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After nearly $1B in research funding, Moderna takes $1.5B coronavirus vaccine order from U.S.

By **Eric Sagonowsky**
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COVID-19 | vaccine development | Moderna



Moderna has signed a COVID-19 vaccine supply deal with the U.S. government. (Moderna)

Through its COVID-19 vaccine partnership with the U.S. government, Moderna picked up nearly $1 billion in research aid. Now, it's joining a list of other companies to take a supply order from the federal government.

Under a deal worth up to $1.525 billion, Moderna agreed to deliver 100 million doses of its mRNA vaccine candidate if it succeeds in late-stage testing. The deal doesn't stipulate a timeline for vaccine shipments, at least publicly, but does include "incentive payments for timely delivery," Moderna says. The pact also includes an option for another 400 million doses.

Combined, Moderna has scored $2.48 billion in R&D and supply funding from the U.S. government for its program. That would make the vaccine's price per dose just under $25, less than the $32 to $37 Moderna says it's been charging small purchasers.

Still, Moderna's price is higher than any other Operation Warp Speed deal so far—despite the fact that it has received the most funding support. Sanofi and GlaxoSmithKline scored $2.1 billion to develop and deliver 100 million doses, coming out to $21 per dose. Pfizer and BioNTech's $1.95 billion deal breaks down to $19.50 per dose—the company hasn't accepted any federal funding for R&D or scale-up—while Novavax's $1.6 billion R&D and supply pact comes out to $16 per dose.

At $1 billion for 100 million doses, Johnson & Johnson's Operation Warp Speed deal—plus $456 million in R&D funding—comes out to about $14.56 per dose, total. AstraZeneca agreed to deliver 300 million doses under a $1.2 billion deal, making its price per dose the lowest among the companies at $4.

In total, the U.S. has ordered 800 million doses for a country with a population of about 330 million, likely under the assumption that some vaccines won't make it through clinical testing. The government is "assembling a broad portfolio of vaccines to increase the odds that we will have at least one safe, effective vaccine as soon as the end of this year," HHS secretary Alex Azar said in a statement.

RELATED: Moderna has started turning out COVID-19 vaccine doses for quick shipment if approved: CEO (https://www.fiercepharma.com/pharma/moderna-has-started-producing-commercial-covid-19-vaccines-at-risk-ceo)

Looking forward, Jefferies analysts wrote that the deal could enable Moderna to ink supply agreements with other countries. And they said the deal should ease concerns that the company hadn't inked a supply agreement like other players.

Back in March, Moderna and its research partners at the National Institutes of Health entered human testing with their mRNA vaccine candidate in record time after receiving the viral sequence for the novel coronavirus in January. Moving along at a record pace, the biotech might deliver efficacy data in October or November, Jefferies analysts wrote.

RELATED: Pfizer, BioNTech snare $1.95B deal with U.S. government for 100M-plus doses of COVID-19 vaccine (https://www.fiercepharma.com/manufacturing/pfizer-biontech-snare-1-95b-deal-u-s-government-for-100m-plus-doses-covid-19-vaccine)

As Moderna has advanced its R&D program, the company signed deals with Lonza (https://www.fiercepharma.com/manufacturing/moderna-aims-for-a-billion-covid-19-shots-a-year-lonza-manufacturing-tie-up) and Spain's Rovi (https://www.fiercepharma.com/manufacturing/moderna-inks-fill-finish-pact-spain-s-rovi-for-hundreds-millions-covid-19-shot-doses) to help with the manufacturing scale-up.

But the biotech isn't alone. Numerous global drugmakers are racing ahead, with Pfizer and AstraZeneca potentially also able to deliver the first COVID-19 vaccine doses. Companies such as Johnson & Johnson and Novavax are also in human testing and advancing promising programs.

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