved in legal actions that are expensive and time consuming, and, if resolved adversely, could harm our business, financial condition, or results of operations.

Securities class action lawsuits against us are pending and purported stockholder derivative complaints have been brought against us. Any negative outcome from such lawsuits could result in payments of monetary damages or fines, or adversely affect our products, and accordingly our business, financial condition, or results of operations could be materially and adversely affected.

There can be no assurance that a favorable final outcome will be obtained in these cases, and defending any lawsuit is costly and can impose a significant burden on management and employees. Any litigation to which we are a party may result in an onerous or unfavorable judgment that may not be reversed upon appeal or in payments of monetary damages or fines not covered by insurance, or we may decide to settle lawsuits on unfavorable terms, which could adversely affect our business, financial conditions, or results of operations.

We use hazardous materials and controlled substances in our business. Any claims or liabilities relating to improper handling, storage or disposal of these materials and substances could be time consuming and costly to resolve.

Our research and product development activities involve the controlled storage, use and disposal of hazardous and radioactive materials and biological waste, and controlled substances. We are subject to federal, state and local laws and regulations governing the use, manufacture, storage, handling and disposal of these materials, substances, and certain waste products. We believe we are currently in compliance with all government permits that are required for the storage, use and disposal of these materials and controlled substances. However, we cannot eliminate the risk of accidental contamination or injury to persons or property from these materials, or that controlled substances will be accidentally stored or used in violation of relevant federal, state and local requirements. In the event of an accident related to hazardous materials or a violation of requirements pertaining to controlled substances, we could be held liable for damages, cleanup costs or penalized with fines, and this liability could exceed the limits of our insurance policies and exhaust our internal resources. We may have to incur significant costs to comply with future environmental laws and regulations, and laws and regulations pertaining to the storage and use of controlled substances.

Significant disruptions of information technology systems or breaches of data security could adversely affect our business.

Our business is increasingly dependent on critical, complex and interdependent information technology systems, including Internet-based systems, to support business processes as well as internal and external communications. The size and complexity of our computer systems make them potentially vulnerable to breakdown, malicious intrusion and computer viruses that may result in the impairment of key business processes.

In addition, our systems are potentially vulnerable to data security breaches—whether by employees or others—that may expose sensitive data to unauthorized persons. Such data security breaches could lead to the loss of trade secrets or other intellectual property, or could lead to the public exposure of personally identifiable information (including sensitive personal information) of our employees, collaborators, clinical trial patients, and others. A data security breach or privacy violation that leads to disclosure or modification of or prevents access to patient information, including personally identifiable information or protected health information, could harm our reputation, compel us to comply with federal and/or state breach notification laws, subject us to mandatory corrective action, require us to verify the correctness of database contents and otherwise subject us to liability under laws and regulations that protect personal data, resulting in increased costs or loss of revenue. If we are unable to prevent such data security breaches or privacy violations or implement satisfactory remedial measures, our operations could be disrupted, and we may suffer loss of reputation, financial loss and other regulatory penalties because of lost or misappropriated information, including sensitive patient data. In addition, these breaches and other inappropriate access can be difficult to detect, and any delay in identifying them may lead to increased harm of the type described above. Moreover, the prevalent use of mobile devices that access confidential information increases the risk of data security breaches, which could lead to the loss of confidential information, trade secrets or other intellectual property. While we have implemented security measures to protect our data security and information technology systems, such measures may not prevent such events.

Such disruptions and breaches of security could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to our Finances and Capital Requirements

We have incurred substantial losses since inception and do not have any commercial products that generate revenue.

We have experienced significant net losses in each year since our inception. Our accumulated deficit was $857.8 million as of June 30, 2017. To date, our revenue has resulted from collaboration agreements, government and private agency grants and services and license fees from our customers, including the customers of our wholly-owned subsidiary Dynavax GmbH. We anticipate that we will incur substantial additional net losses in future years as a result of our continuing investment in research and development activities and to commercialize HEPLISAV-B if it is approved by the FDA.

We do not have any products that generate revenue. There can be no assurance whether HEPLISAV-B or any of our other product candidates can be successfully developed, financed or commercialized in a timely manner based on our current plans. We will not be able to achieve approval or generate meaningful sales without significant additional resources. Our ability to generate revenue depends upon obtaining regulatory approvals for our product candidates, generating product sales and entering into and maintaining successful collaborative relationships.

If we are unable to generate significant revenues or achieve profitability, we may be required to reduce or discontinue our current and planned operations, enter into a transaction that constitutes a change in control of the company or raise additional capital on less than favorable terms.

If we are unable to generate significant revenues or achieve profitability, we will require substantial additional capital to continue development of our product candidates and if our most advanced candidate, HEPLISAV-B, is approved, to commence manufacturing, sales and marketing activities.

To continue development of our product candidates and, if it is approved, to launch HEPLISAV-B, we will need significant additional funds. Addressing this need may occur through strategic alliance and licensing arrangements and/or future public or private financings. We expect to continue to spend substantial funds in connection with:

- development, manufacturing and, if approved, commercialization of our product candidates, particularly HEPLISAV-B;
- various human clinical trials for our product candidates; and
- protection of our intellectual property.

The cash requirements of our current operations will be significantly impacted by the FDA decision regarding potential approval for HEPLISAV-B. Although we believe we have current funds for the next twelve months based on our current operational plans, cash, cash equivalents and marketable securities on hand, we expect that if HEPLISAV-B is approved by the FDA, we will require additional capital following approval, in particular if we fail to enter into a third party collaboration following approval.

Sufficient additional financing through future public or private financings, strategic alliance and licensing arrangements or other financing sources may not be available on acceptable terms or at all. Our ability to raise additional capital in the equity and debt markets is dependent on a number of factors, including, but not limited to, the market demand for our common stock, which itself is subject to a number of development and business risks and uncertainties, as well as the uncertainty that we would be able to raise such additional capital at a price or on terms that are favorable to us. Equity or other financings, if completed, could result in significant dilution or otherwise adversely affect the rights of existing stockholders. If adequate funds are not available in the future, we may need to delay, reduce the scope of, or put on hold the HEPLISAV-B program or other development programs while we seek strategic alternatives.

Risks Related to our Intellectual Property

We rely on licenses to intellectual property from third parties. Impairment of these licenses or our inability to maintain them would severely harm our business.

Our current research and development efforts depend in part upon our license arrangements for intellectual property owned by third parties. Our dependence on these licenses subjects us to numerous risks, such as disputes regarding the use of the licensed intellectual property and the creation and ownership of new discoveries under such license agreements. In addition, these license arrangements require us to make timely payments to maintain our licenses and typically contain diligence or milestone-based termination provisions. Our failure to meet any obligations pursuant to these agreements could allow our licensors to terminate our agreements or undertake other remedies such as converting exclusive to non-exclusive licenses if we are unable to cure or obtain waivers for such failures or amend such agreements on terms acceptable to us. In addition, our license agreements may be terminated or may expire by their terms, and we may not be able to maintain the exclusivity of these licenses. If we cannot obtain and maintain licenses that are advantageous or necessary to the development or the commercialization of our product candidates, we may be required to expend significant time and resources to develop or license similar technology or to find other alternatives to maintaining the competitive position of our products. If such alternatives are not available to us in a timely manner or on acceptable terms, we may be unable to continue development or commercialize our product candidates. In the absence of a current license, we may be required to redesign our technology so it does not infringe a third party's patents, which may not be possible or could require substantial funds and time.

If third parties successfully assert that we have infringed their patents and proprietary rights or challenge our patents and proprietary rights, we may become involved in intellectual property disputes and litigation that would be costly, time consuming and delay or prevent development or commercialization of our product candidates.

