



GAVI, THE VACCINE ALLIANCE 2022 ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS



Discussion and Analysis	3
Introduction	4
Structure and Governance	5
Mission and Strategic Goals	7
Key Financial Performance Indicators	9
Innovative Finance Mechanisms	17
Financial Overview	20
Recent Events	28
Future Plans	29
Preparation of the Annual Financial Report	31
Consolidated Financial Statements	32
Consolidated Statements of Financial Position	33
Consolidated Statements of Activities	34
Consolidated Statements of Cash Flows	35
Consolidated Statements of Functional Expenses	36
Notes to the Consolidated Financial Statements	37
Report of the Statutory Auditor on the Consolidated Financial Statements	61
Supplementary Information	64
Pledges and Contributions Schedules	65
Expenses Schedules	78
Portfolio Weighted Average Cost	82
Independent Auditors' Report on Supplementary Information	83

DISCUSSION AND ANALYSIS



INTRODUCTION

The year 2022 has been another complex one for Gavi, the Vaccine Alliance – with the global health landscape profoundly reshaped by societal, geopolitical, economic and technological shifts, as well as the ongoing impact of the COVID-19 pandemic.

Gavi continues to ensure a constant response to the needs of the countries it supports in its core activities as well as through COVAX. While the pandemic disrupted routine immunisation activities in Gavi-supported countries in 2020 and 2021, there have also been encouraging signs of resilience and recovery in 2021. Countries, with the support of the Alliance, have made incredible achievements – including delivering more vaccines than at any other point in history; expanding the breadth of protection of key Gavi-supported vaccines; and increasing domestic resources to co-finance routine immunisation programmes. Gavi remains on track to achieve the majority of its mission indicators for the 2021–2025 strategic period.

In December 2022, the Board approved an update from the Gavi 5.0 strategy to the Gavi 5.1 strategy. Gavi 5.1 reaffirms the Gavi 5.0 core priorities – including catching up missed children; reaching zero-dose children; and ensuring vaccine introductions continue at pace, particularly revitalising the human papillomavirus (HPV) vaccine programme and accelerating the malaria vaccine programme launch. It also includes targeted additions leveraging learnings from the pandemic and COVAX with a potential COVID-19 vaccine programme beginning in 2024 and an evolution of Gavi’s role in pandemic preparedness and response (PPR).

To support the successful delivery of Gavi 5.1, the Secretariat has developed an ambitious Operational Excellence agenda under the leadership of the newly appointed Chief Operating Officer. This Operational Excellence agenda will help shape a more efficient and agile Gavi, able to leverage the power of the Alliance and maximise the value provided to all stakeholders.

This Annual Financial Report provides an overview of Gavi’s financial results and a review of operations during 2022. In terms of audited financial results, we are pleased to report an unqualified audit opinion issued by Deloitte SA.



Assietou Sylla Diouf
Chief Financial Officer
Gavi, the Vaccine Alliance



José Manuel Barroso
Chair
Gavi Board

STRUCTURE AND GOVERNANCE

STRUCTURE

Gavi, the Vaccine Alliance (“Alliance”) is a global health partnership representing stakeholders in immunisation from both private and public sectors: donor and implementing country governments, private sector philanthropists such as the Bill & Melinda Gates Foundation (“Gates Foundation”), the financial community, donor country and developing country vaccine industry, research and technical institutes, civil society organisations and multilateral organisations such as the World Health Organization (the “WHO”), the United Nations Children’s Fund (“UNICEF”) and the International Bank for Reconstruction and Development (“World Bank”). The Alliance was launched in January 2000 with the aim to protect the most vulnerable children in the world from preventable infectious disease.

Working together, Alliance partners achieve objectives that no single agency or group could achieve alone. These objectives include accelerating access to new and underused vaccines, strengthening health and immunisation systems in countries and shaping the global vaccine market to the benefit of lower-income countries. Countries have prevented more than 16.2 million future deaths with Gavi-supported vaccines. The Alliance conducts its operations as an international organisation, registered in Switzerland as The Gavi Alliance (“Gavi”), with privileges and immunities similar to those accorded to other international intergovernmental organisations in Switzerland.

