



**GAVI Alliance  
Statutory Financial  
Statements 2021**

**Global Health Campus  
Chemin du Pommier 40  
1218 Grand-Saconnex  
Geneva, Switzerland**

**[www.gavi.org](http://www.gavi.org)**

## **Report of the Statutory Auditor**

To the GAVI Alliance Board of  
**GAVI Alliance, Grand-Saconnex - Geneva**

## **Report of the Statutory Auditor on the Financial Statements**

As statutory auditor, we have audited the accompanying financial statements of GAVI Alliance (“Foundation”), which comprise the statement of financial position, statement of activities, statement of changes in capital and notes for the year ended 31 December 2021.

### *GAVI Alliance Board and Secretariat’s Responsibility*

The GAVI Alliance Board and Secretariat are responsible for the preparation of these financial statements in accordance with the requirements of Swiss law and the statutes and by-laws of the Foundation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The GAVI Alliance Board and Secretariat are further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

### *Auditor’s Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity’s preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements for the year ended 31 December 2021 comply with Swiss law and the statutes and by-laws of the Foundation.

## Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 83b Civil Code (CC) in connection with article 728 Code of Obligations (CO)) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the GAVI Alliance Board.

We recommend that the financial statements submitted to you be approved.

## Deloitte SA

Fabien Bryois  
Licensed Audit Expert  
Auditor in Charge

Lisa Watson  
Licensed Audit Expert

Geneva, Switzerland, 23 June 2022

## STATEMENTS OF FINANCIAL POSITION

In Thousands	Note	As of 31 December 2021		As of 31 December 2020	
		US\$	SFr	US\$	SFr
Cash		1,343,400	1,225,674	195,458	173,041
Restricted cash	4	3,190,770	2,911,154	819,505	725,514
Financial assets	5	2,516,601	2,296,064	2,271,725	2,011,176
Contributions receivable	6	1,496,865	1,365,690	907,477	803,397
Foreign currency forward contracts receivable	7	5,117	4,669	1,244	1,102
Receivable on COVAX Facility arrangements	8	13,621	12,427	220,375	195,100
Receivables, prepaid expenses and other assets	9	4,267,037	3,893,104	399,123	353,347
<b>Total current assets</b>		<b>12,833,411</b>	<b>11,708,782</b>	<b>4,814,907</b>	<b>4,262,677</b>
Financial assets	5	1,027,145	937,134	1,138,073	1,007,546
Contributions receivable	6	2,177,375	1,986,566	733,111	649,029
Foreign currency forward contracts receivable	7	32,071	29,261	2,642	2,339
Fixed assets	10	21,215	19,356	23,302	20,630
<b>Total non-current assets</b>		<b>3,257,806</b>	<b>2,972,317</b>	<b>1,897,128</b>	<b>1,679,544</b>
<b>Total assets</b>		<b>16,091,217</b>	<b>14,681,099</b>	<b>6,712,035</b>	<b>5,942,221</b>
Accounts payable and other liabilities	11	774,506	706,634	445,072	394,027
Programme grants payable	12	59,079	53,902	117,860	104,342
Procurement accounts payable	4	1,836,994	1,676,013	815,498	721,967
Payable on COVAX Facility arrangements	8	1,659,157	1,513,760	1,851,030	1,638,732
Foreign currency forward contracts payable	7	45,807	41,793	63,775	56,461
Operating lease obligation	17	2,813	2,567	2,910	2,576
<b>Total current liabilities</b>		<b>4,378,356</b>	<b>3,994,669</b>	<b>3,296,145</b>	<b>2,918,105</b>
Foreign currency forward contracts payable	7	2,081	1,899	71,751	63,522
Operating lease obligation	17	18,841	17,190	21,911	19,398
Other borrowings	13	500,280	456,439	-	-
<b>Total non-current liabilities</b>		<b>521,202</b>	<b>475,528</b>	<b>93,662</b>	<b>82,920</b>
<b>Total liabilities</b>		<b>4,899,558</b>	<b>4,470,197</b>	<b>3,389,807</b>	<b>3,001,025</b>
Special purpose fund		6,205,799	5,784,028	1,874,595	1,797,053
<b>Total long-term special purpose fund</b>		<b>6,205,799</b>	<b>5,784,028</b>	<b>1,874,595</b>	<b>1,797,053</b>
Foundation capital		31	50	31	50
Unrestricted funds		4,985,829	4,712,098	1,447,602	1,455,001
Currency translation adjustment		-	(285,274)	-	(310,908)
<b>Total organisational capital</b>		<b>4,985,860</b>	<b>4,426,874</b>	<b>1,447,633</b>	<b>1,144,143</b>
<b>Total liabilities, special purpose fund and organisational capital</b>		<b>16,091,217</b>	<b>14,681,099</b>	<b>6,712,035</b>	<b>5,942,221</b>

The accompanying notes are an integral part of these statutory financial statements.

## STATEMENTS OF ACTIVITIES

In Thousands	Note	Year Ended 31 December 2021		Year Ended 31 December 2020	
		US\$	SFr	US\$	SFr
<u>Changes in unrestricted funds</u>					
<u>Revenue</u>					
Contributions from government and private donors		744,750	685,567	398,940	382,238
Net investment income	14	61,129	56,271	43,764	41,932
Net fair value gains on derivatives		63,071	58,059	-	-
Foreign currency transaction adjustment on contributions receivable		-	-	8,226	7,882
Other revenue		6,436	5,925	1,040	996
Internal transfers		11,238,956	10,345,876	1,253,852	1,201,357
<b>Total revenue</b>		<b>12,114,342</b>	<b>11,151,698</b>	<b>1,705,822</b>	<b>1,634,405</b>
<u>Expenses</u>					
Programme	15	8,512,329	7,835,883	2,059,964	1,973,720
Management and general	15	33,934	31,237	25,083	24,032
Fundraising	15	24,141	22,223	19,051	18,254
Provision for doubtful accounts	6	1,000	921	-	-
Net fair value losses on derivatives		-	-	97,962	93,861
Foreign currency transaction adjustment on contributions receivable		4,711	4,337	-	-
<b>Total expenses</b>		<b>8,576,115</b>	<b>7,894,601</b>	<b>2,202,060</b>	<b>2,109,867</b>
<b>Change in unrestricted funds</b>		<b>3,538,227</b>	<b>3,257,097</b>	<b>(496,238)</b>	<b>(475,462)</b>
<u>Changes in special purpose fund</u>					
Contributions from government and private donors		11,247,080	10,353,311	2,035,429	1,950,213
Contributed nonfinancial assets	16	4,411,952	4,061,349	1,338	1,282
Foreign currency transaction adjustment on contributions receivable		(88,872)	(81,809)	(35,872)	(34,371)
Internal transfers		(11,238,956)	(10,345,876)	(1,253,852)	(1,201,357)
<b>Change in special purpose fund</b>		<b>4,331,204</b>	<b>3,986,975</b>	<b>747,043</b>	<b>715,767</b>
<b>Result for the year</b>		<b>7,869,431</b>	<b>7,244,072</b>	<b>250,805</b>	<b>240,305</b>
<u>Beginning of the year</u>					
Unrestricted funds		1,447,602	1,455,001	1,943,840	1,930,463
Special purpose fund		1,874,595	1,797,053	1,127,552	1,081,286
<b>Beginning of the year</b>		<b>3,322,197</b>	<b>3,252,054</b>	<b>3,071,392</b>	<b>3,011,749</b>
<u>End of the year</u>					
Unrestricted funds		4,985,829	4,712,098	1,447,602	1,455,001
Special purpose fund		6,205,799	5,784,028	1,874,595	1,797,053
<b>End of the year</b>		<b>11,191,628</b>	<b>10,496,126</b>	<b>3,322,197</b>	<b>3,252,054</b>

The accompanying notes are an integral part of these statutory financial statements.

