

Global Access to COVID-19 Vaccines

Today, at the Moderna 2022 Annual Meeting of Shareholders, shareholders voted against the shareholder proposal requesting that we commission a report assessing the feasibility of transferring our intellectual property related to our COVID-19 vaccine (76% voted against; 24% voted for). We share the concern that the proponents and others have for ensuring equitable access to COVID-19 vaccines. Since 2020, we have taken several actions to ensure that we are able to meet demand for our vaccine in low- and middle-income countries. We are committed to continuing to address those needs and to help address long-term issues that have historically led to a gap in vaccine access. Today's vote indicates that the significant majority of our shareholders are supportive of the approach we have taken, and we will continue to address issues related to vaccine access and communicate with shareholders and others on this topic.

Expanding Our Manufacturing Capacity

From the earliest days of the COVID-19 pandemic, the team at Moderna has worked tirelessly to help combat it. Through these efforts, hundreds of millions of individuals have been vaccinated around the world. Throughout, our goal has been to produce as much of our vaccine as possible, to protect as many people as possible across the globe.

When it became clear that there would be significant demand and need for mRNA COVID-19 vaccines early in 2021, the Moderna Board of Directors responded swiftly, authorizing additional investments to significantly expand our manufacturing capacity, both internal and external, with a goal of addressing the need for vaccines, particularly in low- and middle-income countries.

The Company partnered with more than half a dozen established manufacturers to ramp up production around the globe, including Lonza, Baxter, Catalent, Recipharm, Rovi, Samsung, Thermo Fisher and others. Our efforts, and those of our manufacturing partners, have produced significant results, and this year, we anticipate that our capacity will be more than sufficient to meet demand. This is no small feat for a company that had not produced a commercial product prior to December 2020.

Committing Vaccines to COVAX and the African Union

Beginning in the summer of 2020, the Moderna team was engaged with Gavi, the Vaccine Alliance, on behalf of the COVAX Facility, hoping to secure a commitment from them to procure a significant number of Moderna COVID-19 vaccines. An agreement was not reached until April 2021, though we were pleased to commit up to 500 million doses to COVAX – a number that was subsequently increased to 650 million doses. Similarly, we were proud to reach an agreement with the African Union to supply 110 million doses, which we were prepared to start delivering as early as the fourth quarter of 2021. In each case, we offered these vaccines at our lowest price, and in the latest agreements the price for each of these organizations was \$7 per 100 µg dose.

Despite our efforts, ultimately COVAX and the African Union deferred or declined hundreds of millions of doses of Moderna's vaccine. While we were prepared to deliver tens of millions of doses to the African Union in December 2021, they asked us to delay delivery, noting that they did not have the means of distributing them. They also declined to exercise an option for 60 million doses that were available to them in the second quarter of this year.

Similarly, COVAX has declined options for over 320 million doses that Moderna was prepared to deliver in 2022, noting that they have ample access to vaccines. And even for those doses where COVAX submitted a firm order covering the first and second quarters, they have asked to defer delivery. As a result, Moderna is incurring significant costs as it winds down relationships with outside manufacturers who were engaged to produce these declined doses.

Asking Moderna to transfer intellectual property to local manufacturers—as the Oxfam America proposal suggested—when hundreds of millions of doses are being declined and already operating manufacturing plants are being idled will do nothing to accelerate the end of the pandemic. It would also require diverting Moderna personnel already engaged in manufacturing with other partners, or who are working on other initiatives, including the company’s Global Health strategy as described below.

We Are Committed to Helping Close the “Last Mile”

We recognize that closing the “last mile” on the distribution of vaccines remains a significant hurdle to closing the access gap. While Moderna cannot solve this problem alone, we are open to working with those working to solve this issue on the ground to help us ensure that doses are getting where they are needed.

Our Commitment to Closing the Access Gap and Advancing Global Health

Looking forward, Moderna is also committed to closing the gap in vaccine access that we have seen in the current COVID-19 pandemic. There are multiple prongs to this strategy:

- We are committed to ensuring that our intellectual property, or concerns about enforcement of our intellectual property, do not pose a barrier to access. In October 2020, we were the first and only company to pledge not to enforce our patents for those making vaccines to fight Covid-19 during the pandemic. We have since announced that Moderna will [never enforce](#) its COVID-19 intellectual property rights in the Gavi-eligible AMC-92 countries, or against manufacturers who are producing COVID-19 vaccines for distribution in those markets.
- We will internally fund and build an [mRNA manufacturing plant in Kenya](#), capable of producing up to 500 million doses per year (at the 50 µg dose) so that Africa has its own local source of vaccines, and we can start to build an ecosystem of individuals with the knowledge of how to manufacture this new generation of medicines.
- We are pursuing a technological solution to closing the access gap, working on a next generation version of our COVID-19 vaccine, mRNA-1283, that will be refrigerator stable so that countries in the developing world do not need to maintain rigorous cold chain storage requirements that are needed for current mRNA vaccines.
- We have updated our approach to contracting, allowing us discretion to reprioritize deliveries to those countries that have the greatest need, rather than tying the timing for deliveries to the timing of a customer’s commitment.

- Our [Global Health strategy](#), announced in March 2022, is focused on the development of mRNA vaccines against the 15 highest priority pathogens that have been identified by the WHO and the Coalition for Epidemic Preparedness Innovations (CEPI), like tuberculosis, malaria and HIV, which pose a significant threat to the developing world. This includes preparedness against Disease X, which could be the next pathogen to cause a pandemic.
- Our [mRNA Access](#) initiative is opening Moderna's preclinical manufacturing capabilities and research and development expertise to global partners, to together explore the possibility of mRNA to tackle the world's greatest global public health threats.

We share with the global public health community as well as our shareholders, a binding commitment to seeing an end to the current COVID-19 pandemic, and we will continue to take all appropriate actions to address and combat the pandemic as quickly as possible.