In June 2006, the Alliance incorporated the International Finance Facility for Immunisation (“IFFIm”), a private company in the United Kingdom and a registered charity in England and Wales. IFFIm is set up to rapidly accelerate the availability, and enhance the predictability, of funds for Gavi’s immunisation programmes. Gavi enters into legally binding grant agreements with sovereign government donors and then irrevocably assigns to IFFIm the right to receive cash payments under those agreements. IFFIm uses these long-term pledges from sovereign government donors as collateral to sell Vaccine Bonds in global capital markets, making large amounts of funds immediately available for Gavi’s programmes, including new and underused vaccine support, health system strengthening support, vaccine research and development activities, and procurement and delivery of COVID-19 vaccines. Gavi is the sole member of IFFIm.

In March 2019, IFFIm Sukuk Company Limited III (“IFFImSC III”), a Cayman Islands company with limited liability, was established for the sole purpose of issuing Sukuk certificates in support of IFFIm’s operations. Gavi’s use of IFFIm as an innovative finance mechanism is discussed further in the *Innovative Finance Mechanisms* section on page 17 of this report. In April 2022, IFFImSC III made the final payment of US\$ 50 million to the holders of its certificates.

In April 2020, Gavi, WHO, and the Coalition for Epidemic Preparedness Innovations (“CEPI”), working together with multinational and implementing 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. In June 2021, the Gavi Board approved the continued administration of the Facility by Gavi in 2022. 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 and is discussed further in the *Mission and Strategic Goals* section on page 7 of this report.

Gavi prepares consolidated financial statements in accordance with accounting principles generally accepted in the United States (“US GAAP”), which include the financial information of IFFIm. For the purposes of this report, Gavi and IFFIm are jointly referred to as the “Gavi Group”. Gavi includes the financial information of the Facility and IFFIm includes the financial information of IFFImSC III. These Gavi Group financial statements commence on page 32 of this Annual Financial Report. The Statutory Financial Statements of Gavi and the Annual Trustees’ Report of IFFIm may be found at <https://www.gavi.org/news-resources/document-library/financial-reports> and <https://iffim.org/investor-centre/trustee-reports-financial-statements>, respectively. The Facility Statement of Funds is available upon request.

The following table summarises the assets and liabilities of Gavi (with assets and liabilities relating to the Facility disclosed separately) and IFFIm, on standalone and consolidated bases, as of 31 December 2022. As described in the *Mission and Strategic Goals* section on page 7 of this report, Gavi - Core represents the transactions and activities related to Gavi’s core strategic mission and Gavi - Facility represents the transactions and activities related to the Facility.