## STATEMENTS OF CHANGES IN CAPITAL

Year Ended 31 December 2021, in Thousands	Opening Balance		Result for the year		Currency Translation Adjustment		Closing Balance	
	US\$	SFr	US\$	SFr	US\$	SFr	US\$	SFr
Special purpose fund:								
Vaccine and immunisation	1,864,595	1,787,472	4,341,204	3,996,556	-	-	6,205,799	5,784,028
Research and development	10,000	9,581	(10,000)	(9,581)	-	-	-	-
<b>Total special purpose fund</b>	<b>1,874,595</b>	<b>1,797,053</b>	<b>4,331,204</b>	<b>3,986,975</b>	<b>-</b>	<b>-</b>	<b>6,205,799</b>	<b>5,784,028</b>
Foundation capital	31	50	-	-	-	-	31	50
Unrestricted funds	1,447,602	1,455,001	3,538,227	3,257,097	-	-	4,985,829	4,712,098
Currency translation adjustment	-	(310,908)	-	-	-	25,634	-	(285,274)
<b>Total special purpose fund and organisational capital</b>	<b>3,322,228</b>	<b>2,941,196</b>	<b>7,869,431</b>	<b>7,244,072</b>	<b>-</b>	<b>25,634</b>	<b>11,191,659</b>	<b>10,210,902</b>

Year Ended 31 December 2020, in Thousands	Opening Balance		Result for the year		Currency Translation Adjustment		Closing Balance	
	US\$	SFr	US\$	SFr	US\$	SFr	US\$	SFr
Special purpose fund:								
Vaccine and immunisation	1,127,552	1,081,286	737,043	706,186	-	-	1,864,595	1,787,472
Research and development	-	-	10,000	9,581	-	-	10,000	9,581
<b>Total special purpose fund</b>	<b>1,127,552</b>	<b>1,081,286</b>	<b>747,043</b>	<b>715,767</b>	<b>-</b>	<b>-</b>	<b>1,874,595</b>	<b>1,797,053</b>
Foundation capital	31	50	-	-	-	-	31	50
Unrestricted funds	1,943,840	1,930,463	(496,238)	(475,462)	-	-	1,447,602	1,455,001
Currency translation adjustment	-	161,135	-	-	-	(472,043)	-	(310,908)
<b>Total special purpose fund and organisational capital</b>	<b>3,071,423</b>	<b>3,172,934</b>	<b>250,805</b>	<b>240,305</b>	<b>-</b>	<b>(472,043)</b>	<b>3,322,228</b>	<b>2,941,196</b>

The accompanying notes are an integral part of these statutory financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 1 NATURE OF OPERATIONS

GAVI Alliance (“Gavi”) was formerly known as the Global Alliance for Vaccines and Immunisation. It was created in 2000 to respond to and combat declining immunisation rates in implementing countries. Gavi was initially created as a non-judicial association of public and private sector organisations, institutions and governments, including the Bill and Melinda Gates Foundation (the “Gates Foundation”), the United Nations Children’s Fund (“UNICEF”), the International Bank for Reconstruction and Development (the “World Bank”), the World Health Organization (the “WHO”), implementing country governments, grantor country governments, vaccine manufacturers, civil society organisations and research and technical health institutes.

In April 2020, Gavi, WHO, and the Coalition for Epidemic Preparedness Innovations (“CEPI”), working together with multinational and developing country vaccine manufacturers, launched the COVAX Facility (the “Facility”) as a global risk-sharing mechanism for pooled procurement and equitable distribution of eventual COVID-19 vaccines. In July 2020, the Gavi Board formally approved Gavi as the legal entity to administer the Facility and Gavi established, within the Secretariat, the Office of the COVAX Facility during the year to execute its responsibilities as administrator. Gavi maintains separate contracts, bank accounts and money market funds, general ledger accounts, where necessary, and expense coding for the Facility to keep track of the transactions and activities. The Facility is not a separate legal entity.

The principal role of the Facility is to help end the acute phase of the pandemic by enabling equitable access to life-saving COVID-19 vaccine. By joining the Facility, participating countries and economies obtained not only access to a diverse portfolio of COVID-19 vaccines, but also an actively managed portfolio. The Facility continually monitors the COVID-19 vaccine landscape to identify the most suitable vaccine candidates, based on scientific merit and scalability, and works with manufacturers to incentivise them to expand their production capacity in advance of vaccines receiving regulatory approval.

The Facility has global participation of 193 economies (representing over 90% of the world’s population), consisting of 101 Self-Financing Participants (“SFP”) and 92 AMC-eligible economies (“AMC92”). SFPs can choose a committed purchase arrangement, committing participants to purchase allocations of approved vaccines from the Facility, or an optional purchase arrangement, giving them the possibility to opt out, either before Gavi enters into an agreement with a manufacturer (“window 1”) or later when Gavi provides purchase options for vaccines which have been allocated to the participant (“window 2”).

With funding through the SFPs and through donations to the Gavi Advance Market Commitment for COVID-19 vaccines (“Gavi COVAX AMC”), the Facility is reserving doses with manufacturers to build an actively managed portfolio of vaccine candidates based upon diverse technologies and geographies to maximise the chance of a successful outcome and accelerate access. This shapes the vaccine market to expand supply and achieve economies of scale through aggregating demand and increasing availability simultaneously in lower-income and higher-income countries.

On 4 June 2020, the Government of the United Kingdom hosted the Global Vaccine Summit, Gavi’s third donor pledging conference, to raise funds to support Gavi’s programmes for the 2021–2025 strategic period. Attended by a number of world leaders and representatives from Gavi donor countries, Gavi-supported countries, the private sector, civil society, and Gavi partners, the summit raised a total of US\$ 8.8 billion (valued at foreign currency spot rates as of 4 June 2020) in new donor commitments, which will enable Gavi to reach a further 300 million children by 2025, saving an additional 7 to 8 million more lives.

Name:	Gavi Alliance
Legal form:	Foundation
Registered in:	Geneva
Legal basis:	Gavi Alliance Statutes
Chairman:	José Manuel Barroso
Auditor:	Deloitte SA (CHE-411.931.790)
Supervision authority:	Swiss Supervisory Authority of Foundations

## 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting:** These financial statements were prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (32<sup>nd</sup> title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

Gavi also prepares consolidated financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States and is therefore exempted from including the additional information in the notes to the annual accounts, the cash flow statement and the management report in these financial statements in accordance with Swiss Code of Obligations Article 961d paragraph 1.

**Functional and Presentation Currency:** The financial statements are presented in United States dollars, which is the functional and reporting currency of Gavi. The Swiss Code of Obligations requires the disclosure of the financial statements in Swiss francs ("SFr"). For this purpose, the assets and liabilities in United States dollars are translated at the foreign exchange rate prevailing at the end of the year and income and expenses are translated at the yearly average foreign exchange rate published by the Federal Tax Administration (ESTV). Special purpose fund and organisational capital are presented at the historical rates. All translation differences are reported as currency translation adjustment under organisational capital in the Statement of Financial Position and Statement of Changes in Capital.

