

Moderna Statement on Government Funding, Pricing and Access Initiatives

The Moderna team has worked throughout the pandemic with a deep sense of responsibility to deliver on the promise of mRNA science and to help combat the global COVID-19 pandemic. Moderna has delivered approximately 824 million doses of its COVID-19 vaccine to more than 60 countries around the world through 2021, with more than 200 million doses—approximately 25% of the total—being delivered to low- and middle-income countries. The Moderna COVID-19 vaccine has helped hundreds of millions of people avoid infection, keeping them out of hospitals and preventing countless deaths.

We understand that many of our investors and other stakeholders are interested in understanding how government support for the development of our vaccine has affected our pricing and allocation decisions, and we welcome the opportunity to provide additional clarity on these topics. Support from the Biomedical Advanced Research and Development Authority (“BARDA”) for the clinical development of our COVID-19 vaccine, which totaled \$1.4 billion in committed reimbursements as of December 31, 2021, resulted in our prioritizing shipments to the U.S. government, and these doses were provided at the lowest price offered to any high-income country. Independent of the support provided by the U.S. government, Moderna recognizes the responsibility it has as a company to provide a safe and effective vaccine, and to work with governments and others to ensure that our vaccine is accessible, regardless of a government’s ability to pay.

When COVID-19 emerged, Moderna was able to develop our vaccine quickly because we leveraged a decade’s worth of prior research, experience, and investment in our mRNA platform. This first decade

KEY FIGURES

- **824 million** doses of COVID-19 vaccine delivered to more than **60 countries** through 2021
- **Low- and middle-income** countries received more than 200 million doses—25% of the total—through direct sales or facilitated donations
- **U.S. price:** \$15.25 to \$16.50 per dose, delivering 270 million doses through 2021
- **COVAX and African Union:** \$7.00 per dose in latest agreements
- **\$2.5 billion** invested in R&D and operations prior to the pandemic
- **\$1.4 billion** in U.S. government (BARDA) funding to support COVID-19 vaccine, primarily for conduct of clinical trials
- **\$4.9 billion** in financial support received in 2020 to enable COVID-19 vaccine production
 - **39%** investors
 - **57%** deposits on purchases
 - **4%** BARDA

of research was the result of approximately \$2.5 billion in investment, the vast majority of which came from private investors. Moderna was also well-positioned to respond to the pandemic because of its investment in a state-of-the-art production facility in Norwood, Massachusetts, long before it had a commercial product available.

Funding for the Moderna COVID-19 Vaccine

The investments that made the development and production of Moderna's COVID-19 vaccine possible came from a number of sources—private investors, the U.S. government and other governments who funded the vaccine's development through advance deposits on their purchases of vaccines.

When the seriousness of the SARS-CoV-2 outbreak became clear in January 2020, Moderna collaborated with the U.S. National Institutes of Health ("NIH") to begin designing a vaccine. At that time, Moderna had approximately \$1.3 billion in cash and investments on hand¹ – an insufficient amount of funding to progress a vaccine against COVID-19 through clinical development and to scale manufacturing for commercial production. In February 2020, Moderna raised an additional \$550 million in investment from investors through stock sales, funds which were then available to facilitate the production of its vaccine candidate.

In April 2020, Moderna announced that BARDA, a division of the Office of the

Assistant Secretary for Preparedness and Response within the U.S. Department of Health and Human Services ("HHS") would provide up to \$483 million in reimbursements to help fund the development of Moderna's COVID-19 vaccine.² While approximately \$53 million of this funding went to reimbursing the cost of scaling manufacturing, the bulk of this funding was committed to the reimbursement of clinical trial expenses.

In May 2020, Moderna announced the successful results of the Phase 1 clinical trial of its COVID-19 vaccine. The same day, Moderna launched an additional stock sale, raising \$1.3 billion from investors to help fund the development of its vaccine and to ensure that it would have the resources to scale commercial production. This fundraising was undertaken as previous efforts to procure financial assistance from governments or foundations sufficient to scale production of Moderna's COVID-19 vaccine in prior months had been unavailing. All told, Moderna raised \$1.85 billion from investors during 2020.