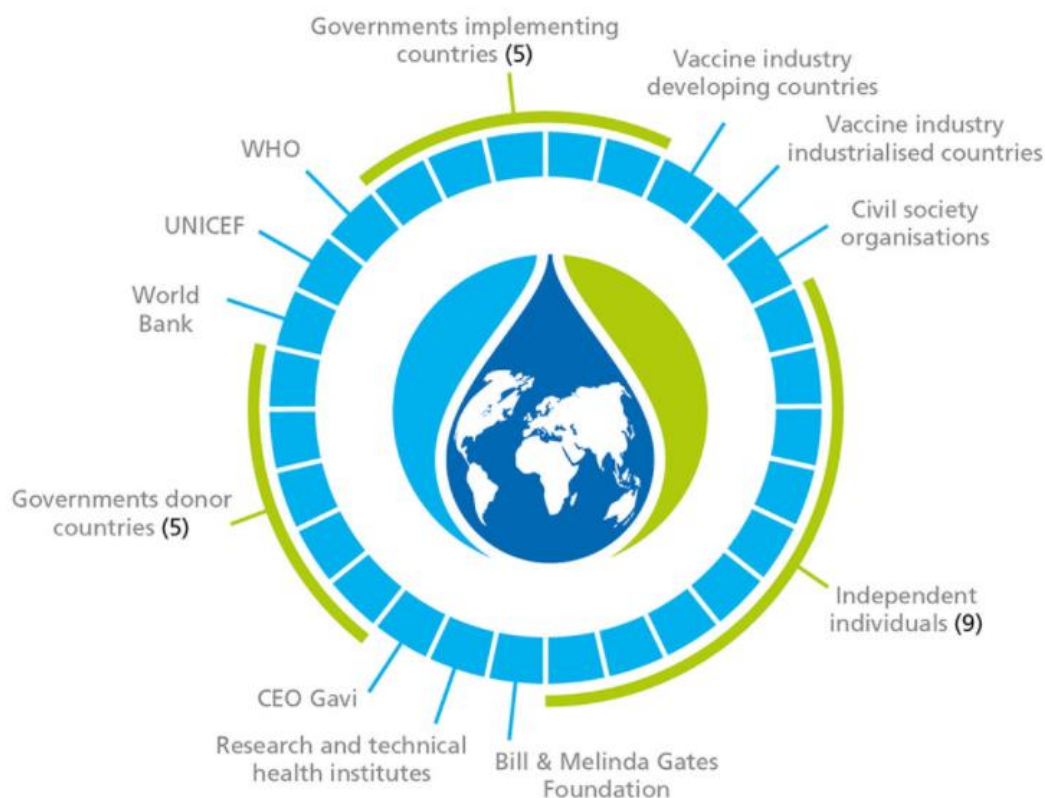
In Millions of US\$	Gavi - Core	Gavi - Facility	IFFIm	Eliminations	Consolidated
Assets					
Cash and investments	1,895	4,076	1,032	-	7,003
Restricted cash	636	1,320	-	-	1,956
Contributions receivable	2,010	8	2,951	(57)	4,912
Derivative assets	144	-	447	-	591
Receivable on COVAX Facility arrangements	-	6	-	-	6
Other assets	53	1,197	-	-	1,250
Total assets	4,738	6,607	4,430	(57)	15,718
Liabilities					
Programme grants payable	37	-	57	(57)	37
Procurement accounts payable	636	321	-	-	957
Derivative liabilities	10	-	360	-	370
Payable on COVAX Facility arrangements	-	989	-	-	989
Bonds and other borrowings	-	-	2,413	-	2,413
Other liabilities	81	889	1	-	971
Total liabilities	764	2,199	2,831	(57)	5,737
Total net assets	3,974	4,408	1,599	-	9,981
Total liabilities and net assets	4,738	6,607	4,430	(57)	15,718

The following table summarises the income and expenses of Gavi (with income and expenses relating to the Facility disclosed separately) and IFFIm, on standalone and consolidated bases, for the year ended 31 December 2022.

In Millions of US\$	Gavi - Core	Gavi - Facility	IFFIm	Eliminations	Consolidated
Revenue					
Contributions from donors	1,209	1,901	541	(490)	3,161
Transfer of prior year contributions from donors	10	(10)	-	-	-
Contributed nonfinancial assets	1	1,309	-	-	1,310
Finance income	-	-	130	-	130
Other revenue	2	-	1	(1)	2
Total revenue	1,222	3,200	672	(491)	4,603
Expenses					
Programme	1,648	5,531	490	(487)	7,182
Net investment loss (income)	81	(58)	(11)	-	12
Fair value losses (gains)	9	127	204	-	340
Administrative, fundraising and other	31	29	4	(4)	60
Total expenses	1,769	5,629	687	(491)	7,594
Increase (decrease) in net assets	(547)	(2,429)	(15)	-	(2,991)

GOVERNANCE

Gavi's Board of Directors ("Board") establishes Gavi's policies, oversees the operations of Gavi and monitors programme implementation. The Board brings together experts from both the public and private sectors. Representative Board members from multilateral development agencies, donors, implementing country governments, civil society, the pharmaceutical industry, and research and technical health communities help to shape Gavi's strategic vision and policies. Independent Board members, including those with experience in the private sector, bring an innovative perspective to Board discussions and decisions, and assist the Board in fulfilling its fiduciary role.



The Board is supported by a secretariat with offices in Geneva, Switzerland, and Washington, DC, United States of America (the “Secretariat”). The Secretariat is responsible and accountable for the day-to-day operations of Gavi, including mobilising resources to fund programmes, coordinating programme approvals and disbursements, developing policy and implementing strategic initiatives, monitoring and evaluation, legal and financial management, and administration for the Board and its Committees.

The IFFIm Board, working with the World Bank, oversees bond issuances and develops funding, liquidity and other strategies to safeguard and maximise the value of IFFIm bond proceeds. The IFFIm Board is comprised of experts in finance and investments, and is independent of the Board.