We may be exposed to future litigation by third parties based on claims that our product candidates or proprietary technologies infringe their intellectual property rights, or we may be required to enter into litigation to enforce patents issued or licensed to us or to determine the ownership, scope or validity of our or another party's proprietary rights, including a challenge as to the validity of our issued and pending claims. From time to time we are involved in various interference and other administrative proceedings related to our intellectual property which has caused us to incur certain legal expenses. If we become involved in any litigation and/or other significant interference proceedings related to our intellectual property or the intellectual property of others, we will incur substantial additional expenses and it will divert the efforts of our technical and management personnel.

Two of our potential competitors, Merck and GSK, are exclusive licensees of broad patents covering methods of production of rHBsAg, a component of HEPLISAV-B. In addition, the Institut Pasteur also owns or has exclusive licenses to patents relating to aspects of production of rHBsAg in the U.S. While some of these patents have expired or will soon expire outside the U.S., they remain in force in the U.S. To the extent we are able to commercialize HEPLISAV-B in the U.S. while these patents remain in force, Merck, GSK or their respective licensors or the Institut Pasteur may bring claims against us.

If we or our collaborators are unsuccessful in defending or prosecuting our issued and pending claims or in defending potential claims against our products, for example, as may arise in connection with the commercialization of HEPLISAV-B or any similar product candidate, we or our collaborator could be required to pay substantial damages or be unable to commercialize our product candidates or use our proprietary technologies without a license from such third party. A license may require the payment of substantial fees or royalties, require a grant of a cross-license to our technology or may not be available on acceptable terms, if at all. Any of these outcomes could require us to change our business strategy and could materially impact our business and operations.

One of our potential competitors, Pfizer, has issued patent claims, as well as patent claims pending with the PTO and foreign patent offices, that may be asserted against our TLR agonist products and our TLR inhibitor products. We may need to obtain a license to one or more of these patent claims held by Pfizer by paying fees or royalties or offering rights to our own proprietary technologies to commercialize one or more of our formulations other than with respect to HEPLISAV-B, for which we have a license. A license for other uses may not be available to us on acceptable terms, if at all, which could preclude or limit our ability to commercialize our products.

If the combination of patents, trade secrets and contractual provisions that we rely on to protect our intellectual property is inadequate, the value of our product candidates will decrease.

Our success depends on our ability to:

- obtain and protect commercially valuable patents or the rights to patents both domestically and abroad;
- operate without infringing upon the proprietary rights of others; and
- prevent others from successfully challenging or infringing our proprietary rights.

We will be able to protect our proprietary rights from unauthorized use only to the extent that these rights are covered by valid and enforceable patents or are effectively maintained as trade secrets. We try to protect our proprietary rights by filing and prosecuting

U.S. and foreign patent applications. However, in certain cases such protection may be limited, depending in part on existing patents held by third parties, which may only allow us to obtain relatively narrow patent protection. In the U.S., legal standards relating to the validity and scope of patent claims in the biopharmaceutical field can be highly uncertain, are still evolving and involve complex legal and factual questions for which important legal principles remain unresolved.

The biopharmaceutical patent environment outside the U.S. is even more uncertain. We may be particularly affected by this uncertainty since several of our product candidates may initially address market opportunities outside the U.S., where we may only be able to obtain limited patent protection.

The risks and uncertainties that we face with respect to our patents and other proprietary rights include the following:

- we may not receive an issued patent for any of our patent applications or for any patent applications that we have exclusively licensed;
- the pending patent applications we have filed or to which we have exclusive rights may take longer than we expect to result in issued patents;
- the claims of any patents that are issued may not provide meaningful protection or may not be valid or enforceable;
- we might not be able to develop additional proprietary technologies that are patentable;
- the patents licensed or issued to us or our collaborators may not provide a competitive advantage;
- patents issued to other parties may limit our intellectual property protection or harm our ability to do business;
- other parties may independently develop similar or alternative technologies or duplicate our technologies and commercialize discoveries that we attempt to patent; and
- other parties may design around technologies we have licensed, patented or developed.

We also rely on trade secret protection and confidentiality agreements to protect our interests in proprietary know-how that is not patentable and for processes for which patents are difficult to enforce. We cannot be certain that we will be able to protect our trade secrets adequately. Any disclosure of confidential data in the public domain or to third parties could allow our competitors to learn our trade secrets. If we are unable to adequately obtain or enforce proprietary rights, we may be unable to commercialize our products, enter into collaborations, generate revenues or maintain any advantage we may have with respect to existing or potential competitors.

Risks Related to an Investment in our Common Stock

Our stock price is subject to volatility, and your investment may suffer a decline in value.

The market prices for securities of biopharmaceutical companies have in the past been, and are likely to continue in the future, to be, very volatile. The market price of our common stock is subject to substantial volatility depending upon many factors, many of which are beyond our control, including:

- progress or results of any of our clinical trials or regulatory or manufacturing efforts, in particular any announcements regarding the progress or results of our planned trials and BLA filing and communications, from the FDA or other regulatory agencies, including a decision by the FDA regarding our response to its 2016 CRL for HEPLISAV-B and the outcome of an advisory committee meeting for HEPLISAV-B;
- our ability to receive timely regulatory approval for our product candidates;
- our ability to establish and maintain collaborations for the development and commercialization of our product candidates;
- our ability to raise additional capital to fund our operations;
- the success or failure of clinical trials involving our immuno-oncology product candidates and the product candidates of third party collaborators in combination studies;
- technological innovations, new commercial products or drug discovery efforts and preclinical and clinical activities by us or our competitors;
- changes in our intellectual property portfolio or developments or disputes concerning the proprietary rights of our products or product candidates;
- our ability to obtain component materials and successfully enter into manufacturing relationships for our product candidates or establish manufacturing capacity on our own;

- our ability to establish and maintain licensing agreements for intellectual property necessary for the development of our product candidates;
- changes in government regulations, general economic conditions or industry announcements;
- issuance of new or changed securities analysts' reports or recommendations;
- actual or anticipated fluctuations in our quarterly financial and operating results; and
- the volume of trading in our common stock.

One or more of these factors could cause a substantial decline in the price of our common stock. In addition, securities class action and shareholder derivative litigation has often been brought against a company following a decline in the market price of its securities. We are currently the target of such litigation, resulting from the decline in our common stock following the disclosure in 2013 that the FDA would not approve HEPLISAV-B for sale without a significant additional clinical study, and following the disclosure in November 2016 of the FDA's 2016 CRL related to HEPLISAV-B. We may in the future be the target of additional such litigation. Securities and shareholder derivative litigation could result in substantial costs, and divert management's attention and resources, which could harm our business, operating results and financial condition.

The anti-takeover provisions of our certificate of incorporation, our bylaws, Delaware law and our share purchase rights plan may prevent or frustrate a change in control, even if an acquisition would be beneficial to our stockholders, which could affect our stock price adversely and prevent attempts by our stockholders to replace or remove our current management.

Provisions of our certificate of incorporation and bylaws may delay or prevent a change in control, discourage bids at a premium over the market price of our common stock and adversely affect the market price of our common stock and the voting or other rights of the holders of our common stock. These provisions include:

- authorizing our Board of Directors to issue additional preferred stock with voting rights to be determined by the Board of Directors;
- limiting the persons who can call special meetings of stockholders;
- prohibiting stockholder actions by written consent;
- creating a classified board of directors pursuant to which our directors are elected for staggered three year terms;
- providing that a supermajority vote of our stockholders is required for amendment to certain provisions of our certificate of incorporation and bylaws; and
- establishing advance notice requirements for nominations for election to our Board of Directors or for proposing matters that can be acted on by stockholders at stockholder meetings.