**Cash, Restricted Cash and Cash Equivalents:** Gavi reports all demand deposits as cash. Restricted cash are deposits subject to restrictions and are therefore not available for general use as discussed in Note 4 to the financial statements. At times, the balances in bank accounts held in Switzerland, the United Kingdom and the United States may exceed the respective deposit insurance limits. Gavi has, however, not experienced any losses in these accounts and manages the risk in accordance with its cash investment policy. Gavi does not believe it is exposed to any significant credit risk related to the accounts. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less. Gavi reports all cash equivalents, which includes time deposits, fiduciary deposits, and money market funds, as financial assets.

**Net Contributions Receivable:** Gavi's net contributions receivable comprises unconditional promises to give from donors. Gavi records each unconditional promise to give at nominal value less any appropriate value adjustments for amounts that cannot be recovered on the date the recognition criteria are met. A conditional promise to give is considered unconditional if the barriers or conditions are met.

An allowance for doubtful accounts is provided for those receivables which are considered to be uncollectible based on historical experience and management's evaluation of the likelihood of payment. Accounts are written off after all reasonable collection efforts have been exhausted.

Contributions receivable pledged in currencies other than the United States dollar are converted to United States dollars using the spot currency exchange rates as of year-end. Nominal value changes related to changes in currency exchange rates are reported in the Statements of Activities as foreign currency transaction adjustment.

**Receivable on COVAX Facility arrangements:** These are the contractual amounts of down payments/upfront payments due from SFPs and cost-sharing participants, which are due and irrevocable when the participants join the Facility. It is recognised at nominal value.

**Financial Assets (Investments in money market funds and registered investment companies):** These are recorded at fair value which is based on unadjusted quoted prices for an identical asset in an active market.

**Financial Assets (Investments in limited liability companies and limited partnerships):** These are recorded at cost less any impairment losses.

**Foreign Currency Forward Contracts Receivable/Payable:** Gavi uses foreign currency forward contracts to manage the foreign exchange risk on its foreign currency assets and liabilities and future net cash inflows (usually for up to five years forward). These derivatives are recognised at fair value.

**Fixed Assets:** Furniture, equipment, computer software, and leasehold improvements that were purchased by Gavi are stated at cost. Depreciation for furniture and equipment is calculated using the straight-line method over their estimated useful lives of three to five years. Depreciation for leasehold improvements is calculated using the straight-line method over the shorter of the asset's useful life or the term of the lease.

**Accounts Payable and Other Liabilities:** Accounts payable and other liabilities are recognised at nominal value. It includes accrued expenses which are expenses recognised as a monetary item before it is paid for.

**Net Programme Grants Payable:** Net programme grants payable are recognised at nominal value.

Payments to programme implementing partners or procurement agents in advance of any service delivery are accounted for as prepayments for procurement and are included in receivables, prepaid expenses and other assets in the Statements of Financial Position.

**Procurement Accounts Payable:** Procurement accounts payable are amounts committed to UNICEF for the procurement of vaccines and are recognised at nominal value.

**Payable on COVAX Facility arrangements:** These are the advances from SFPs and cost-sharing participants held by Gavi for future procurement of vaccines. It is recognised at nominal value.

**Other Borrowings:** Other borrowings are recognised at nominal value.

**Leases:** Gavi is a lessee in several noncancellable operating leases, for office space, computers and other office equipment. Gavi determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. Gavi recognises a lease liability and a right-of-use asset at the commencement date of the lease. The lease liability is initially and subsequently recognised based on the present value of its future lease payments using risk-free discounted rate at commencement date for all leases. The right-of-use asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability, plus unamortised initial direct costs, plus any prepaid lease payments, less the unamortised balance of lease incentives received, and any impairment recognised. Lease cost for lease payments is recognised on a straight-line basis over the lease term.

Gavi has elected, for all underlying classes of assets, to not recognise the right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less at lease commencement, and do not include an option to purchase the underlying asset that Gavi is reasonably certain to exercise. Gavi recognises lease cost associated with short-term leases on a straight-line basis over the lease term.

Gavi made an accounting policy election by class of underlying asset, for computers and other office equipment, to account for each separate lease component of a contract and its associated non-lease components as a single lease component.

**Special Purpose Funds:** Net assets subject to donor-imposed stipulations that are expected to be met by actions of Gavi, the passage of time, or both. Gavi's constitute bodies cannot independently decide to use these funds for another purpose. These funds are reported at nominal value as debts.

**Organisational Capital:** The organisational capital is initially made available by the founder and also results from income generated. It must be used in line with the purpose of the organisation. The generated funds are designated as generated unrestricted funds (which can be used for all the organisation's purposes, i.e., net assets that are not subject to donor-imposed stipulations) and generated restricted capital (which can be used by the organisation itself for a clearly defined and limited purpose). Gavi does not have any restricted capital as of 31 December 2021 and 2020.

Gavi has nominated and maintains a foundation capital of SFr 50 thousand by virtue of its initial registration as a non-profit foundation under the laws of Switzerland.

**Revenue Recognition:** Contributions are reported as revenue in the year in which payments are received, unconditional promises are made or barriers on conditional promises are met. Gavi reports gifts of cash and other assets as special purpose fund if they are received with donor stipulations that limit the use of the contributed assets for specific purposes or use in future years. When a donor restriction expires, that is when the time or purpose of the restriction is met, special purpose fund is transferred to unrestricted funds and reported in the Statements of Activities as internal transfers.

Revenue from cost-reimbursable contracts and grants is recognised as the related costs are incurred, or as the related activities occur and any conditions stipulated in the grant agreements are met, on the basis of direct costs, plus allowable indirect costs.

Contributed goods and services are reported as contributed nonfinancial assets in the Statements of Activities at their estimated nominal value at the date of their receipt.

**Expenses:** Gavi records expenses in the periods to which the transactions, events and circumstances relate.

Gavi's major classes of programmes are New and Underused Vaccine Support ("NVS") programmes, Health System Strengthening ("HSS") programmes, COVID-19 vaccine programmes and Investment Cases. NVS programmes provide funding to Gavi supported implementing countries for the introduction of vaccines and associated vaccine technology. HSS programme funding is used to achieve and sustain increased immunisation coverage, through strengthening the capacity of countries' systems to provide immunisation and other health services. COVID-19 vaccine programmes funding is used for pooled procurement and equitable distribution of COVID-19 vaccines under the Facility. Gavi records these programme expenses in the periods to which the grants are approved and the barriers or conditions are met. Investment Cases, which includes research and development of new vaccines, are one-time tactical investments in disease prevention and control. These investments are made through Gavi partners such as UNICEF, WHO and CEPI.

**Income Taxes:** Gavi is exempt from income taxes in each of the jurisdictions in which it has operations.

**Allocation of Functional Expenses:** Gavi's expenses are summarised by their functional classification in the Statements of Activities. Certain costs have been allocated among the respective functional classes of expenses, on the basis of time and effort of full-time employees, as shown in Note 15 to the financial statements.

**Contingencies:** Gavi's programmes include investment cases. An investment case is a proposal that is prepared jointly by Gavi and one or more partners to fund a special vaccine related programme, such as rapid response to outbreaks through stockpiling vaccines or prevention campaigns. Due to uncertainty around when or where outbreaks will occur and how much Gavi will be required to fund, it is difficult to estimate the costs involved with such programmes. Therefore, such costs are recorded at the time they are incurred, and there will be future costs associated with investment case programmes.

**Foreign Currency Transactions:** These financial statements are presented in United States dollars, which is the reporting currency of the Gavi. The assets and liabilities held in foreign currency are converted to United States dollars at the prevailing average interbank exchange rate as of 31 December 2021 and 2020. Foreign currency transactions are translated at the prevailing average interbank exchange rates on the date of the transaction. The resulting foreign exchange gains and losses are recognised in the Statements of Activities.