In November 2009, Gavi established an independent internal audit function (“Audit and Investigations”) designed to assist the management and stakeholders of Gavi in accomplishing its objectives and to enhance and protect organisational value by providing risk-based and objective assurance, and insight, and assess probity. The work of Audit and Investigations extends not only to the Secretariat, but also to Gavi-supported programmes in-country including the Facility. Audit and Investigations is led by a managing director who reports to the Board, through routine reporting to the Audit and Finance Committee (“AFC”), and to the Chief Executive Officer.

In July 2020, as the legal administrator of the Facility, Gavi established the Office of the COVAX Facility within the Secretariat to ensure a dedicated team is available to support the Facility operations, and to mitigate disruption to Gavi’s core work. In June 2021, the Board approved the continued administration of the Facility by Gavi in 2022. Gavi has overseen the establishment of the COVAX Facility Advance Market Commitment Engagement Group – a governance body comprising economies that are eligible for COVID-19 vaccines through the Gavi Advance Market Commitment for COVID-19 Vaccines (“Gavi COVAX AMC”) – and the COVAX Facility Shareholders Council – composed of Self-Financing Participants (“SFPs”). Key groups are established to manage, govern, advise, represent their constituencies and support the operations of the Facility. In December 2022, the COVAX Facility Shareholders Council was dissolved.

MISSION AND STRATEGIC GOALS

Gavi’s mission is to save lives and protect people’s health by increasing equitable and sustainable use of vaccines.

2021–2025 STRATEGIC PERIOD

In June 2019, the Board approved a new strategy (“Gavi 5.0”) to guide Gavi’s work over the 2021–2025 strategic period, with the aspiration of leaving no one behind with immunisation and prioritising reaching

communities who are currently missed. Reducing the number of zero-dose children is a new mission indicator for Gavi 5.0, with a goal of 25% reduction in the number of zero-dose children by 2025.

In December 2022, in order to integrate the learnings from COVAX and the pandemic, the Gavi Board approved an updated version of the Alliance's Strategy as "Gavi 5.1". Gavi 5.1 is an evolution of Gavi 5.0 serving as a bridge to Gavi 6.0. Building on the lessons from the pandemic, Gavi 5.1 recognises the societal, geopolitical, economic and technological shifts that have transformed the environment in which the Alliance operates. It also acknowledges the new challenges to global health security posed by the increasing number of outbreaks of vaccine-preventable diseases.

Gavi 5.1 will continue the Gavi 5.0 focus on preventing further backsliding of routine immunisation, catching-up missed children, and reaching zero-dose children and missed communities. The introduction of key Gavi-supported vaccines will continue at pace and remain central, including revitalising the human papillomavirus (HPV) vaccine programme and accelerating the launch of the malaria vaccine programme. The Alliance will accelerate its support to help countries optimise their vaccine portfolio and prioritise the most critical vaccines in an evidence-based, country-driven way. Gavi 5.1 continues to highlight the importance of improving the sustainability of immunisation programmes and ensuring healthy markets. It will entail an evolution of the Alliance's role in pandemic preparedness and response (PPR), including increased support to regional manufacturing diversification. Pending final Board decision in June 2023, Gavi 5.1 would include a potential COVID-19 vaccination programme for 2024 and 2025.

Gavi 5.1 is supported by four strategic goals that were updated in December 2022:

- **Strategic Goal 1 – the Vaccine Goal: Introduce and scale up vaccines:** Introduction and scaling up coverage of high-impact vaccines in eligible countries will continue to be at the heart of the Gavi strategy. The Vaccine Goal is achieved through three strategic objectives: (1) strengthening countries' prioritisation of vaccines appropriate to their context; (2) supporting countries to introduce and scale up coverage of vaccines for prevention of endemic, epidemic and pandemic diseases; and (3) enhancing outbreak and pandemic response by ensuring equitable access to relevant vaccines including through stockpiles.
- **Strategic Goal 2 – the Equity Goal: Strengthen health systems to increase equity in immunisation:** Increasing equity in immunisation delivery is the priority of Gavi's health system strengthening ("HSS") support with a high ambition to reduce the number of under-immunised children and an intensified focus on reaching the unreached, especially zero-dose children. The Equity Goal is achieved through three strategic objectives: (1) helping countries extend immunisation services to regularly reach under-immunised and zero-dose children to build a stronger primary health care platform; (2) supporting countries to ensure immunisation services are resilient, well-managed, sustainable, harness innovation and meet the needs of caregivers; and (3) working with countries and communities to build resilient demand, and to identify and address gender-related barriers to immunisation.
- **Strategic Goal 3 – the Sustainability Goal: Improve sustainability of immunisation programmes:** Central to the Gavi model is a unique approach to sustainability, domestic public resource mobilisation for vaccines and transition out of Gavi support. The Sustainability Goal is achieved through three strategic objectives: (1) strengthening national and subnational political and social commitment to immunisation; (2) promoting domestic public resources for immunisation and primary health care to improve allocative efficiency; and (3) preparing and engaging self-financing countries to maintain or increase performance.
- **Strategic Goal 4 – the Healthy Markets Goal: Ensure healthy markets for vaccines and related products:** The market shaping model for vaccines and immunisation-related products is at the heart of the Gavi model and continues to play a key role in the Alliance's strategy. The Healthy Markets Goal is achieved through three strategic objectives: (1) ensuring sustainable, healthy markets with diversified supply for vaccines and immunisation-related products at affordable prices; (2) incentivising innovation for the development of suitable vaccines; and (3) scaling up innovative immunisation-related products.

THE COVAX FACILITY

In April 2020, the Access to COVID-19 Tools ("ACT") Accelerator – a groundbreaking global collaboration to accelerate development, production and equitable access to COVID-19 tests, treatments and vaccines – was launched.

COVAX, the vaccines pillar of the ACT Accelerator, is co-led by Gavi, WHO, CEPI and UNICEF – working in partnership with developed and developing country vaccine manufacturers, Pan American Health Organization ("PAHO"), the World Bank and others. It is the only global initiative that is working with governments and manufacturers to ensure equitable access to COVID-19 vaccines, regardless of income level.

Within COVAX, the Facility was launched 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.

Gavi leads on procurement and delivery at scale for COVAX: designing and managing the Facility and the Gavi COVAX AMC and working with its traditional Alliance partners UNICEF and WHO, along with governments, on country readiness and delivery. As part of this role, Gavi hosts the Office of the COVAX Facility to coordinate the operation and governance of the mechanism as a whole, holds financial and legal relationships with 193 Facility participants, and manages the Facility deals portfolio: negotiating advance purchase agreements (“APA”) with manufacturers of vaccines to secure doses on behalf of all Facility participants. Gavi also coordinates design, operationalisation and fundraising for the Gavi COVAX AMC, the mechanism that provides access to donor-funded doses of vaccine to 92 lower-income economies. As part of this work, Gavi provides funding and oversight for UNICEF procurement and delivery of vaccines to all Gavi COVAX AMC participants – operationalising the APAs between Gavi and manufacturers – as well as support for partners’ and governments’ work on readiness and delivery. This includes tailored support to governments, UNICEF, WHO and other partners for cold chain equipment, technical assistance, capacity building, communications, human resources and specialists, syringes, vehicles and other aspects of the vastly complex logistical operation for delivery. Gavi also co-designed, raises funds for and supports the operationalisation of the Gavi COVAX AMC’s No-Fault Compensation Programme (“Programme”), as well as the COVAX Humanitarian Buffer (“Buffer”). The Programme provided fair, no-fault, lump sum compensation to any individual in the 92 lower-income economies covered by the Gavi COVAX AMC who suffers a serious adverse event from any vaccine procured or distributed through the Facility. The Programme is designed to be fast, robust and transparent, making it easier for any individual affected to get fair compensation without having to go through a lengthy and expensive legal process. The Buffer was established to enable access to COVID-19 vaccines for high-risk populations in humanitarian settings. As of 31 December 2022, the Buffer is no longer accepting new applications.

The principal role of the Facility is to help countries fulfil their national vaccination strategies by enabling equitable access to life-saving COVID-10 vaccines. By joining the Facility, participating countries and economies obtained not only access to a diverse portfolio of COVID-19 vaccines at beneficial prices, 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 a global participation of 193 economies (representing over 90% of the world’s population), consisting of 101 SFPs (including “Team Europe” - the European Commission on behalf of 27 European Union member states plus Norway and Iceland) and 92 Gavi COVAX AMC-eligible economies (“AMC92”).