Our share purchase rights plan may have certain anti-takeover effects. Specifically, the rights issued pursuant to the plan will cause substantial dilution to a person or group that attempts to acquire the Company on terms not approved by our Board of Directors. Although the rights should not interfere with any merger or other business combination approved by the Board of Directors since the rights issued may be amended to permit such acquisition or redeemed by the Company at $0.001 per right prior to the earliest of (i) the time that a person or group has acquired beneficial ownership of 20% or more of our common stock or (ii) the final expiration date of the rights, the effect of the rights plan may deter a potential acquisition of the Company. In addition, we remain subject to the provisions of the Delaware corporation law that, in general, prohibit any business combination with a beneficial owner of 15% or more of our common stock for three years unless the holder's acquisition of our stock was approved in advance by our Board of Directors.

We will continue to incur increased costs and demands upon management as a result of complying with the laws and regulations affecting public companies, which could affect our operating results.

As a public company, we will continue to incur legal, accounting and other expenses associated with reporting requirements and corporate governance requirements, including requirements under the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as well as new rules implemented by the Securities and Exchange Commission and the NASDAQ Stock Market LLC. We may need to continue to implement additional financial and accounting systems, procedures and controls to accommodate changes in our business and organization and to comply with new reporting requirements. There can be no assurance that we will be able to maintain a favorable assessment as to the adequacy of our internal control over financial reporting. If we are unable to reach an unqualified assessment, or our independent registered public accounting firm is unable to issue an unqualified attestation as to the effectiveness of our internal control over financial reporting as of the end of our fiscal year, investors could lose confidence in the reliability of our financial reporting which could harm our business and could impact the price of our common stock.

Future sales of our common stock or the perception that such sales may occur in the public market could cause our stock price to fall.

Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales might occur, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. As of June 30, 2017 we had 54,747,656 shares of common stock outstanding, all of which shares were eligible for sale in the public market, subject in some cases to the volume limitations and manner of sale requirements under Rule 144 of the Securities Act of 1933, as amended.

Under our universal shelf registration statement filed by us in November 2015, as amended in March 2017, we may sell any combination of common stock, preferred stock, debt securities and warrants in one or more offerings in the aggregate amount of up to $200,000,000. At June 30, 2017, there was approximately $110,000,000 remaining following the sale of approximately $90,000,000 of our common stock pursuant to our 2015 ATM Agreement. The sale or issuance of our securities, as well as the existence of outstanding options and shares of common stock reserved for issuance under our option and equity incentive plans also may adversely affect the terms upon which we are able to obtain additional capital through the sale of equity securities.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Document	Incorporated by Reference				Filed Herewith
		Exhibit Number	Filing	Filing Date	File No.	
3.1	Sixth Amended and Restated Certificate of Incorporation	3.1	S-1/A	February 5, 2004	333-109965	
3.2	Certificate of Amendment of Amended and Restated Certificate of Incorporation	3.1	8-K	January 4, 2010	001-34207	
3.3	Certificate of Amendment of Amended and Restated Certificate of Incorporation	3.1	8-K	January 5, 2011	001-34207	
3.4	Certificate of Amendment of Amended and Restated Certificate of Incorporation	3.6	8-K	May 30, 2013	001-34207	
3.5	Certificate of Amendment of the Sixth Amended and Restated Certificate of Incorporation	3.1	8-K	November 10, 2014	001-34207	
3.6	Certificate of Amendment of the Sixth Amended and Restated Certificate of Incorporation	3.1	8-K	June 2, 2017	001-34207	
3.7	Certificate of Amendment of the Sixth Amended and Restated Certificate of Incorporation	3.1	8-K	July 31, 2017	001-34207	
10.1+	Amended and Restated 2011 Equity Incentive Plan	Appendix A	DEF 14A	April 21, 2017	001-34207	
10.2	Fifth Amendment to Lease, dated as of May 24, 2017, between the Company and 2929 Seventh Street, LLC					X
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1*	Certification of Chief Executive Officer to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.2*	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X

EX—101.INS XBRL Instance Document
EX—101.SCH XBRL Taxonomy Extension Schema Document

EX—101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
EX—101.DEF	XBRL Taxonomy Extension Definition Linkbase
EX—101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
EX—101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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+ Indicates management contract, compensatory plan or arrangement

* The certifications attached as Exhibits 32.1 and 32.2 that accompany this Quarterly Report on Form 10-Q, are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of this Form 10-Q), irrespective of any general incorporation language contained in such filing.

SIGNATURES

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

DYNAVAX TECHNOLOGIES CORPORATION

Date: August 7, 2017

By: /s/ EDDIE GRAY
Eddie Gray
Chief Executive Officer
(Principal Executive Officer)

Date: August 7, 2017

By: /s/ MICHAEL OSTRACH
Michael Ostrach
Chief Financial Officer
(Principal Financial Officer)

Date: August 7, 2017

By: /s/ DAVID JOHNSON
David Johnson
Vice President, Chief Accounting Officer
(Principal Accounting Officer)

EXHIBIT INDEX

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Exhibit 10.2

FIFTH AMENDMENT TO LEASE

THIS FIFTH AMENDMENT TO LEASE (this "**Fifth Amendment**") is entered into as of May 15, 2017 (the "**Effective Date**"), by and between 2929 SEVENTH ST., LLC, a California limited liability company ("**Landlord**"), and DYNAVAX TECHNOLOGIES CORPORATION, a Delaware corporation ("**Tenant**"), with reference to the following facts:

A. Landlord and Tenant entered into that certain Lease dated January 7, 2004 (the "**Original Lease**"), as amended by that certain First Amendment to Lease dated May 21, 2004, that certain Second Amendment to Lease dated October 4, 2010, that certain Third Amendment to Lease dated April 1, 2011 and that certain Fourth Amendment to Lease dated December 14, 2012 (the Original Lease, as so amended, being referred to herein as the "**Lease**"), pursuant to which Landlord leases to Tenant certain premises consisting of approximately 40,702 rentable square feet (the "**Premises**"), located in the building located at 2929 7th Street, Berkeley, California (the "**2929 Building**"). In addition, pursuant to that certain Lease between Landlord and Tenant dated December 14, 2012 (the "**2919 Lease**"), Landlord leases approximately 14,461 rentable square feet in a building located at 2919 7th Street, Berkeley, California (the "**2919 Building**").

B. The Lease by its terms shall expire on June 30, 2018 (the "**Expiration Date**"). Landlord and Tenant now desire to amend the Lease to provide for the extension of the Term of the Lease as to the Premises located in the 2929 Building only, and to address certain other matters, upon the following terms and conditions.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Incorporation of Recitals and Defined Terms. The foregoing Recitals are hereby incorporated herein. Capitalized terms which are not otherwise defined in this Fifth Amendment shall have the meanings set forth in the Lease.

2. Surrender of the 2919 Building. The 2919 Lease shall terminate effective as of June 30, 2017, or such earlier date as may be mutually agreed to in writing by Landlord and Tenant (the "**2919 Building Lease Termination Date**"). Tenant shall vacate the 2919 Building on a day before the 2919 Building Lease Termination Date pursuant to the terms of Section 12.1 of the 2919 Lease; provided, however, that Tenant shall be under no obligation to remove or restore any alterations made to the 2919 Building.

3. Extension of Term of Lease; Additional Extension Option.

(a) The Term of the Lease as to the Premises is hereby extended for a period of 90 months from the current lease expiration date of June 30, 2018 ("**Current Expiration Date**") and shall now expire on December 31, 2025 (the "**Extended Expiration Date**"), unless sooner terminated in accordance with the terms of the Lease. That portion of the Term commencing the day immediately following the Current Expiration Date (the "**Extension Date**") and ending on the Extended Expiration Date shall be referred to herein as the "**Extended Term**".