**Use of Estimates and Judgements:** The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements include: the valuation of contributed nonfinancial assets as described in Note 16 to the financial statements, and recognition of commitment agreements between SFPs or cost-sharing participants and Gavi under the Facility. Under the commitment agreements or cost-sharing approach, Gavi acts as an agent based on the following factors: (1) Gavi does not have control over the vaccines or have inventory risk before the vaccines are transferred to the participants; (2) Gavi does not have control over the pricing of the actual procurement price of the vaccines; (3) the vaccines purchased are directly between the manufacturer and the SFPs, cost-sharing participants or a procurement agent; and (4) the agreements are constructed to eliminate any risks to Gavi.

### 3. RELATED PARTY DISCLOSURE

Gavi's related party is the International Finance Facility for Immunisation Company ("IFFIm"). IFFIm was incorporated in June 2006 as a private company limited by guarantee under the United Kingdom Companies Act 1985, with company registration number 5857343. It is also registered as a charity with the Charity Commission for England and Wales, with charity registration number 1115413. IFFIm is a multilateral development institution that raises funds by issuing bonds in the international capital markets. It then disburses the funds to Gavi, which uses the funds for its vaccine procurement, immunisation, HSS, vaccine research and development programmes, and procurement and delivery of COVID-19 vaccines. Gavi is the sole member of IFFIm. Gavi has control of IFFIm and has ongoing economic interests in the net assets of IFFIm through contracts and affiliation agreements.

Balances due to or from related parties are non-interest bearing and do not have specific terms of repayment.

Gavi's related party balances were:

In Thousands	Note	2021		2020	
		US\$	SFr	US\$	SFr
Contributions receivable from IFFIm		396,064	361,356	160,987	142,523
Accounts receivable from IFFIm	9	284	259	-	-
Accounts payable to IFFIm	11	-	-	11	10

In June 2020, Gavi assigned to IFFIm all its rights, title, benefit and interest to receive grant payments committed by Norway totalling NOK 2 billion (US\$ 187 million; SFr 180 million) to help finance research and development of new vaccines by the CEPI.

In November 2020, Gavi assigned to IFFIm all its rights, title, benefit and interest to receive grant payments committed by Italy totalling €5 million (US\$ 6 million; SFr 5 million) to help finance research and development of new vaccines by the CEPI.

In December 2020, Gavi assigned to IFFIm all its rights, title, benefit and interest to receive grant payments committed by Norway totalling NOK 1 billion (US\$ 103 million; SFr 99 million) and by United Kingdom totalling £500 million (US\$ 610 million; SFr 585 million) to support Gavi COVAX AMC programme.

In December 2020, Gavi assigned to IFFIm all its rights, title, benefit and interest to receive grant payments committed by Italy totalling €150 million (US\$ 160 million; SFr 154 million) and by Netherlands totalling €250 million (US\$ 280 million; SFr 269 million) to support Gavi programmes.

In July 2021, Gavi assigned to IFFIm all its rights, title, benefit and interest to receive grant payments committed by Norway totalling NOK 4 billion (US\$ 398 million; SFr366 million) to support Gavi programmes.

In August 2021, Gavi assigned to IFFIm all its rights, title, benefit and interest to receive grant payments committed by Sweden totalling SEK 2 billion (US\$ 239 million; SFr220 million) to support Gavi COVAX AMC programme and SEK 250 million (US\$ 27 million; SFr 25 million) to support Gavi programmes.

In August 2021, Gavi assigned to IFFIm all its rights, title, benefit and interest to receive grant payments committed by Australia totalling AU\$ 86 million (US\$ 56 million; SFr51 million) to support Gavi COVAX AMC programme.

Gavi recorded contributions from IFFIm of US\$ 1.4 billion (SFr1.3 billion) and US\$ 210 million (SFr202 million) during the year ended 31 December 2021 and 2020, respectively. The contribution in 2021 includes Gavi COVAX AMC funding of US\$ 1.1 billion (SFr1.0 billion) and CEPI-related funding of US\$ 334 million (SFr305 million). The contribution in 2020 includes CEPI-related funding of US\$ 210 million (SFr 202 million).

Gavi provided in-kind contributions to IFFIm of US\$ 942 thousand (SFr 867 thousand) and US\$ 911 thousand (SFr873 thousand) during the years ended 31 December 2021 and 2020, respectively.

#### 4. RESTRICTED CASH AND PROCUREMENT ACCOUNTS PAYABLE

Gavi established separate bank accounts into which it transfers cash as needed for the benefit of UNICEF to procure vaccines and other supplies on Gavi's behalf (the "Procurement Accounts"). All cash deposited into the Procurement Accounts is irrevocable and may only be withdrawn by UNICEF, with the exception of investment income, which may be remitted to Gavi. As collateral security for the prompt payment and performance when due of Gavi's obligations, Gavi has granted to UNICEF a security interest in all of Gavi's rights, titles, interests in, and proceeds from, the Procurement Accounts and all financial assets credited thereto. As of 31 December 2021 and 2020, US\$ 3.2 billion (SFr 2.9 billion) and US\$ 819 million (SFr 726 million), respectively, were available to UNICEF in the Procurement Accounts.

Amounts payable to UNICEF for the procurement of vaccines were US\$ 1.8 billion (SFr 1.7 billion) and US\$ 815 million (SFr 722 million) as of 31 December 2021 and 2020, respectively. These amounts are presented as procurement accounts payable in the Statements of Financial Position.

#### 5. FINANCIAL ASSETS

Gavi's financial assets consisted of the following:

In Thousands	2021		2020	
	US\$	SFr	US\$	SFr
Money market funds	2,516,601	2,296,064	2,271,725	2,011,176
Registered investment companies	367,673	335,453	409,161	362,234
Limited liability companies and limited partnerships	659,472	601,681	728,912	645,312
Total financial assets	3,543,746	3,233,198	3,409,798	3,018,722

Money market funds are presented under current assets in the Statements of Financial Position. Registered investment companies and limited liability companies and limited partnerships are presented under non-current assets in the Statements of Financial Position.

Money market funds disclosed in the table above included funds related to Gavi's role as administrator of the Facility of US\$ 2.4 billion (SFr 2.2 billion) and US\$ 1.9 billion (SFr 1.7 billion) as of 31 December 2021 and 2020, respectively.

Gavi had no outstanding capital commitments as of 31 December 2021 and 2020.

#### 6. NET CONTRIBUTIONS RECEIVABLE

As of 31 December 2021, contributions receivable was net of a provision for doubtful accounts of US\$ 1 million (SFr 921 thousand) based on management's evaluation of collectability of contributions receivable. In 2020, the US\$ 6.0 million (SFr 6.1 million) contributions receivable, for which a provision was provided, was collected. As of 31 December 2020, there was no provision for doubtful accounts.

## 7. DERIVATIVE FINANCIAL INSTRUMENTS

Gavi is exposed to the market risk that its net assets or its ability to meet its objectives may be adversely affected by changes in the level of, or volatility in, market rates or prices. Gavi is in particular exposed to foreign exchange risk.

The company hedges its exposure to currency fluctuations by taking out foreign currency forward contracts. This was done primarily to improve predictability of contribution cash flows which are denominated in foreign currencies, and cash balances which are required in SFr to pay operating expenses for the Secretariat.