Throughout the spring and summer of 2020, Moderna began discussions with governments and international organizations around the world, including COVAX, who were interested in securing supply of Moderna's COVID-19 vaccine. Although there was no guarantee that the Moderna COVID-19 vaccine would prove effective, many of these governments provided advance deposits, which helped Moderna secure raw materials and further scale

¹ Consisting of cash, cash equivalents and investments as of December 31, 2019.

² See Moderna, "[Moderna Announces Award from U.S. Government Agency BARDA for up to \\$483 Million to Accelerate Development of mRNA Vaccine \(mRNA-1273\) Against Novel Coronavirus](#)" (April 26, 2020).

production for its vaccine. Deposits from governments (other than the U.S. government, but including the European Union, Japan, the United Kingdom, Canada, Israel, Switzerland, Qatar and Singapore) reached more than \$2.2 billion during 2020.

Meanwhile, in July 2020, Moderna and BARDA announced that the U.S. government would provide up to an additional \$472 million in reimbursements, most of which would go to fund the expanded, 30,000 participant Phase 3 clinical trial for the Moderna COVID-19 vaccine to secure Emergency Use Authorization from the U.S. Food & Drug Administration (FDA).³

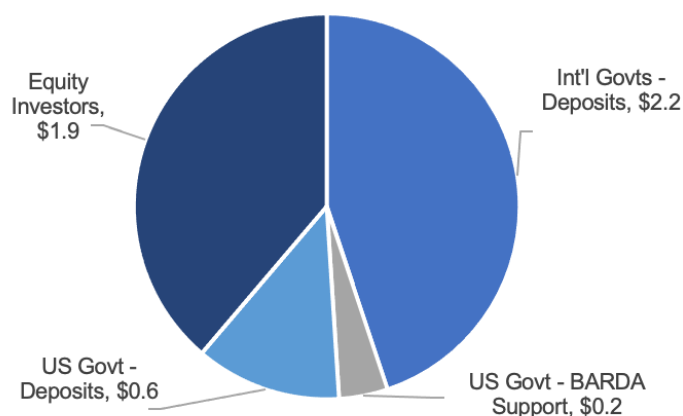
A few weeks later in August 2020, Moderna and the U.S. government announced that the U.S. government would purchase an initial 100 million doses of the Moderna COVID-19 Vaccine, with an option to purchase up to an additional 400 million doses. The price of the first 100 million doses was \$12.25 per dose, with an additional \$300 million incentive provided to Moderna if the company was successful in obtaining an Emergency Use Authorization from the FDA prior to January 31, 2021.⁴ With this incentive, the price for the initial 100 million doses sold to the U.S. government was \$15.25 per dose. Subsequent doses were priced at \$16.50 each. After announcing this agreement, the U.S. government advanced \$601 million to Moderna as a deposit on the first 100 million doses to assist in securing raw materials for the vaccine. During 2020, the

U.S. government also reimbursed \$210 million of the development expenses under the BARDA agreements.

All told, Moderna received approximately \$4.9 billion in funding during 2020, which was available for the conduct of clinical trials, manufacturing scale up and purchase of raw materials for its COVID-19 vaccine. This funding consisted of a mix of private investment, deposits from the U.S. government and other governments around the world, and reimbursements from the U.S. government under the BARDA contracts for its COVID-19 vaccine.

BARDA has continued to support ongoing clinical trials for Moderna's COVID-19 vaccine, including in adolescent and pediatric populations, with total BARDA commitments as of December 31, 2021 to reimburse up to \$1.4 billion in expenses.

Financial Support Received in 2020
(USD in billions)



³ See Moderna, "[Moderna Announces Expansion of BARDA Agreement to Support Larger Phase 3 Program for Vaccine \(mRNA-1273\) Against COVID-19](#)" (July 26, 2020).

⁴ See Moderna, "[Current Report on Form 8-K](#)" (August 12, 2020).

Pricing Decisions

In August 2020, Moderna provided an overview on the analysis that informed the pricing for its COVID-19 vaccine.⁵ At that time, Moderna announced the following framework, which continues to inform our actions and how we approach issues of pricing and access:

- We recognize the responsibility we have to do everything we can to develop a safe and effective vaccine.
- We committed to invest in manufacturing ahead of approval to ensure supply.
- We are committed to working with governments and others to ensure that our vaccine is accessible regardless of ability to pay.
- We are committed to pricing our vaccine well below its value during the pandemic.