(b) The Term of the Lease shall be subject to one (1) extension option for an additional period of 24 months (the "**Extension Option**"), commencing on January 1, 2026 and expiring on December 31, 2027 (the "**Optional Extended Term**"), exercisable as follows:

(1) The Extension Option shall be upon the same material terms and conditions contained in the Lease, except that (i) the initial Monthly Base Rent for the Premises shall be 95% of the Fair Market Rent (as defined in Section 3(b)(2) below) for the Premises as of the first month of the Extension Option determined in the manner set forth in Section 3(b)(3) below, (ii) on each anniversary of the commencement date of the Optional Extended Term, the Monthly Base Rent shall increase three percent (3%), on a cumulative basis and (iii) Tenant shall accept the Premises in an "as is" condition without any obligation of Landlord to repaint, remodel, repair, improve or alter the Premises (subject, however, to the terms of Section 8.1 of the Lease).

(2) Tenant's election to exercise the Extension Option must be given to Landlord in writing on or prior to December 31, 2024 (the "**Extension Notice**"). Within thirty (30) days of Landlord's receipt of the Extension Notice, Landlord shall send Tenant written notice of Landlord's determination of the Fair Market Rent for the Premises (the "**Fair Market Rent Notice**"). For purposes of this Section, the term "Fair Market Rent" shall mean the base rental rate as of the date of the Fair Market Rent Notice for space comparable in size, type, location, build- out, condition and quality to the Premises under a primary lease (and not sublease) to new or renewing tenants leasing on an arms' length basis, for a comparable term and same use with a tenant improvement allowance, free rent and other out-of- pocket concessions generally being granted at such time for such comparable space, making equitable adjustments for typical rental abatements, inducements and brokerage fees consistent with market rates, and taking into consideration such amenities as existing improvements, view, floor on which the Premises are situated and the like, situated in buildings in Emeryville/Berkeley, California. Notwithstanding anything to the contrary contained herein, the Extension Option shall automatically terminate and be of no further force or effect, whether or not Tenant has timely exercised the Extension Option, if a Default exists at the time of exercise of the Extension Option or at the time of commencement of the Optional Extended Term.

(3) If Tenant properly exercises the Extension Option in accordance with Section 3(b)(2) above, the Monthly Base Rent during the Optional Extended Term shall be determined in the following manner. The Monthly Base Rent as of the commencement of the Optional Extended Term shall be adjusted to an amount equal to the Fair Market Rent for the Premises as specified in the Fair Market Rent Notice, subject to Tenant's right of arbitration as set forth below. If Tenant believes that the Fair Market Rent specified in the Fair Market Rent Notice exceeds the actual Fair Market Rent for the Premises as of the date of the Fair Market Rent Notice, then Tenant shall so notify Landlord within fifteen (15) days of Tenant's receipt of the Fair Market Rent Notice. If Tenant fails to so notify Landlord within such 15-day period, Landlord's determination of the Fair Market Rent shall be final and binding upon the parties. If the parties are unable to agree upon the Fair Market Rent within ten (10) days after Landlord's receipt of Tenant's objection to the Fair Market Rent

Notice, the amount of Monthly Base Rent as of the commencement of the Optional Extended Term shall be determined as follows:

(i) Within 20 days after the 10-day period has expired, the parties have failed to agree on the Fair Market Rent, Tenant, at its sole expense, shall obtain and deliver in writing to Landlord a determination of the Fair Market Rent for the Premises for a term equal to the Optional Extended Term from a broker ("Tenant's Broker") licensed in the State of California and engaged in the laboratory brokerage business in Emeryville/Berkeley, California, for at least the immediately preceding five (5) years. If Landlord accepts such determination, the Monthly Base Rent for the Optional Extended Term shall be adjusted to an amount equal to the amount determined by Tenant's Broker.

(ii) If Landlord does not accept such determination, within 15 days after receipt of the determination of Tenant's broker, Landlord shall designate a broker ("Landlord's Broker") licensed in the State of California and engaged in the laboratory brokerage business in Emeryville/Berkeley, California, for at least the immediately preceding five (5) years. Landlord's Broker and Tenant's Broker shall name a third broker, similarly qualified, within five (5) days after appointment of Landlord's Broker. Landlord's Broker and Tenant's Broker shall each determine the Fair Market Rent for the Premises as of the commencement of the Optional Extended Term for a term equal to the Optional Extended Term within 15 days after the appointment of the third broker. The Monthly Base Rent payable by Tenant effective as of the commencement of the Optional Extended Term shall be adjusted to an amount equal to the determination of Fair Market Rent made by either Landlord's Broker or Tenant's Broker that the third broker finds to be closer to the Fair Market Rent.

(iii) Landlord shall pay the costs and fees of Landlord's Broker in connection with any determination hereunder, and Tenant shall pay the costs and fees of Tenant's Broker in connection with such determination. The costs and fees of any third broker shall be paid one-half by Landlord and one-half by Tenant.

(4) If the amount of the Fair Market Rent is not determined upon as of the commencement of the Optional Extended Term, then Tenant shall continue to pay the Monthly Base Rent for the Premises (or the portion of the Premises with respect to which the Extension Option has been exercised) in effect as of the commencement of the Optional Extended Term until the amount of the Fair Market Rent is determined. When such determination is made, Tenant shall pay any deficiency to Landlord upon demand, if there is any deficiency, or Landlord shall pay any overpayment to Tenant, if there is any overpayment.

(5) In connection with the extension of the Term pursuant to Tenant's exercise of the Extension Option, the parties acknowledge and agree that Landlord shall not be responsible for the payment to any real estate broker, salesperson or finder claiming to have represented Tenant of any commission, finder's fee or other

compensation in connection with or as a consequence of Tenant's exercise of the Extension Option, except for the third broker as set forth in Section 3(b)(3)(iv).

(6) Notwithstanding anything to the contrary contained herein, Tenant's rights under this Section 3(b) are personal to the original Tenant executing the Lease ("Named Tenant") and shall not be assigned or assignable, in whole or in part, to any third party. Any assignment or other transfer of such rights by Named Tenant shall be void and of no force or effect. Without limiting the generality of the foregoing, no sublessee of the Premises shall be permitted to exercise the rights granted to Tenant under this Section 3(b).

4. Base Monthly Rent.

(a) *Premises Through Current Expiration Date*. The Base Monthly Rent, Additional Rent and all other charges under the Lease shall be payable as provided therein with respect to the Premises through and including the Current Expiration Date.

(b) *Premises From Extended Term Through Extended Expiration Date*. As of the Extension Date, the schedule of Base Monthly Rent payable with respect to the Premises during the Extended Term is the following:

Period	Base Monthly Rent	Monthly Rate/SF of Rentable Area
07/01/18 – 06/30/19	$152,632.50	$3.75
07/01/19 – 06/30/20	$157,211.48	$3.86
07/01/20 – 06/30/21	$161,927.82	$3.98
07/01/21 – 06/30/22	$166,785.65	$4.10
07/01/22 – 06/30/23	$171,789.22	$4.22
07/01/23 – 06/30/24	$176,942.90	$4.35
07/01/24 – 06/30/25	$182,251.19	$4.48
07/01/25 – 12/31/25	$187,718.72	$4.61

All such Base Rent shall be payable by Tenant in accordance with the terms of the Lease.

5. Operating Expenses and Taxes. During the Extended Term, Tenant shall pay for Tenant's Share of Operating Expenses and Taxes applicable to the Premises in accordance with the terms of the Lease.

6. Security Deposit. As of the Effective Date of this Fifth Amendment, the total Security Deposit under the Lease is $408,303.75, posted in the form of a letter of credit in favor of Landlord. On or after July 1, 2020, Tenant may request that Landlord reduce the amount of the Security Deposit based solely on the financial condition of Tenant at the time of such request. Tenant may request such reduction of the Security Deposit upon written notice to Landlord providing supporting documentation requested by Landlord in order for it to evaluate Tenant's financial condition. All terms of Article 5 of the Lease shall continue to apply to the Security Deposit as redefined by this Section. Any such determination to adjust the Security Deposit shall be made in Landlord's sole but reasonable discretion.

