



To Shareholders of Vaxxinity, Inc.:

Earlier today, we announced that we are delisting and deregistering our shares. A few weeks from now, we will no longer be publicly traded on the NASDAQ exchange. It is important to share why we made this decision to “go dark” and why we believe it is in the best interests of the company and our shareholders over the longer-term.

Being a public company is very expensive and incredibly time-consuming. Choosing to go public is a path many pursue primarily to obtain access to greater institutional pools of capital.

Since the company’s IPO in November 2021, the capital markets have been uniquely and historically adverse for biotech. In retrospect, institutional support withdrew from the market, liquidity dried up and we found ourselves in a downward spiral:

- The Biotech XBI index decreased for three consecutive years
- Of the over 40 companies that went public in the second half of 2021, only two are trading positively and the majority have decreased more than 80% from their IPO price
- Overall, IPO proceeds dropped by 93% from 2021 to 2022

Even in light of these market conditions, Vaxxinity has achieved remarkable successes and results, including:

- Positive Phase 3 results, validating our platform in COVID
- Generating industry-leading data in Parkinson’s patients
- Receipt of FDA Fast Track designation for Alzheimer’s program
- Two new programs progressing from animal studies into the clinic
- External validation through over \$10M in non-dilutive funding from leading organizations

As we witnessed first-hand, downward selling pressure often has nothing to do with company performance. Rather, perversely, we saw investors selling because we were their *top-performing* portfolio company or selling *into* good news for the relatively enhanced liquidity. That being said, our liquidity is significantly limited by low daily trading volume which makes it difficult to get both in and out. Relatively few shares openly traded on the market can have an outsized impact on our share price.

The costs and resources required to be public, however, continue to be substantial. We spent \$3.7M on our first year as a public company on D&O insurance alone. To put that in context, that is equivalent to a large Phase 1 clinical trial. Overall, we are bearing all the costs associated with being public without being able to afford ourselves any of the traditional benefits of access to the public capital markets.



**Given these dynamics, after careful consideration, the Board of Directors of Vaxxinity has determined that being a private company will give us significantly more opportunity and flexibility going forward to deliver shareholder value and patient impact.** Ironically, we expect better access to capital as a private company in today's environment. Additionally, being private will allow us to focus on what matters most, advancing our science and helping patients.

And we believe our science superior. We have shown that Vaxxinity can create vaccines that are as good, if not better, than those already in the market. We did it with COVID, and achieved it with a fraction of our competitors' resources. In 2.5 years, we:

- Received an FDA EUA on our antibody test
- Successfully brought our vaccine through a Phase 3 head-to-head with the best-selling vaccine of all time demonstrating that we developed a safer, broader coverage COVID booster
- Ramped up GMP manufacturing of over 200 million doses of vaccine antigen

We recognize that COVID is no longer a top global health priority, but if it were, we believe we would have a best-in-class vaccine offered at 10% of our competitors' price, or put another way, we would be fulfilling our mission to limit suffering and increase access to the best healthcare solutions in the world.

We are now pivoting our focus to another more pernicious, deadly and costly pandemic – neurodegenerative diseases, specifically Alzheimer's and Parkinson's. These slow-progressing diseases affect large and growing global populations, and thus require safe, convenient, and scalable solutions that can intervene early to prevent the disease from worsening. We have the most advanced active immunotherapies in development leveraging cutting-edge technology and an unprecedented opportunity to alleviate the world from its most feared, expensive and devastating diseases. As a private company, we believe we will be better able to keep tirelessly pushing forward, buoyed by purpose and driven by impact.

For those of you who choose to sell before we stop trading, we sincerely appreciate your interest in our technology and story to date. For those of you that elect to remain as shareholders through this transition, we would like to thank you in advance for sharing our vision of growing a valued company on a mission of eliminating as much suffering as possible.

Onwards and upwards,

Lou and Mei Mei