With funding through the SFPs and through donations to the Gavi COVAX AMC, the Facility reserved doses with manufacturers to build an actively managed portfolio of vaccines based upon diverse technologies and geographies to accelerate access. This shaped 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.

No longer active in procuring doses, many SFPs began completing their engagement with the Facility. For many SFPs, post-2021, it became evident that they no longer needed to procure their outstanding doses under their SFP Commitment Agreements (“SFP 1.0”) and wanted to reduce their financial liability as much as possible. COVAX has set up processes for SFPs to terminate, or ‘close-out’ their agreements, in a way that allows donations to the Gavi COVAX AMC, meets all of Gavi’s outstanding financial obligations, and minimises the amount that participants had to pay.

Further information on these strategic goals, Gavi’s future plans, performance indicators related to these goals and any impact of the COVID-19 pandemic will be found in Gavi’s 2022 Annual Progress Report, which will be available online at <https://www.gavi.org/programmes-impact/our-impact/progress-reports>.

KEY FINANCIAL PERFORMANCE INDICATORS

This section lays out the Key Financial Performance Indicators that are used by the Secretariat to review, assess and manage the Gavi Group’s overall financial position, activities, results and cash flows. In addition to these Key Financial Performance Indicators, the Secretariat has developed several indicators focused on specifically measuring performance against Gavi’s strategic goals. These additional performance indicators are defined and described in Gavi’s 2021–2025 strategy goal indicator definitions, and progress against these indicators will be described in Gavi’s 2022 Annual Progress Report. Gavi - Core represents the transactions and activities related to Gavi’s core strategic mission and IFFIm, and Gavi - Facility represents the transactions and activities related to the Facility.

The following table summarises the Gavi Group's Key Financial Performance Indicators for the years ended 31 December 2018 to 2022.

In Billions of US\$, except Percentages	Gavi - Core	Gavi - Facility	Total 2022	Gavi - Core	Gavi - Facility	Total 2021	2020	2019 ¹	2018
Cash proceeds from donors and IFFIm investors	2.1	2.7	4.8	1.5	8.5	10.0	2.3	2.0	1.6
Percentage of funds received from innovative finance mechanisms	14%	56%	70%	5%	85%	90%	36%	20%	8%
Total multi-year pledges	4.9	-	4.9	6.1	0.6	6.7	4.8	3.2	4.3
New and underused vaccines programme disbursements	1.1	-	1.1	1.3	-	1.3	1.1	1.3	1.0
Health system strengthening programme disbursements	0.2	-	0.2	0.2	-	0.2	0.4	0.4	0.3
COVAX Facility programme disbursements	-	1.9	1.9	-	5.3	5.3	0.3	-	-
Percentage overhead expenses ¹	2.86%	0.24%	0.84%	2.56%	0.18%	0.70%	2.14%	4.35%	2.53%
Percentage operating expenses ¹	7.61%	0.53%	2.17%	6.35%	0.31%	1.63%	5.17%	10.68%	6.11%
Percentage net financing costs	2.06%	-	2.06%	0.25%	-	0.25%	0.72%	2.64%	2.42%

¹ The 2019 increase was primarily a result of a change in accounting policy as further described below.

These Key Financial Performance Indicators are described in more detail below.