PRICING FOR THE U.S. GOVERNMENT

In recognition of the significant support we received from the U.S. government, both in the form of committed financial support from BARDA and in recognition of our collaboration with NIH, we provided the U.S. government our COVID-19 vaccine at prices of \$15.25 to \$16.50 per dose – the lowest price offered to any high-income country. To date, financial support committed by the U.S. government to develop the vaccine, which has primarily funded the conduct of clinical trials, totals \$1.4 billion. Even if this sum were included in the purchase price for the 500 million doses sold to the U.S. government, on a per dose basis, this would be the lowest price Moderna has offered to any high-income country.

In addition, we have prioritized deliveries to the U.S. government in recognition of its support. In our original contract—and at the government’s request—we agreed not to export any doses from our U.S. production lines until after we satisfied our delivery obligations to the U.S. government. We have subsequently worked with the U.S. government to permit exports from our U.S. production lines to satisfy demand overseas when vaccine supplies in the U.S. were sufficient to meet local demand. Through December 31, 2021, the U.S. government has received more of our vaccine than any other country – 270 million doses. We are also proud to have helped facilitate the donation by the U.S. government of an additional 79 million doses to low- and middle-income countries during 2021. We have also worked constructively with the U.S. government to postpone the delivery of some of the original committed 500 million doses to permit us to prioritize deliveries to other countries and geographies with significant unmet need.

PRICING FOR COVAX AND THE AFRICAN UNION

Consistent with the pricing framework originally announced in August 2020, we have continued to work to ensure that our vaccine is accessible regardless of a government’s ability to pay. In December 2020, we announced our Access Principles, which included a commitment to provide Gavi-eligible countries our lowest prices.⁶

In May 2021, we were pleased to announce an agreement with Gavi, on behalf of the COVAX Facility, to provide up to 500 million

⁵ See Moderna, “[Business Update and Second Quarter 2020 Financial Results](#)” (August 5, 2020), at pp. 20-26.

⁶ See “[Moderna’s Commitment to Vaccines and Therapeutics Access](#)” (December 23, 2020).

doses of our vaccine to low- and middle-income countries beginning in 2021 and through 2022.⁷ Pricing under this original agreement was at \$10.00 per 100 µg dose.⁸ The agreement was subsequently amended to provide up to 650 million doses of our COVID-19 vaccine across 2021 and 2022, the largest direct supply agreement between a U.S. manufacturer and COVAX for COVID-19 vaccines. Under the latest amendment, doses of our COVID-19 vaccine are being provided to the COVAX Facility at \$7.00 per 100 µg dose. In October 2021, we also announced a memorandum of understanding with the African Union to supply as many as 110 million doses of our COVID-19 vaccine, also at \$7.00 per 100 µg dose. The African Union has exercised its option for 50 million doses in the first quarter of 2022, but in January 2022, informed us that it will not exercise its option for 60 million doses in the second quarter of 2022, due to its expectation that existing supplies will be sufficient to meet its vaccination targets.

PRICING FOR OTHER COUNTRIES

Our pricing to other countries reflects the pricing framework that we announced in August 2020, and we are committed to

continuing to price the vaccine well below its value during the pandemic. Prices are set based upon a number of factors, including the relative income level of the country and the size of the order. The timing of deliveries is negotiated with each government, but priority is based in part on when it places its order. As noted above, many of the countries that have purchased Moderna's COVID-19 vaccine placed orders and paid deposits in 2020, well before receiving confirmation that the vaccine would prove effective. This funding from other governments—aside from the U.S. government—also made it possible for us to develop our vaccine, scale our manufacturing capabilities and purchase raw materials.

Where those countries have more vaccines available than is necessary to meet local needs, we have worked actively with those governments to encourage and facilitate the donation of doses to other countries, particularly in low- and middle-income countries. During 2021, we facilitated the donation of approximately 59 million doses of our COVID-19 vaccine from Member States of the European Union to low- and middle-income countries.

⁷ See "[Moderna Announces Supply Agreement with Gavi for up to 500 Million Doses of COVID-19 Vaccine for COVAX to Help End COVID-19 Pandemic in Lowest Income Countries](#)" (May 3, 2021).