The notional amounts and fair values of foreign currency forward contracts held by Gavi were:

As of 31 December 2021, in Thousands	Notional Amount		Fair Value	
	US\$	SFr	US\$	SFr
Foreign currency forward contracts receivable	1,971,204	1,798,461	37,188	33,930
Foreign currency forward contracts payable	(888,778)	(810,892)	(47,888)	(43,692)

As of 31 December 2020, in Thousands	Notional Amount		Fair Value	
	US\$	SFr	US\$	SFr
Foreign currency forward contracts receivable	526,542	466,152	3,886	3,441
Foreign currency forward contracts payable	(2,027,564)	(1,795,019)	(135,526)	(119,983)

Gavi uses foreign exchange contracts to reduce the level of foreign exchange risk associated with its contributions receivable and future net cash inflows (usually for up to five years forward). Under its hedging policy, Gavi enters into foreign exchange contracts to economically hedge a portion of the foreign currency exposure on its contributions receivable and future net cash inflows. These foreign exchange contracts, which include option and forward contracts, represent agreements to exchange the currency of one country for the currency of another country at an agreed-upon price on an agreed-upon settlement date. Gavi minimises counterparty credit risk in derivative instruments by entering into transactions with high quality counterparties whose credit rating is not lower than A or A2 as measured by at least two major credit agencies. The maximum exposure with any single bank is limited to 10% of the short-term portfolio or US\$ 250 million (or equivalent in other currencies), whichever is higher. Due to the policy in place and assessment performed, there are no significant concentrations of risk.

The required collateral as a result of hedging future net cash inflows and a weaker United States dollar was US\$ 7.7 million (SFr 7.0 million) and US\$ 70.6 million (SFr 62.5 million) as of 31 December 2021 and 2020, respectively. US\$ 2.0 million (SFr 1.8 million) and US\$ 47.7 million (SFr 42.2 million), respectively, of which was held as collateral and included in other receivables in Note 9 to the financial statements.

## 8. RECEIVABLE/PAYABLE ON COVAX FACILITY ARRANGEMENTS

As the administrator of the Facility, Gavi records collected funds, not yet distributed to vaccine manufacturers, as cash or receivable on COVAX Facility arrangements and payable on COVAX Facility arrangements.

Self-financing countries joining the Facility have two ways in which they can participate, through a Committed Purchase Arrangement or an Optional Purchase Arrangement. As a pass-through facility, participants pay the amount for the doses that was negotiated by the Facility, plus a speed premium invested in accelerating and scale-up of manufacturing, as well as a very small fee towards the operation of the Facility. As of 31 December 2021, the pro-rata reimbursement towards the Facility's operating costs totalled US\$ 9.5 million (SFr 8.7 million), net of interest income of US\$ 808 thousand (SFr 744 thousand). As of 31 December 2020, the pro-rata reimbursement towards the Facility's operating costs totalled US\$ 4.2 million (SFr 4.0 million), net of interest income and in-kind contributions of US\$ 1.8 million (SFr 1.7 million).

Self-financing countries that opted for a Committed Purchase made committed guarantees to procure an agreed volume of doses through the Facility. In exchange for this firm commitment these participants provided a lower upfront payment of US\$ 1.60 per dose, or 15% of the total estimated cost per dose and a financial guarantee of US\$ 8.95 per dose in cash or other form of credit support (unchanged from prior period). Under this type of agreement, participants effectively committed to purchase a set number of vaccines that, once available, are fairly and equitably allocated amongst participants. Countries will have the ability to opt out of purchasing a vaccine should the price of the vaccine be twice (or more) that which was expected. During 2021, there were no participants that opt out as the price of the vaccine was not twice (or more) of the amount which was expected.

For the Optional Purchase Arrangement, participants choose to opt out of receiving any vaccine, without jeopardising their ability to receive their full share of doses of other candidates, subject to supply becoming available. This type of agreement was more attractive to participants that already had bilateral agreements with manufacturers, through which they may already have secured sufficient doses of that particular vaccine. The participants paid a higher proportion of the total cost per dose upfront, making a down payment of US\$ 3.10 per dose and a risk-sharing guarantee of US\$ 0.40 per dose in cash or other form of credit support (unchanged from prior period) to help protect the Facility against any liabilities resulting from participants deciding not to purchase a particular vaccine candidate after the Facility has already entered into a contract with the manufacturer. Also, by opting out of vaccines that were allocated to them and waiting for another to become available, these countries inevitably experienced a delay in receiving their full committed volume of vaccines. During 2021, there were a number of participants that opted out of purchasing vaccines and a total of US\$ 71.8 million (SFr 65.5 million) upfront payments were forfeited. These forfeited upfront payments will be used to reallocate relevant doses to Gavi COVAX AMC or other participants.

In the end, the total cost for the vaccines will be the same for the two options. Some manufacturers will be providing vaccines at flat prices where others will be tiering the prices based upon income levels.

In September 2021, Gavi Board confirmed the cost-sharing approach. Under the cost-sharing approach, AMC-eligible economies worked with the Facility and multilateral development banks ("MDB"), including the World Bank and regional development banks, as relevant, to allocate cost-sharing funds to purchase supplemental doses. Participants indicated the number of doses they wished to procure via the Facility with cost-sharing funds (subject to dose availability) and, as relevant, worked with MDBs to allocate financing for those doses. As a pass-through facility, participants paid the amount for the doses that was negotiated by the Facility.

The Gavi's receivable on COVAX Facility arrangements were:

In Thousands	2021		2020	
	US\$	SFr	US\$	SFr
Committed purchase arrangements	-	-	18,199	16,112
Optional purchase arrangements	4,350	3,968	202,176	178,988
Cost-sharing approach	9,271	8,459	-	-
<b>Total receivable on COVAX Facility arrangements</b>	<b>13,621</b>	<b>12,427</b>	<b>220,375</b>	<b>195,100</b>

The Gavi's payable on COVAX Facility arrangements, which were the amounts received from SFPs and cost-sharing participants, were:

In Thousands	2021		2020	
	US\$	SFr	US\$	SFr
Committed purchase arrangements	194,826	177,753	331,406	293,396
Optional purchase arrangements	1,457,869	1,330,111	1,519,624	1,345,336
Cost-sharing approach	6,462	5,896	-	-
<b>Total payable on COVAX Facility arrangements</b>	<b>1,659,157</b>	<b>1,513,760</b>	<b>1,851,030</b>	<b>1,638,732</b>

## 9. RECEIVABLES, PREPAID EXPENSES AND OTHER ASSETS

Gavi's receivables, prepaid expenses and other assets consisted of the following:

In Thousands	Note	2021		2020	
		US\$	SFr	US\$	SFr
Advances to vaccine manufacturers and procurement agents	11	4,170,002	3,804,573	300,000	265,593
Prepaid expenses		93,397	85,212	51,029	45,176
Accounts receivable from IFFIm	3	284	259	-	-
Other receivables	7	3,354	3,060	48,094	42,578
<b>Total receivables, prepaid expenses and other assets</b>		<b>4,267,037</b>	<b>3,893,104</b>	<b>399,123</b>	<b>353,347</b>

## 10. FIXED ASSETS

Gavi's fixed assets consisted of the following:

In Thousands	Note	2021		2020	
		US\$	SFr	US\$	SFr
Cost:					
Furniture and fixtures		2,482	2,265	1,736	1,537
Office equipment		1,036	945	1,220	1,080
Leasehold improvements		1,185	1,081	1,185	1,049
Computer software and licenses		3,936	3,591	5,848	5,177
Operating lease right-of-use asset	17	26,785	24,438	26,526	23,484
<b>Total cost</b>		<b>35,424</b>	<b>32,320</b>	<b>36,515</b>	<b>32,327</b>
Less accumulated depreciation and amortisation:					
Furniture and fixtures		(1,272)	(1,161)	(878)	(777)
Office equipment		(683)	(623)	(1,122)	(993)
Leasehold improvements		(474)	(432)	(349)	(309)
Computer software and licenses		(3,862)	(3,524)	(5,702)	(5,048)
Operating lease right-of-use asset		(7,918)	(7,224)	(5,162)	(4,570)
<b>Total accumulated depreciation and amortisation</b>		<b>(14,209)</b>	<b>(12,964)</b>	<b>(13,213)</b>	<b>(11,697)</b>
<b>Total fixed assets</b>		<b>21,215</b>	<b>19,356</b>	<b>23,302</b>	<b>20,630</b>

Depreciation and amortisation expense was US\$ 3.5 million (SFr 3.2 million) and US\$ 3.3 million (SFr 3.2 million) for the years ended 31 December 2021 and 2020, respectively, and reported as facility and office costs in Note 15 to the financial statements.

## 11. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Gavi's accounts payable and other liabilities consisted of the following:

In Thousands	Note	2021		2020	
		US\$	SFr	US\$	SFr
Refundable advance	9	300,000	273,710	300,000	265,593
Deferred revenue		416,513	380,013	127,113	112,533
Trade creditors		8,509	7,763	8,857	7,841
Accrued expenses		49,196	44,885	8,712	7,713
Accounts payable to IFFIm	3	-	-	11	10
Other liabilities		288	263	379	337
<b>Total accounts payable and other liabilities</b>		<b>774,506</b>	<b>706,634</b>	<b>445,072</b>	<b>394,027</b>

As of 31 December 2020, Gavi received funding from Bill and Melinda Gates Foundation (the "Gates Foundation") in the amount of US\$ 300 million (SFr 266 million) to fund the COVID-19 vaccine procurement prepayment to Serum Institute of India Private Limited ("SII") and reported as refundable advance in the table above.

Gavi and the Gates Foundation agreed that the repayment of the US\$ 300 million funding under the 2020 agreement would be solely governed pursuant to a funding agreement signed on 29 April 2021, whereby the Gates Foundation funding is subject to repayment by Gavi on a quarterly basis, starting with the quarter in which the first SII procurement credit is applied, reduced or offset by SII. For each quarter, Gavi will repay to the Gates foundation (within 60 days after quarter-end) an amount equal to one-third of such SII procurement credit, representing the proportion of the foundation's US\$ 300 million funding amount to Gavi's US\$ 900 million aggregate prepayment amount to SII, during such quarter. As SII delivers vaccine doses to Gavi (via UNICEF or any other agent designated by Gavi), Gavi will repay its equivalent obligation to the Gates Foundation.

The aggregate amount repayable by Gavi to the Gates Foundation will be subject to a proportional reduction by the amount of any procurement credit reduction, which related to reductions to the amount repayable by Gavi in the event of product failures that may be incurred by SII. No repayment became due in 2021.

As of 31 December 2020, Gavi advanced US\$ 300 million (SFr 266 million) to SII as a prepayment for the manufacture of COVID-19 vaccines and reported as advances to vaccine manufacturer and procurement agents in Note 9 to the financial statements.

## 12. PROGRAMME GRANTS PAYABLE

Gavi's programme grants payable consisted of the following:

In Thousands	2021		2020	
	US\$	SFr	US\$	SFr
Country programme grants	59,079	53,902	117,724	104,222
Partner programme grants	-	-	136	120
Total programme grants payable	59,079	53,902	117,860	104,342

## 13. OTHER BORROWINGS

In December 2020, the European Commission ("EC") committed support to the Facility with €400 million in guarantees, representing an SFP upfront payment, a risk-sharing guarantee and a loan for vaccine purchases, provided through the European Investment Bank ("EIB"), as part of its Global Coronavirus Response. This amount was received on 31 March 2021. It consists of an SFP upfront payment of US\$ 150 million (SFr 137 million; €130 million), a risk-sharing guarantee of US\$ 35 million (SFr 32 million; €30 million), and proceeds from loan of US\$ 283 million (SFr 258 million; €240 million). As of 31 December 2021, US\$ 86 million (SFr 78 million; €72 million) of the SFP upfront payment was donated to Gavi COVAX AMC and reported as contributions from government and private donors in the statement of activities. The remaining balance of US\$ 64 million (SFr 59 million; €58 million), including the risk-sharing guarantee, was reported as payable on COVAX Facility arrangements in the statement of financial position.

In October 2021, EC committed an additional €200 million loan for the Gavi COVAX AMC. This amount was received on 26 November 2021 and the proceeds from loan was US\$ 226 million (SFr 206 million; €200 million).

The loan facilities have a fixed rate of 0% per annum and will mature on 11 December 2025. As of 31 December 2021, the outstanding borrowings to EIB was US\$ 500 million (SFr 456 million; €440 million). This balance is net of the SFP upfront payment of US\$ 150 million (SFr 137 million; €130 million) which will be paid directly by the EC to the EIB under the terms of the European Fund for Sustainable Development Guarantee between EC and EIB.

## 14. NET INVESTMENT INCOME

Net investment income was as follows:

In Thousands	2021		2020	
	US\$	SFr	US\$	SFr
Investment income on investments	63,307	58,276	48,721	46,682
Investment fees on investments held	(1,389)	(1,279)	(4,185)	(4,010)
Direct internal investment expenses	(789)	(726)	(772)	(740)
Net investment income	61,129	56,271	43,764	41,932

## 15. FUNCTIONAL EXPENSES

Gavi's programme, management and general, and fundraising expenses were:

Year Ended 31 December 2021, in Thousands	Programme Expenses		Management and General Expenses		Fundraising Expenses		Total Expenses	
	US\$	SFr	US\$	SFr	US\$	SFr	US\$	SFr
Direct programme expenses	8,267,255	7,610,284	-	-	-	-	8,267,255	7,610,284
Programme implementation	176,412	162,393	-	-	-	-	176,412	162,393
Total programme expenses	8,443,667	7,772,677	-	-	-	-	8,443,667	7,772,677
Payroll and benefits	38,942	35,847	12,873	11,850	10,749	9,895	62,564	57,592
Training and recruitment	-	-	1,562	1,438	-	-	1,562	1,438
Professional fees	21,150	19,469	15,225	14,015	10,456	9,625	46,831	43,109
Media production and distribution	249	229	22	20	336	309	607	558
Events and meetings	214	197	200	184	637	586	1,051	967
Travel and representation	483	445	264	243	62	57	809	745
Facility and office costs	5,398	4,969	3,195	2,941	1,353	1,246	9,946	9,156
Supplies and minor equipment	2,226	2,050	593	546	548	505	3,367	3,101
Other operating expenses	68,662	63,206	33,934	31,237	24,141	22,223	126,737	116,666
Total functional expenses	8,512,329	7,835,883	33,934	31,237	24,141	22,223	8,570,404	7,889,343

  