Indicator	Definition	Five-Year History																								
<p>Cash proceeds from donors and IFFIm investors</p> <p>2022: US\$ 4.8 billion</p> <p>2021: US\$ 10.0 billion</p> <p>2020: US\$ 2.3 billion</p> <p>2019: US\$ 2.0 billion</p> <p>2018: US\$ 1.6 billion</p>	<p>Cash receipts from Gavi's direct donors plus cash receipts through IFFIm. Direct cash receipts include cash received pursuant to the Advance Market Commitment ("AMC") innovative finance mechanism.</p>	<table border="1"> <caption>Five-Year History Data</caption> <thead> <tr> <th>Year</th> <th>Gavi - Core</th> <th>Gavi - Facility</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>18</td> <td>1.6</td> <td>0.0</td> <td>1.6</td> </tr> <tr> <td>19</td> <td>2.0</td> <td>0.0</td> <td>2.0</td> </tr> <tr> <td>20</td> <td>2.3</td> <td>0.0</td> <td>2.3</td> </tr> <tr> <td>21</td> <td>1.5</td> <td>8.5</td> <td>10.0</td> </tr> <tr> <td>22</td> <td>2.1</td> <td>2.7</td> <td>4.8</td> </tr> </tbody> </table>	Year	Gavi - Core	Gavi - Facility	Total	18	1.6	0.0	1.6	19	2.0	0.0	2.0	20	2.3	0.0	2.3	21	1.5	8.5	10.0	22	2.1	2.7	4.8
Year	Gavi - Core	Gavi - Facility	Total																							
18	1.6	0.0	1.6																							
19	2.0	0.0	2.0																							
20	2.3	0.0	2.3																							
21	1.5	8.5	10.0																							
22	2.1	2.7	4.8																							

Continued support from donors and IFFIm investors is fundamental to the achievement of all Gavi's strategic goals. Cash receipts from these donors and IFFIm investors indicate that Gavi has received a strong and consistent level of support. Cash receipts increased from US\$ 1.6 billion in 2018 to US\$ 4.8 billion in 2022. Fluctuations in the level of cash receipts from 2018 to 2019 were primarily due to the timing of IFFIm drawdowns based on Gavi's funding needs. The increase in cash receipts in 2020 and 2021 was due to the funding received for Gavi COVAX AMC of US\$ 353 million and US\$ 8.7 billion, respectively. In 2022, the funding received for Gavi COVAX AMC decreased to US\$ 2.7 billion. Gavi COVAX AMC is described in the *Innovative Finance Mechanisms* section on page 17 of this report.

Indicator	Definition	Five-Year History																								
<p>Percentage of funds received from innovative finance mechanisms</p> <p>2022: 70 percent</p> <p>2021: 90 percent</p> <p>2020: 36 percent</p> <p>2019: 20 percent</p> <p>2018: 8 percent</p>	<p>Total cash receipts through IFFIm, the AMC and the Gavi Matching Fund as a percentage of total cash receipts in each year from all of Gavi's donors and investors. The AMC includes the Advance Market Commitment for pneumococcal vaccines ("PCV AMC") until 2020 and Gavi COVAX AMC starting in 2020.</p>	<table border="1"> <caption>Percentage of funds received from innovative finance mechanisms (2018-2022)</caption> <thead> <tr> <th>Year</th> <th>Gavi - Core (%)</th> <th>Gavi - Facility (%)</th> <th>Total (%)</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>8</td> <td>0</td> <td>8</td> </tr> <tr> <td>2019</td> <td>20</td> <td>0</td> <td>20</td> </tr> <tr> <td>2020</td> <td>22</td> <td>14</td> <td>36</td> </tr> <tr> <td>2021</td> <td>5</td> <td>85</td> <td>90</td> </tr> <tr> <td>2022</td> <td>14</td> <td>56</td> <td>70</td> </tr> </tbody> </table>	Year	Gavi - Core (%)	Gavi - Facility (%)	Total (%)	2018	8	0	8	2019	20	0	20	2020	22	14	36	2021	5	85	90	2022	14	56	70
Year	Gavi - Core (%)	Gavi - Facility (%)	Total (%)																							
2018	8	0	8																							
2019	20	0	20																							
2020	22	14	36																							
2021	5	85	90																							
2022	14	56	70																							

As described in the *Innovative Finance Mechanisms* section on page 17 of this report, Gavi's innovative finance mechanisms are an integral part of its strategy for achieving all four of its strategic goals. Over the past five years, innovative finance mechanisms have generated 66% of Gavi's cash receipts, 56% of which relates to Gavi COVAX AMC since its inception in 2020. This reflects Gavi's strong commitment to developing and maintaining mechanisms that tap new sources of capital and bring specific characteristics that advance Gavi and its mission.

The percentage of funds received from innovative finance mechanisms increased from 8% in 2018 to 20% in 2019 primarily due to an increase in IFFIm proceeds comprised of previously deferred IFFIm drawdowns and new funding received for vaccine research and development activities by CEPI. The percentage further increased to 36% in 2020 and 90% in 2021 due to an increase in AMC cash proceeds, which includes the Gavi COVAX AMC, and an increase in IFFIm proceeds. The percentage decreased to 70% in 2022 due to decrease in Gavi COVAX AMC proceeds. 14% of the 36% in 2020, 85% of the 90% in 2021 and 56% of the 70% in 2022 represent funds received from Gavi COVAX AMC donors.