7. Tenant's Share. For the period commencing with the 2919 Building Lease Termination Date and ending on the Extended Expiration Date (as may be extended), Tenant's Share shall be adjusted appropriately to account for the termination of the 2919 Building Lease.

8. Restoration of Premises. Notwithstanding the obligations of Tenant under Section 12.1 of the Lease, so long as Tenant is not in Default, Landlord hereby waives any requirement that Tenant remove or restore any Tenant Alterations that were constructed or installed prior to February 16, 2017.

9. Parking. Effective as of the Effective Date, the number of unreserved parking spaces provided to Tenant pursuant to Section 1.(13) (Parking) of the Lease is 122 spaces located on both surface lots and within parking structures within the aquatic park campus.

10. Improvements to Premises.

(a) *Responsibility for Improvements to Premises; Improvement Allowance*. Landlord shall provide Tenant with an allowance in the amount of $814,040.00 (i.e., $20.00 per rentable square foot of the Premises) (the "**TI Allowance**") to be used by Tenant for the design, permitting and construction of alterations to the Premises (the "**TI Work**"). The TI Work shall be at Tenant's sole cost and expense, subject to the TI Allowance. The TI Work shall be subject to the following additional terms and conditions: (i) the terms of the Work Agreement as set forth on Exhibit A attached hereto; and (ii) Tenant may elect to have Wareham Property Group (an affiliate of Landlord) manage the TI Work, for a fee equal to four percent (4%) of the cost of the TI Work. No disbursement of the TI Allowance shall be made after June 30, 2019, and if Tenant has not fully drawn the TI Allowance prior to that date, Tenant shall have no right to request the disbursement of, and Landlord shall have no obligation to fund, any portion of the TI Allowance that remain undisbursed. Notwithstanding anything in the Lease or this Fifth Amendment to the contrary, Landlord shall have no obligation to disburse any portion of the TI Allowance if a Default exists as of the date Tenant requests such disbursement.

11. Other Pertinent Provisions. Landlord and Tenant agree that, effective as of the date of this Fifth Amendment (unless different effective date(s) is/are specifically referenced in this Section), the Lease shall be amended in the following additional respects:

(a) *Removal of Tenant Alterations*. Section 9.1(b) of the Lease is hereby deleted and replaced with the following:

> All Tenant Additions, whether installed by Landlord or Tenant, shall without compensation or credit to Tenant, become part of the Premises and the property of Landlord at the time of their installation and shall remain in the Premises, unless pursuant to Article 12, Tenant may remove them or is required to remove them at Landlord's request; provided, however, notwithstanding the provisions of Article 12 or this Section 9.1 to the contrary, at the time Tenant requests Landlord's consent to a proposed Tenant Alteration, or before the commencement of any Tenant Alterations for which Landlord's consent is not required, Tenant may ask Landlord in writing whether Landlord will require that the Tenant Alterations be removed on expiration or earlier termination of the Term.

(b) *Inspection by a CASp in Accordance with Civil Code Section 1938*. To Landlord's actual knowledge, the property being leased or rented pursuant to the Lease (as amended by this Fifth Amendment) has not undergone inspection by a Certified Access Specialist (CASp). The foregoing verification is included in this Fifth Amendment solely for the purpose of complying with California Civil Code Section 1938 and shall not in any manner affect Landlord's and Tenant's respective responsibilities for compliance with construction-related accessibility standards as provided under the Lease.

12. Brokers. Landlord represents that it has dealt with no broker in connection with this Fifth Amendment. Landlord shall indemnify, defend and hold Tenant harmless from and against any and all claims by any real estate broker, salesperson or finder claiming to have represented Landlord for a commission, finder's fee or other compensation in connection with this Fifth Amendment. Tenant represents that it has dealt with no broker in connection with this Fifth Amendment other than CRESA Partners. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims by any real estate broker, salesperson or finder claiming to have represented such party for a commission, finder's fee or other compensation in connection with this Fifth Amendment other than CRESA Partners. Landlord shall pay any brokerage commission due to CRESA Partners in connection with this Fifth Amendment.

13. Authority. This Fifth Amendment shall be binding upon and inure to the benefit of the parties, their respective heirs, legal representatives, successors and assigns. Each party hereto and the persons signing below warrant that the person signing below on such party's behalf is authorized to do so and to bind such party to the terms of this Fifth Amendment.

14. Status of Lease. Except as amended hereby, the Lease is unchanged, and, as amended hereby, the Lease remains in full force and effect.

15. Miscellaneous.

(a) This Fifth Amendment and the attached exhibits, which are hereby incorporated into and made a part of this Fifth Amendment, set forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. Under no circumstances shall Tenant be entitled to any Rent abatement, improvement allowance (other than TI Allowance provided for in Exhibit A), leasehold improvements, or other Work to the Premises, or any similar economic incentives that may have been provided Tenant in connection with entering into the Lease, unless specifically set forth in this Fifth Amendment.

(b) In the case of any inconsistency between the provisions of the Lease and this Fifth Amendment, the provisions of this Fifth Amendment shall govern and control.

(c) This Fifth Amendment shall not become effective as a lease or otherwise until executed and delivered by both Landlord and Tenant. The submission of this Fifth Amendment to Tenant does not constitute a reservation of or option for the Premises, but when executed by Tenant and delivered to Landlord, this Fifth Amendment shall constitute an irrevocable offer by Tenant in effect for fifteen (15) days to lease the Premises on the terms and conditions herein contained.

IN WITNESS WHEREOF, Landlord and Tenant have entered into this Fifth Amendment as of the date first set forth above.

LANDLORD:

2929 SEVENTH ST., LLC,
a California limited liability company

By: Wareham-NZL, LLC, a California limited liability company, its Manager

By: /s/ RICHARD K. ROBBINS
By: Richard K. Robbins
Manager

TENANT:

DYNAVAX TECHNOLOGIES CORPORATION,
a Delaware corporation

By: /s/ MICHAEL OSTRACH
Print Name: Michael Ostrach
Its: Senior Vice President

EXHIBIT A

WORK AGREEMENT

THIS WORK AGREEMENT (this "**Work Agreement**") is attached to and made a part of that certain Lease dated January 7, 2004 as amended from time to time (the "**Lease**") between 2929 Seventh St., LLC, a California limited liability company ("**Landlord**"), and Dynavax Technologies Corporation, a Delaware corporation ("**Tenant**"). All capitalized terms used but not defined herein shall have the respective meanings given such terms in the Lease. This Work Agreement sets forth the terms and conditions relating to the construction of TI Work in the Premises.

SECTION 1

TI ALLOWANCE; TI WORK

1.1 TI Allowance/TI Work. Tenant shall be entitled to the TI Allowance for the TI Work, as such terms are defined in Section 10(a) of the Fifth Amendment to Lease, to which this Exhibit is attached. In no event shall Landlord be obligated to make disbursements pursuant to this Work Agreement in a total amount which exceeds the TI Allowance. Tenant must complete all TI Work and have submitted Payment Request Supporting Documentation (defined below) for such work no later than the date set forth in Section 10 of the Fifth Amendment to Lease in order to be entitled to receive the TI Allowance for the TI Work.