Year Ended 31 December 2020, in Thousands	Programme Expenses		Management and General Expenses		Fundraising Expenses		Total Expenses	
	US\$	SFr	US\$	SFr	US\$	SFr	US\$	SFr
Direct programme expenses	1,789,928	1,714,990	-	-	-	-	1,789,928	1,714,990
Programme implementation	217,013	207,927	-	-	-	-	217,013	207,927
Total programme expenses	2,006,941	1,922,917	-	-	-	-	2,006,941	1,922,917
Payroll and benefits	33,692	32,281	14,654	14,040	9,515	9,117	57,861	55,438
Training and recruitment	-	-	772	740	-	-	772	740
Professional fees	11,759	11,267	6,664	6,385	6,620	6,343	25,043	23,995
Media production and distribution	71	68	15	14	375	359	461	441
Events and meetings	321	308	259	248	581	557	1,161	1,114
Travel and representation	520	498	140	134	190	182	850	814
Facility and office costs	4,706	4,509	1,927	1,846	1,259	1,205	7,892	7,560
Supplies and minor equipment	1,954	1,872	652	625	511	491	3,117	2,987
Other operating expenses	53,023	50,803	25,083	24,032	19,051	18,254	97,157	93,089
Total functional expenses	2,059,964	1,973,720	25,083	24,032	19,051	18,254	2,104,098	2,016,006

## 16. CONTRIBUTED NONFINANCIAL ASSETS

Gavi's policy is to use contributed nonfinancial assets for programmatic or other purposes consistent with Gavi's mission. Revenues from contributions of nonfinancial assets were as follows:

In Thousands	2021		2020		Usage in programmes/ activities	Donor imposed restrictions	Fair value technique and Inputs
	US\$	SFr	US\$	SFr			
COVID-19 vaccine doses	4,406,448	4,056,283	-	-	Gavi COVAX AMC	Use for AMC-eligible economies	Estimates based on price per dose in the Advance Purchase Agreement ("APA") with vaccine manufacturers
Consultant services	5,229	4,813	1,338	1,282	Vaccine and immunisation	None	Estimates based on current rates for similar consultant services
Vehicles	275	253	-	-	Cold Chain Equipment	Use for AMC-eligible economies	Estimates based on current rates for similar vehicles
Total contributed nonfinancial assets	4,411,952	4,061,349	1,338	1,282			

## 17. LEASES

Gavi classified the following leases as operating leases. These leases generally contain renewal options that Gavi is not reasonably certain to exercise.

Geneva, Switzerland leases: Gavi entered into a ten-year lease agreement, with a five-year option to renew, for office space in Geneva, Switzerland which commenced in February 2018 and ending in February 2028.

Washington, DC leases: In September 2016, Gavi entered into a fifteen-year lease agreement for office space in Washington, DC, which commenced in August 2017 and ending in July 2032.

Gavi's minimum future lease principal and interest payments are as follows:

In Thousands of US\$	Principal	Interest	Total
Year Ending 31 December 2022	2,810	78	2,888
Year Ending 31 December 2023	2,736	101	2,837
Year Ending 31 December 2024	2,682	125	2,807
Year Ending 31 December 2025	2,677	149	2,826
Year Ending 31 December 2026	2,675	174	2,849
Thereafter	6,458	1,451	7,909
Total	20,038	2,078	22,116

  

In Thousands of SFr	Principal	Interest	Total
Year Ending 31 December 2022	2,761	77	2,838
Year Ending 31 December 2023	2,688	100	2,788
Year Ending 31 December 2024	2,639	123	2,762
Year Ending 31 December 2025	2,634	147	2,781
Year Ending 31 December 2026	2,632	171	2,803
Thereafter	6,353	1,428	7,781
Total	19,707	2,046	21,753

Rent expense for these leases is recognised on a straight-line basis over the term of the leases. Rental expense was US\$ 3.1 million (SFr 2.8 million) and US\$ 3.6 million (SFr 3.5 million) for the years ended 31 December 2021 and 2020, respectively, and reported as facility and office costs in Note 15 to the financial statements.

## 18. RETIREMENT PLANS

The Gavi sponsors the following retirement plans:

Employees Based in Geneva, Switzerland: Gavi sponsors a defined contribution term savings plan with Zurich International Life Limited (“the Geneva Plan”). Membership in the Geneva Plan is for all employees with Gavi employment contracts of four or more months. The Geneva Plan is funded by both Gavi and employees’ contributions that are based on the employees’ gross annual salaries. Gavi makes monthly employer contributions to the Geneva Plan at 16% of the employee gross salary. Each employee has a compulsory 5% contribution. The total amount expensed for Gavi’s contributions was US\$ 8.6 million (SFr 7.9 million) and US\$ 7.8 million (SFr 7.5 million) for the years ended 31 December 2021 and 2020, respectively.

Employees Based in Washington, DC: Gavi sponsors a 401(k) defined contribution plan (the “Washington Plan”), which is a United States retirement savings plan under the United States Internal Revenue Code, for all eligible employees. Employees become eligible upon being hired and may participate starting on the first day of any month. Employees may contribute voluntary salary deferrals to the Washington Plan, subject to United States Internal Revenue Service limitations. Gavi’s annual matching contributions equal 1% of each vested participant’s compensation and a 3% contribution due to a safe harbour provision. Participants are fully vested upon employment. In addition, Gavi’s board approved discretionary spending equalling 12% of each participant’s compensation in order to better align the Washington Plan with the Geneva Plan. The amounts expensed for Gavi’s contributions were US\$ 320 thousand (SFr 294 thousand) and US\$ 354 thousand (SFr 340 thousand) for the years ended 31 December 2021 and 2020, respectively.

## 19. COMMITMENTS

Gavi entered into APAs with vaccine manufacturers to secure COVID-19 vaccine doses.

On 31 July 2020, a procurement prepayment was signed with SII to accelerate the manufacture and delivery of up to 100 million doses of COVID-19 vaccines for lower-income countries as part of the Gavi COVAX AMC. On 28 September 2020, an amendment was signed for an additional 100 million doses, bringing the total to up to 200 million doses of COVID-19 vaccines, with an option to secure more. On 21 July 2021, Gavi exercised the option for 60 million doses.

On 18 December 2020, Gavi signed an APA with AstraZeneca for 170 million doses of the AstraZeneca/Oxford COVID-19 vaccine candidate.

On 15 January 2021, an APA was signed with Pfizer for up to 40 million doses of the Pfizer-BioNTech vaccine candidate, which has already received WHO emergency use listing. Rollout commenced with the successful negotiation and execution of supply agreements.

On 30 April 2021, a procurement prepayment was signed with SII to accelerate the manufacture and delivery of up to 200 million doses of COVID-19 vaccines for lower-income countries as part of the Gavi COVAX AMC, with an option to secure up to 700 million doses.

On 30 April 2021, Gavi signed an APA with Moderna for its mRNA vaccine against COVID-19. The agreement was for 34 million doses of the Moderna vaccine, secured on behalf of the Facility, with an option to secure more. Initial supply under the agreement was for Gavi COVAX AMC-eligible participants, with the potential to allocate and supply to SFPs in the future. On 30 June 2021, Gavi exercised the option for 116.5 million doses for delivery in the first quarter of 2022 and on 28 October 2021, Gavi exercised the option for 116.5 million doses for delivery in the second quarter of 2022.

On 5 May 2021, Gavi signed an APA with Novavax for its highly efficacious NVX-CoV2373 vaccine candidate against COVID-19. The agreement was for a commitment to purchase 350 million doses of the Novavax vaccine candidate, secured on behalf of the Facility. Supply of the vaccine was anticipated to commence in the third quarter of 2021, as soon as Novavax secured the required regulatory approvals. In December 2021, WHO issued an emergency use listing for NVX-CoV2373 vaccine, giving a much-needed boost to ongoing efforts to vaccinate more people in lower-income countries.