⁸ See "[Moderna Announces COVAX Exercises its Option to Purchase 176.5 Million Additional Doses of Moderna's COVID-19 Vaccine for Low Income Countries in the First Half of 2022](#)" (October 12, 2021).

Our Global Commitment to Vaccine Access

In October 2021, our CEO, Stéphane Bancel, articulated “Our Global Commitment to Vaccine Access.”⁹ It remains our objective to help protect as many people as possible around the globe. Our strategy to ensure access to the vaccine for populations around the globe remains focused on five pillars:

1. Not Enforcing Intellectual Property

We are committed to not enforcing our COVID-19 related intellectual property rights during the pandemic, and are the only company to have made such a commitment.

2. Supporting COVAX

We are committed to supporting the COVAX Facility for low-income countries, as evidenced by our commitment to supply up to 650 million doses of our vaccine in 2021 and 2022, with 34 million doses delivered to COVAX in 2021.

3. Facilitating Donations

We will continue to work with governments that have purchased more vaccine than they need to facilitate donations to COVAX or through bilateral arrangements, providing regulatory, supply chain and pharmacovigilance support. In 2021, we helped facilitate the donation of 138 million doses to low- and middle-income countries from the US and EU.

4. Providing Africa Manufacturing Capabilities

We announced in October 2021 that we plan to build an mRNA manufacturing facility in Africa, with the goal of being able to produce up to 500 million doses of vaccine on the continent each year to help protect against future pandemics.

5. Expanding Our Capacity

In April 2021, to meet the anticipated need for mRNA vaccines, we announced additional investments in manufacturing – both at Moderna and with our partners – sufficient to produce an additional 1 billion doses of vaccine in 2022 to enable us to meet demand from low- and middle-income countries.¹⁰

Moderna is committed to helping to end the humanitarian and public health crisis posed by the COVID-19 pandemic as soon as possible. The company remains thankful to its many supporters, including governments, investors, employees, clinical trial participants and others who made the development of its COVID-19 vaccine possible.

This statement has been approved by the Moderna Board of Directors. February 9, 2022

BARDA, part of ASPR within the U.S. HHS is supporting the continued research and development of Moderna’s COVID-19 vaccine development efforts with federal funding under contract no. 75A50120C00034. BARDA is reimbursing Moderna for all allowable costs incurred by the Company for conducting the program described in the BARDA contract. The U.S. government has agreed to purchase supply of mRNA-1273 under U.S. Department of Defense contract no. W911QY-20-C-0100.

⁹ See “[Our Global Commitment to Vaccine Access](#)” (October 8, 2021).

¹⁰ See “[Moderna Announces Additional Investments to Increase Global Supply for COVID-19 Vaccine to Up to 3 Billion Doses in 2022](#)” (April 29, 2021).

FORWARD-LOOKING STATEMENTS

This post contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, including regarding: the Company's development of the Moderna COVID-19 Vaccine (mRNA-1273); future reimbursements of development expenses for its COVID-19 vaccine by BARDA; the Company's efforts to provide its COVID-19 vaccines to low- and middle-income countries, COVAX and the African Union and the timing for delivery of those doses; the pricing for future COVID-19 vaccine sales; the Company's commitment not to enforce its intellectual property rights with respect to COVID-19 related patents during the pandemic; ongoing efforts to donate vaccines from countries with sufficient doses to low- and middle-income countries; the construction of mRNA manufacturing facilities in Africa and the scale of production for that facility; and the potential additional production capacity as a result of the Company's investments in its manufacturing facilities and those of contract manufacturing partners. The forward-looking statements in this post are neither promises nor guarantees, and you should not place undue reliance on these forward-looking statements because they involve known and unknown risks, uncertainties, and other factors, many of which are beyond Moderna's control and which could cause actual results to differ materially from those expressed or implied by these forward-looking statements. These risks, uncertainties, and other factors include those other risks and uncertainties described under the heading "Risk Factors" in Moderna's most recent Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (SEC) and in subsequent filings made by Moderna with the SEC, which are available on the SEC's website at www.sec.gov. Except as required by law, Moderna disclaims any intention or responsibility for updating or revising any forward-looking statements contained in this post in the event of new information, future developments or otherwise. These forward-looking statements are based on Moderna's current expectations and speak only as of the date hereof.