1.2 Disbursement of the TI Allowance.

(a) TI Allowance Items. Except as otherwise set forth in this Work Agreement, the TI Allowance shall be disbursed by Landlord only for the following items and costs (collectively the "**TI Allowance Items**"):

(i) Payment of the fees of the Architect and the Building Consultants (as those terms are defined below), fees and costs reasonably incurred by Landlord for the review of the Construction Drawings, Space Plan and Working Drawings (as those terms are defined below) by Landlord or by Landlord's third party consultants, and any construction management fee to Wareham Property Group if Tenant engages Wareham Property Group to manage the TI Work;

(ii) The payment of plan check, permit and license fees relating to the TI Work, including, without limitation, building permits and other taxes, fees, charges and levies by governmental authorities for permits or for inspections of the TI Work;

(iii) The cost of construction of the TI Work, including, without limitation, labor, materials, equipment, fixtures, after hours charges, testing and inspection costs, freight elevator usage, trash removal costs, and contractors' fees and general conditions;

(iv) The cost of any changes to the Building when such changes are required by the Construction Drawings, such cost to include all direct architectural and/or engineering fees and expenses incurred in connection therewith; and

(v) The cost of any changes to the Construction Drawings (defined below) or TI Work required by applicable building codes (collectively, "**Code**").

(b) Disbursement of TI Allowance. During the design and construction of the TI Work, Landlord shall make monthly disbursements of the TI Allowance to reimburse Tenant for TI Allowance Items and shall authorize the release of funds as follows. Notwithstanding the foregoing, Tenant may only request up to 50% of the TI Allowance in 2017 and the remaining 50% of the TI Allowance after January 1, 2018 (subject to the limitations set forth in Section 10 of the Fifth Amendment to Lease).

(i) On or before the fifth (5th) day of each calendar month (or such other date as Landlord may designate in writing in advance), Tenant shall deliver to Landlord:
(A) a request for payment from Contractor (defined below) approved by Tenant and the Architect (hereafter defined), in a form to be provided or reasonably approved in advance by Landlord, including a schedule of values and showing the percentage of completion, by trade, of the TI Work, which details the portion of the Work completed and the portion not completed;
(B) invoices from all of Tenant's Agents (defined below) for labor rendered and materials delivered to the Premises; (C) executed conditional mechanic's lien releases from all of Tenant's Agents who have lien rights with respect to the subject request for payment (along with unconditional mechanics' lien releases with respect to payments made pursuant to Tenant's prior submission hereunder) in compliance with all applicable laws; and (D) all other information reasonably requested by Landlord (collectively, the "**Payment Request Supporting Documentation**").

(ii) Within thirty (30) days after Tenant's delivery to Landlord of all Payment Request Supporting Documentation, Landlord shall deliver to Tenant payment in an amount equal to the lesser of: (x) the amount so requested by Tenant, as set forth above, less (i) the applicable Over-TI Allowance Amount (defined in Section 3.2(a) below and (ii) a ten percent (10%) retention (the aggregate amount of such retentions to be known as the "**Final Retention**"), and (y) the balance of any remaining available portion of the TI Allowance (not including the Final Retention), provided that if Landlord, in good faith, disputes any item in a request for payment based on non-compliance of any TI Work with the Approved Working Drawings (defined below) and delivers a written objection to such item setting forth with reasonable particularity Landlord's reasons for its dispute (a "**Draw Dispute Notice**") within five (5) business days following Tenant's submission of its Payment Request Supporting Documentation, Landlord may deduct the amount of such disputed item from the payment. Landlord and Tenant shall, in good faith, endeavor to diligently resolve any such dispute. Landlord's payment of such amounts shall not be deemed Landlord's approval or acceptance of the Work furnished or materials supplied as set forth in Tenant's payment request.

(iii) Subject to the provisions of this Work Agreement, following the final completion of construction of the TI Work, Landlord shall deliver to Tenant a check made payable to Tenant, or a check or checks made payable to another party or parties as reasonably requested by Tenant, in the amount of the Final Retention, provided that (A) Tenant delivers to Landlord properly executed unconditional mechanics' lien releases from all of Tenant's Agents in compliance with all applicable laws, as reasonably determined by Landlord; (B) Landlord has determined in good faith that there is no non-compliance with the Approved Working Drawings (defined below) which adversely affects the mechanical, electrical, plumbing, heating, ventilating and air conditioning, life-safety or other systems of the Building, the curtain wall of the Building, the structure or exterior appearance of the Building; (C) Architect delivers to Landlord a certificate, in a form reasonably acceptable to Landlord, certifying that the construction of the TI Work has been finally completed; (D) Tenant supplies Landlord with evidence that all governmental approvals required for an occupant to legally occupy the Premises have been obtained; and (E) Tenant has fulfilled its Completion Obligations (defined below) and has otherwise complied with Landlord's standard "close-out" requirements regarding city approvals, closeout tasks, closeout documentation regarding the general contractor, financial close-out matters, and Tenant's vendors.

SECTION 2

CONSTRUCTION DRAWINGS

2.1 Selection of Architect; Construction Drawings. Tenant shall retain an architect approved in writing, in advance by Landlord, such approval not to be unreasonably withheld (the "**Architect**") to prepare the Construction Drawings. Tenant shall retain engineering consultants approved in writing, in advance by Landlord, such approval not to be unreasonably withheld or delayed (the "**Building Consultants**") to prepare all plans and engineering Working drawings and perform all Work relating to mechanical, electrical and plumbing ("**MEP**"), HVAC/Air Balancing, life-safety, structural, sprinkler and riser Work.

The plans and drawings to be prepared by Architect and the Building Consultants hereunder (i.e., both the Space Plan and the Working Drawings, as each term is defined below) shall be known collectively as the "**Construction Drawings**." All Construction Drawings shall comply with the drawing format and specifications reasonably determined or approved by Landlord and shall be subject to Landlord's prior written approval, not to be unreasonably withheld, conditioned or delayed. All MEP drawings must be fully engineered and cannot be prepared on a "design-build" basis. Landlord's review of the Construction Drawings shall be for its sole purpose and shall not obligate Landlord to review the same, for quality, design, Code compliance or other like matters. Accordingly, notwithstanding that any Construction Drawings are reviewed by Landlord or its space planner, architect, engineers and consultants, and notwithstanding any advice or assistance which may be rendered to Tenant by Landlord or Landlord's space planner, architect, engineers, and consultants, Landlord shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors contained in the Construction Drawings.

2.2 Space Plan. Tenant shall supply Landlord for Landlord's review and approval (which approval shall not be unreasonably withheld, conditioned or delayed) with four (4) copies signed by Tenant of its space plan for the Premises (the "**Space Plan**") before any architectural Working drawings or engineering drawings have been commenced. The Space Plan shall include a layout and designation of all laboratory facilities, offices, rooms and other partitioning, their intended use, and equipment to be contained therein. Landlord may request clarification or more specific drawings for special use items not included in the Space Plan. Landlord shall advise Tenant within fifteen (15) business days after Landlord's receipt of the Space Plan (or, if applicable, such additional information requested by Landlord pursuant to the provisions of the immediately preceding sentence) if the same is approved or is unsatisfactory or incomplete in any respect. Landlord's failure to respond within such fifteen (15) business day period shall be deemed approval by Landlord. Upon any disapproval by Landlord, Tenant shall promptly cause the Space Plan to be revised to correct any deficiencies or other matters Landlord may reasonably require.

2.3 Working Drawings. After the Space Plan has been approved by Landlord, Tenant shall supply the Architect and the Building Consultants with a complete listing of standard and non-standard equipment and specifications, including, without limitation, B.T.U. calculations, electrical requirements and special electrical receptacle requirements, to enable the Architect and the Building Consultants to complete the Working Drawings and shall cause the Architect and the Engineers to promptly complete the architectural and engineering drawings, and Architect shall compile a fully coordinated set of drawings, including but not limited to architectural, structural, mechanical, electrical, plumbing, fire sprinkler and life safety in a form which is complete to allow subcontractors to bid on the Work and to obtain all applicable permits (collectively, the "**Working**

Drawings") and shall submit the same to Landlord for Landlord's review and approval (which approval shall not be unreasonably withheld, conditioned or delayed). Tenant shall supply Landlord with four (4) copies signed by Tenant of the Working Drawings. Landlord shall advise Tenant within fifteen (15) business days after Landlord's receipt of the Working Drawings if Landlord, in good faith, determines that the same are approved or are unsatisfactory or incomplete. Landlord's failure to respond within such fifteen (15) business day period shall be deemed approval by Landlord. If Tenant is so advised, Tenant shall promptly revise the Working Drawings to correct any deficiencies or other matters Landlord may reasonably require.