On 19 May 2021, Gavi signed an APA with Johnson & Johnson for its single-dose vaccine against COVID-19. The agreement was for a commitment to purchase 200 million doses on behalf of the Facility, with the goal of being supplied to SFPs and Gavi COVAX AMC-eligible participants in 2021.

On 29 June 2021, Gavi signed an APA with Clover Biopharmaceuticals for its SCB-2019 protein-based adjuvanted vaccine candidate against COVID-19. The agreement secured 64 million doses available to participants of the Facility, with an option to secure more.

On 12 July 2021, an APA was signed with Sinopharm for its “BBIBP-CorV” inactivated virus vaccine against COVID-19 as well as with Sinovac for its inactivated virus vaccine against COVID-19, “CoronaVac”. The agreements, which came at a time when the Delta variant was posing a rising risk to health systems, made

110 million doses immediately available to participants of the Facility, with options for additional doses. In September 2021, Gavi exercised the option for 58.7 million doses with Sinopharm and 82.6 million doses with Sinovac on behalf of specific SFPs and Gavi COVAX AMC-eligible participants as part of the cost-sharing approach.

On 23 November 2021, Gavi signed an amendment to the APA with Moderna for its mRNA vaccine against COVID-19. The agreement was for 20 million doses of the Moderna vaccine, secured on behalf of the Facility, with an option to secure more. The supply under the agreement was for Gavi COVAX AMC-eligible participants and seven SFPs.

Outstanding commitments on these APAs amounted to approximately US\$ 4.3 billion (SFr 4.0 billion) and US\$ 980 million (SFr 894 million) as of 31 December 2021 and 2020, respectively.

## 20. OTHER DISCLOSURE

Full-time equivalent: The average number of full-time equivalent employees was 311 and 285 for the years ended 31 December 2021 and 2020, respectively.

Foreign exchange rates: The United States dollars to Swiss francs exchange rates used were as follows:

	2021	2020
Spot rate	0.91237	0.88531
Average rate	0.92053	0.95813

## 21. SUBSEQUENT EVENTS

In preparing these financial statements, Gavi evaluated subsequent events through 23 June 2022, which represents the date that the financial statements were issued. Gavi identified the following significant subsequent events requiring disclosure:

- Gavi, as legal administrator of the Facility, negotiated APAs with vaccine manufacturers to secure doses of COVID-19 vaccines on behalf of all Facility participants. In 2020 and 2021, the Facility adopted pandemic response best practice by ensuring sufficient supplies were available to meet the needs of participants guided by the WHO pandemic scenarios (and consequent public health crisis). COVAX pursued a diversified approach in building a vaccine portfolio to address uncertainties surrounding the pandemic such as: regulatory approval and delays of certain vaccine candidates; export controls; and manufacturer scale-up issues. In securing the doses, Gavi incurred prepayments and contractual commitments for the dose quantities in accordance with the agreements. Prepayments are reported as advances to vaccine manufacturers and procurement agents in Note 9 to the financial statements.

During 2022, the environment for COVID-19 vaccines has significantly changed: the number of vaccines and availability of supply has increased and become more stable; many high-income countries are donating surplus doses; and the latest variants appeared to be milder in nature – resulting in many countries re-evaluating their vaccine targets and a softening of demand. Consequently, there is a risk of global COVID-19 vaccine oversupply. The Facility is undergoing negotiations with vaccine manufacturers to rephase and reduce volume commitments to match more closely supply with demand and may incur exit payments and/or forfeiture of prepayments. There is also a risk of product expiry. At this point in time, negotiations are still taking place; and donors, vaccine manufacturers and the Facility are looking to minimise any impact and free up resources to accommodate any future uncertainties of the pandemic response.

Management has agreed with the Gavi Board committee responsible for approving APAs with vaccine manufacturers (known as the Market-Sensitive Decisions Committee) a proposed reduction/rephasing of doses, expected to be a mix of donated (non-cash) and APA (cash) doses. Given that negotiations with vaccine manufacturers are still ongoing, the estimated exit costs are still to be established. As of 31 December 2021, Gavi has a total contractual commitment of US\$ 8.5 billion, of which US\$ 4.2 billion has been prepaid to vaccine manufacturers and US\$ 4.3 billion remains due on firm order commitments under APAs. The resizing component will be partly APA doses and donated doses. All APA doses are fully funded in the financial forecast. Gavi therefore has the financial capacity to manage all potential outcomes of the negotiations. See further information on the APA contractual commitments in Note 19 to the financial statements.

- In January 2022, an APA with a vaccine manufacturer was amended to reduce the price per dose of the COVID-19 vaccine. Gavi received a credit note in the amount of US\$ 51.5 million for doses received in

2021. The credit note will be applied to reduce the amounts due from Gavi under future procurement of COVID-19 vaccines.

- On 28 January 2022, Gavi exercised the option of 10 million doses under the original APA with Moderna executed on 3 May 2021 and 30 million doses under the amended APA with Moderna executed on 23 November 2021.
- On 3 February 2022, Gavi issued a notice to the vaccine manufacturer to convert 35 million doses from one type of COVID-19 vaccines to another in accordance with the APA due to delayed delivery. The conversion reduced the advance to the vaccine manufacturer from US\$ 900 million to US\$ 795 million. In relation to the remaining advance to the vaccine manufacturer, on 22 April 2022, Gavi exercised its rights under the APA and issued a notice to the vaccine manufacturer to retain 10 million doses of COVID-19 vaccines, which is equivalent to US\$ 30 million and utilise the remaining advance to the vaccine manufacturer of US\$ 765 million to apply to the cost of any expired doses or wastage, the cost of any additional volumes required over and above the 10 million doses and/or the cost of converting any remaining volumes to any other vaccines manufactured and offered for sale by the vaccine manufacturer.
- In February 2022, IFFIm issued a reduction of US\$ 144 million to previously approved funding for Gavi's COVAX AMC programme and issued a new indicative funding confirmation of US\$ 275 million to support Gavi's new and underused vaccines programmes.
- On 8 April 2022, the 2022 Break COVID Now Summit, co-hosted by Gavi, the Vaccine Alliance alongside the governments of Germany, Ghana, Indonesia and Senegal saw world leaders come together to reaffirm support for equitable access to COVID-19 vaccines and acting urgently to break COVID now. With Germany, Indonesia and Senegal holding Presidencies in the G7, G20 and AU respectively, the Summit represented an affirmation of the international community's support for COVAX's multilateral approach to vaccine equity. The event successfully secured commitments to help lower-income countries boost vaccinations now, secure equitable access for new vaccine procurements plus additional help for countries looking to procure their own vaccines in the future.

These commitments mean a total of US\$ 1.7 billion in new sovereign donor pledges towards the 2022 AMC fundraising request, alongside US\$ 2.1 billion worth of commitments to facilitate the acceleration of the availability of cash from pledges via new innovative finance mechanisms provided by the EIB and the United States Development Finance Corporation, and least US\$ 1 billion made available by three MDBs – World Bank, Asian Development Bank and EIB.

- Management have considered the conflict between Ukraine and Russia and its global impact on economic activity and financial markets; and have assessed the potential impact of the conflict on the Gavi Group's financial position, performance, and ability to continue meeting its obligations. Management does not expect that the Gavi Group's overall financial position and performance will be significantly impacted by the adverse effects of the conflict. The Gavi Group has measures in place to ensure it maintains sufficient liquidity and capacity to meet its obligations as they fall due, and to continue undertaking its business activities on an ongoing basis. Management does acknowledge the risk of increased market volatility due to the conflict and the potential challenges it may involve.