Novavax Continues Transformation of Company Focused on Product Delivery, Financial Performance and Expanded Portfolio

January 31, 2024

In 2023, Novavax initiated a transformation of the Company, which included the goal of significantly reducing Research & Development (R&D) and Selling, General and Administrative (SG&A) expenses. As part of this Company transformation, during our Q3 2023 earnings call, the Company announced its intention to bring R&D and SG&A expenses below $750M in 2024. These efforts look to strengthen the financial profile of the Company and focus on delivering our differentiated COVID-19 vaccine in priority markets and accelerating the advancement of our COVID-19-Influenza Combination vaccine.

As a leadership team, we have continued to assess the essential capabilities needed for success. This includes continuing to scale the Company structure and spend. Today, we have made the difficult decision to reduce our current total global workforce, including both full-time employees and contractors, by approximately 12%. Upon completion, the resulting Company workforce is expected to be approximately 30% lower as compared to the end of the first quarter of 2023.

“With our mission to protect global public health at the forefront of all that we do, the new Novavax is being designed to be a leaner and more agile organization,” said John C. Jacobs, President and Chief Executive Officer, Novavax. “We are redefining how we do business and are purposefully focusing only on the critical activities needed to achieve our objectives and strengthen the financial performance of the Company.”

This week's changes further scale the Company structure and spend to enable readiness for the COVID-19 season and launch of our COVID-19-Influenza Combination vaccine Phase 3 trial. This further prioritization of core capabilities and optimization of our commercial footprint will enable our future success.

“We continue to spend significant time grounding our understanding of the market opportunity based on learnings from this season, and we will plan to share details on this and our efforts to align the Company with the evolving business environment on our upcoming Q4 and FY 2023 earnings call,” said Jacobs. “Our immediate focus is on executing these changes with empathy and support for the individuals who are transitioning out of Novavax, with gratitude for their efforts.”

Forward-Looking Statements

This statement includes forward-looking statements relating to the Company’s priorities, the size and timing of the Company’s workforce reduction and the Company’s readiness for the fall 2024 COVID-19 season and launch of a Phase 3 COVID-Influenza Combination vaccine trial. Generally, forward-looking statements can be identified through the use of words or phrases such as “believe,” “may,” “could,” “will,” “would,” “possible,” “can,” “estimate,” “continue,” “ongoing,” “consider,” “anticipate,” “intend,” “seek,” “plan,” “project,” “expect,” “should,” “would,” “aim,” or “assume,” the negative of these terms, or other comparable terminology, although not all forward-looking statements contain these words. Forward-looking statements involve estimates, assumptions, risks, and uncertainties that could cause actual results or outcomes to differ materially from those expressed or implied in any forward-looking statements, and, therefore, you should not place considerable reliance on any such forward-looking statements. Such risks and uncertainties include, among others, that the workforce reduction may be larger than currently anticipated, the Company may incur additional costs not currently contemplated, the Company’s ability to successfully manufacture, distribute, or market an updated COVID-19 vaccine for the fall 2024 COVID-19 season; challenges satisfying, alone or together with partners, various safety, efficacy, and product characterization requirements; difficulty obtaining scarce raw materials and supplies; and other risks and uncertainties are identified under the heading “Risk Factors” in the Company’s most recent Annual Report on Form 10-K and in any subsequent filings with the Securities and Exchange Commission. Further, any forward-looking statement speaks only as of the date when it is made, and the Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, unless required by law. New factors emerge from time to time, and it is not possible for the Company to predict which factors will arise. In addition, the Company cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.