2.4 Landlord's Approval. Tenant acknowledges that it shall be deemed reasonable for Landlord to disapprove the Space Plan and any subsequent Working Drawings unless, at a minimum, the same are prepared on the basis that: (a) the TI Work as specified and designed comply with the requirements of the Project's Sustainability Practices and the applicable Green Building Standards, and (b) the sprinkler systems shall be designed in compliance with the specifications provided by FM Global. Additionally, Landlord's approval of any matter under this Work Agreement may be withheld if Landlord reasonably determines that the same would violate any provision of the Lease or this Work Agreement or would adversely affect the mechanical, electrical, plumbing, heating, ventilating and air conditioning, life-safety or other systems of the Building, the curtain wall of the Building, the structure or exterior appearance of the Building.

SECTION 3

CONSTRUCTION OF THE TI WORK

3.1 Tenant's Selection of Contractors.

(a) The Contractor. Tenant shall retain a general contractor approved in writing, in advance by Landlord, such approval not to be unreasonably withheld, to construct the TI Work ("**Contractor**").

(b) Tenant's Agents. All subcontractors, laborers, materialmen, and suppliers used by Tenant (such subcontractors, laborers, materialmen, and suppliers, and the Contractor to be known collectively as "**Tenant's Agents**") must be approved in writing by Landlord, in Landlord's reasonable discretion (Landlord will approve or disapprove Tenant's Agents within ten (10) days following Tenant's written request), provided that Landlord will require Tenant to retain the Building Consultants. All of Tenant's Agents shall be licensed in the State of California, capable of being bonded and union-affiliated in compliance with all then existing master labor agreements.

3.2 Construction of TI Work by Tenant's Agents.

(a) Construction Contract. Prior to Tenant's execution of the construction contract and general conditions with Contractor (the "**Contract**"), Tenant shall submit the Contract to Landlord for its approval, which approval shall not be unreasonably withheld or delayed. Prior to the commencement of the construction of the TI Work, Tenant shall provide Landlord with a schedule of values consisting of a detailed breakdown, by trade, of the final costs to be incurred or which have been incurred, for all TI Allowance Items in connection with the design and construction of the TI Work, which costs form the basis for the amount of the Contract, segregated and allocated, as applicable, for the Premises ("**Final Costs**"). Prior to the commencement of construction of the TI Work, Landlord and Tenant shall identify the amount by which the Final Costs exceeds the TI Allowance (less any portion thereof already disbursed by Landlord, or in the process of being disbursed by Landlord, on or before the commencement of construction of the TI

Work) (the "**Over-Allowance Amount**"), and in the event there is any Over-Allowance Amount, Landlord will reimburse Tenant on a monthly basis, as described in Section 1.2(b)(ii) above, for a percentage of each amount requested by the Contractor or otherwise to be disbursed under this Work Agreement, which percentage shall be equal to the TI Allowance divided by the amount of the Final Costs (after deducting from the Final Costs any amounts expended in connection with the preparation of the Construction Drawings, and the cost of all other TI Allowance Items incurred prior to the commencement of construction of the TI Work), and Tenant shall be solely responsible for any Over-Allowance Amount. If there is no Over-Allowance Amount, Landlord shall pay the amount requested by the Contractor or otherwise to be disbursed under this Work Agreement in accordance with Section 1.2(b)(ii) above. If, after the Final Costs have been initially determined, the costs relating to the design and construction of the TI Work shall change, any additional costs for such design and construction in excess of the Final Costs shall be added to the Over-Allowance Amount and the Final Costs, and Landlord's reimbursement percentage, shall be recalculated in accordance with the terms of the immediately preceding sentence. Notwithstanding anything set forth herein to the contrary, construction of the TI Work shall not commence until Tenant has procured and delivered to Landlord a copy of all Permits necessary for the applicable TI Work.

(b) Construction Requirements.

(i) Landlord's General Conditions for Tenant's Agents and Tenant Improvement Work. Construction of the TI Work shall comply with the following: (A) the TI Work shall be constructed in strict accordance with the Approved Working Drawings and Landlord's then-current published construction guidelines; (B) Tenant's Agents shall submit schedules of all Work relating to the TI Work to Landlord, and Landlord shall, within five (5) business days of receipt thereof, inform Tenant's Agents of any changes which are reasonable and necessary thereto, and Tenant's Agents shall adhere to such corrected schedule; and (C) Tenant shall abide by all reasonable rules made by Landlord's Building manager with respect to the use of contractor parking, materials delivery, freight, loading dock and service elevators, any required shutdown of utilities (including life-safety systems), storage of materials, coordination of Work with the contractors of Landlord, and any other matter in connection with this Work Agreement, including, without limitation, the construction of the TI Work.

(ii) Indemnity. Tenant's indemnity of Landlord as set forth in the Lease shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to any act or omission of Tenant or Tenant's Agents, or anyone directly or indirectly employed by any of them, or in connection with Tenant's non-payment of any amount arising out of the TI Work and/or Tenant's disapproval of all or any portion of any request for payment. Such indemnity by Tenant, as set forth in the Lease, shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to Landlord's performance of any ministerial acts reasonably necessary (A) to permit Tenant to complete the TI Work, and (B) to enable Tenant to obtain any related building permit or certificate of occupancy.

(iii) Requirements of Tenant's Agents. Each of Tenant's Agents shall guarantee to Tenant and for the benefit of Landlord that the portion of the TI Work for which it is responsible shall be free from any defects in Workmanship and materials for a period of not less than one (1) year from the date of completion thereof. Each of Tenant's Agents shall be responsible for the replacement or repair, without additional charge, of all Work done or furnished in accordance with its contract that shall become defective within one (1) year after the completion of the Work performed by such contractor or subcontractor. The correction of such Work shall include, without additional charge, all additional expenses and damages incurred in connection with the removal or replacement of all or any part of the TI Work, and/or the Building and/or

common areas that are damaged or disturbed thereby. All such warranties or guarantees as to materials or Workmanship of or with respect to the TI Work shall be contained in the Contract or subcontract and shall be written such that such guarantees or warranties shall inure to the benefit of both Landlord and Tenant, as their respective interests may appear, and can be directly enforced by either. Tenant covenants to give to Landlord any assignment or other assurances as may be necessary to effect such right of direct enforcement.

(c) Insurance Requirements.

(i) General Coverages. All of Tenant's Agents shall carry employer's liability and Worker's compensation insurance covering all of their respective employees, and shall also carry commercial general liability insurance, including personal and bodily injury, property damage and completed operations liability, all with limits, in form and with companies as are required to be carried by Tenant as set forth in the Lease.

(ii) Special Coverages. Tenant or Contractor shall carry "Builder's All Risk" insurance in an amount approved by Landlord covering the construction of the TI Work, and such other insurance as Landlord may require, it being understood and agreed that the TI Work shall be insured by Tenant pursuant to the Lease immediately upon completion thereof. Such insurance shall be in amounts and shall include such extended coverage endorsements as may be reasonably required by Landlord, and shall be in form and with companies as are required to be carried by Tenant as set forth in the Lease.

(iii) General Terms. Certificates for all of the foregoing insurance coverage shall be delivered to Landlord before the commencement of construction of the TI Work and before the Contractor's equipment is moved onto the site. All such policies of insurance must contain a provision that the company writing said policy will endeavor to give Landlord thirty

(30) days' prior written notice of any cancellation of such insurance. In the event that the TI Work are damaged by any cause during the course of the construction thereof, Tenant shall immediately repair the same at Tenant's sole cost and expense. Tenant's Agents shall maintain all of the foregoing insurance coverage in force until the TI Work are fully completed and accepted by Landlord, except for any Products and Completed Operations Coverage insurance required by Landlord, which is to be maintained for one (1) year following completion of the Work and acceptance by Landlord and Tenant. All policies carried hereunder shall insure Landlord, Wareham Property Group as Landlord's manager, and Tenant, as their interests may appear, as well as Tenant's Agents. All insurance, except Workers' Compensation, maintained by Tenant's Agents shall preclude subrogation claims by the insurer against anyone insured thereunder. Such insurance shall provide that it is primary insurance as respects Landlord and Tenant and that any other insurance maintained by Landlord or Tenant is excess and noncontributing with the insurance required hereunder. The requirements for the foregoing insurance shall not derogate from the provisions for indemnification of Landlord by Tenant under the Lease and/or this Work Agreement.

(d) Governmental Compliance. The TI Work shall comply in all respects with the following: (i) the Code and other federal, state, city and/or quasi-governmental laws, codes, ordinances and regulations, as each may apply according to the rulings of the controlling public official, agent or other person or entity; (ii) applicable standards of the American Insurance Association (formerly, the National Board of Fire Underwriters) and the National Electrical Code;
(iii) building material manufacturer's specifications, and (iv) the Project's Sustainability Practices and the applicable Green Building Standards.

(e) Inspection by Landlord. Landlord shall have the right to inspect the TI Work at all times during normal business hours and upon at least twenty-four (24) hours' notice to Tenant, provided however, that Landlord's failure to inspect the TI Work shall in no event constitute a waiver of any of Landlord's rights hereunder nor shall Landlord's inspection of the TI Work constitute Landlord's approval of the same. Should Landlord reasonably disapprove any portion of the TI Work, Landlord shall notify Tenant in writing of such disapproval and shall specify the items disapproved. Any defects or deviations in, and/or reasonable disapproval by Landlord of, the TI Work shall be rectified by Tenant at no expense to Landlord, provided however, that in the event Landlord determines that a defect or deviation exists or reasonably disapproves of any matter in connection with any portion of the TI Work, and such defect, deviation or matter might adversely affect the mechanical, electrical, plumbing, heating, ventilating and air conditioning or life-safety systems of the Building, the structure or exterior appearance of the Building or any other tenant's use of such other tenant's leased premises, Landlord may take such action as Landlord deems reasonably necessary, at Tenant's expense and without incurring any liability on Landlord's part, to correct any such defect, deviation and/or matter, including, without limitation, causing the cessation of performance of the construction of the TI Work until such time as the defect, deviation and/or matter is corrected to Landlord's reasonable satisfaction.

(f) Meetings. Tenant shall hold periodic meetings at a reasonable time with the Architect and the Contractor regarding the progress of the preparation of the Construction Drawings and the construction of the TI Work, which meetings shall be held at a location designated or reasonably approved by Landlord, and Landlord and/or its agents shall receive prior written notice of, and shall have the right to attend, all such meetings. Upon Landlord's reasonable prior written request, certain of Tenant's Agents shall attend such meetings. In addition, minutes shall be taken at all such meetings, and Landlord will be included in the distribution list for such minutes. One such meeting each month shall include the review of Contractor's current request for payment.

3.3 Notice of Completion; Copy of Record Set of Plans. Following completion of construction of the TI Work, Landlord shall cause a Notice of Completion to be recorded in the office of the Recorder of Alameda County and shall furnish a copy thereof to Tenant. Within thirty (30) days following the completion of construction, (i) Tenant shall cause the Architect and Contractor (A) to update the Approved Working Drawings as necessary to reflect all changes made to the Approved Working Drawings during the course of construction, (B) to certify to the best of their knowledge that the updated drawings are true and correct, which certification shall survive the expiration or termination of the Lease, and (C) to deliver to Landlord such updated drawings in accordance with Landlord's then-current CAD Requirements, and (ii) Tenant shall deliver to Landlord a copy of all warranties, guaranties, and operating manuals and information relating to the improvements, equipment, and systems in the Premises. Tenant's obligations set forth in this Section are collectively referred to as the "**Completion Obligations**."

SECTION 4

LANDLORD WORK

Tenant shall accept the Premises in its then existing, "AS-IS" condition (other than TI Work), and there is no Landlord Work to be performed in the Premises.

SECTION 5

MISCELLANEOUS

5.1 Tenant's Representative. Prior to commencement of the TI Work, Tenant shall notify Landlord in writing of Tenant's designated sole representative with respect to the matters set forth in this Work Agreement, who shall have full authority and responsibility to act on behalf of Tenant as required in this Work Agreement, which designation shall remain effective until further notice to Landlord. Tenant may change Tenant's representative upon three (3) business days' notice to Landlord.

5.2 Landlord's Representative. Landlord has designated Chris Barlow as its sole representative with respect to the matters set forth in this Work Agreement, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of Landlord as required in this Work Agreement. Landlord may change Landlord's representative upon three (3) business days' notice to Tenant.

5.3 Tenant's Default. Notwithstanding any provision to the contrary contained in the Lease, if a Default by Tenant under the Lease (including, without limitation, this Work Agreement) has occurred at any time on or before the substantial completion of the TI Work, then in addition to all other rights and remedies granted to Landlord pursuant to the Lease, Landlord shall have the right to withhold payment of all or any portion of the TI Allowance until such time as such Default is cured pursuant to the terms of the Lease.

Exhibit 31.1

Rule 13a-14(a) Certification of Chief Executive Officer

CERTIFICATIONS

I, Eddie Gray, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dynavax Technologies Corporation (the "registrant");

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

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

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

By: /s/ EDDIE GRAY

Eddie Gray
Chief Executive Officer
(Principal Executive Officer)

Date: August 7, 2017

Exhibit 31.2

Rule 13a-14(a) Certification of Principal Financial Officer

CERTIFICATIONS

I, Michael Ostrach, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dynavax Technologies Corporation (the "registrant");

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

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

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

By: /s/ MICHAEL OSTRACH

Michael Ostrach
Chief Financial Officer
(Principal Financial Officer)

Date: August 7, 2017

Exhibit 32.1

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

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), I, Eddie Gray, Chief Executive Officer of Dynavax Technologies Corporation (the "Company"), hereby certify that, to the best of my knowledge:

(i) The Company's Quarterly Report on Form 10-Q for the period ended June 30, 2017 (the "Periodic Report"), to which this Certificate is attached as Exhibit 32.1, fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

(ii) The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

In Witness Whereof, the undersigned has set his hand hereto as of the 7th day of August, 2017.

By: /s/ EDDIE GRAY

Eddie Gray
Chief Executive Officer
(Principal Executive Officer)

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 Dynavax Technologies Corporation under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

Exhibit 32.2

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

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), I, Michael Ostrach, Chief Financial Officer of Dynavax Technologies Corporation (the "Company"), hereby certify that, to the best of my knowledge:

(i) The Company's Quarterly Report on Form 10-Q for the period ended June 30, 2017 (the "Periodic Report"), to which this Certificate is attached as Exhibit 32.1, fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

(ii) The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

In Witness Whereof, the undersigned has set his hand hereto as of the 7th day of August, 2017.

By: /s/ MICHAEL OSTRACH
Michael Ostrach
Chief Financial Officer
(Principal Financial Officer)

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 Dynavax Technologies Corporation under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.