Indicator	Definition	Five-Year History																								
<p>Total multi-year pledges</p> <p>2022: US\$ 4.9 billion</p> <p>2021: US\$ 6.7 billion</p> <p>2020: US\$ 4.8 billion</p> <p>2019: US\$ 3.2 billion</p> <p>2018: US\$ 4.3 billion</p>	<p>Year-end fair value of multi-year pledges as presented on the Gavi Group's Consolidated Statements of Financial Position. Multi-year pledges include pledges pursuant to the Gavi COVAX AMC.</p>	<table border="1"> <caption>Total multi-year pledges (2018-2022)</caption> <thead> <tr> <th>Year</th> <th>Gavi - Core (US\$ billion)</th> <th>Gavi - Facility (US\$ billion)</th> <th>Total (US\$ billion)</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>4.3</td> <td>0</td> <td>4.3</td> </tr> <tr> <td>2019</td> <td>3.2</td> <td>0</td> <td>3.2</td> </tr> <tr> <td>2020</td> <td>4.0</td> <td>0.8</td> <td>4.8</td> </tr> <tr> <td>2021</td> <td>6.0</td> <td>0.7</td> <td>6.7</td> </tr> <tr> <td>2022</td> <td>4.9</td> <td>0</td> <td>4.9</td> </tr> </tbody> </table>	Year	Gavi - Core (US\$ billion)	Gavi - Facility (US\$ billion)	Total (US\$ billion)	2018	4.3	0	4.3	2019	3.2	0	3.2	2020	4.0	0.8	4.8	2021	6.0	0.7	6.7	2022	4.9	0	4.9
Year	Gavi - Core (US\$ billion)	Gavi - Facility (US\$ billion)	Total (US\$ billion)																							
2018	4.3	0	4.3																							
2019	3.2	0	3.2																							
2020	4.0	0.8	4.8																							
2021	6.0	0.7	6.7																							
2022	4.9	0	4.9																							

In order to achieve its Sustainability Goal, Gavi requires sufficient long-term multi-year pledges to provide implementing countries with a predictable and stable funding environment.

The total value of multi-year pledges decreased during the period from 2018 to 2019 as direct donors paid down their multi-year pledges until new multi-year commitments were made by direct donors during the Global Vaccine Summit ("GVS") 2020, Gavi's third donor pledging conference, in June 2020. The multi-year pledges increased in 2020 and 2021 as a result of converting the multi-year commitments from the third pledging conference into grant agreements to help fund Gavi's programmatic activities until 2025. The multi-year pledges decreased in 2022 by US\$ 1.8 billion as direct donors paid down their multi-year pledges. Multi-year pledges from Gavi COVAX AMC donors, including grant agreements assigned to IFFIm, amounted to US\$ 1.4 billion in 2020, US\$ 1.2 billion in 2021, and US\$ 661 million in 2022.

At the GVS 2020, new multi-year commitments made by direct donors totalled US\$ 8.8 billion for the period 2021 to 2025. As of 31 December 2022, 86% of these multi-year commitments had been converted into grant agreements signed by donors. See the *Gavi Foreign Currency and Hedging Activity* section on page 26 of this report for further information on the valuation of the multi-year commitments made by direct donors at Gavi's third donor pledging conference.

Indicator	Definition	Five-Year History												
<p>New and underused vaccines programme disbursements</p> <p>2022: US\$ 1.1 billion</p> <p>2021: US\$ 1.3 billion 2020: US\$ 1.1 billion 2019: US\$ 1.3 billion 2018: US\$ 1.0 billion</p>	<p>Cash disbursed, on a calendar year basis, for vaccine procurement and to implementing countries for the purpose of accelerating the introduction and uptake of new and underused vaccines. Includes vaccine introduction grants and operational costs.</p>	<table border="1"> <caption>New and underused vaccines programme disbursements (US\$ million)</caption> <thead> <tr> <th>Year</th> <th>Disbursements</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>1,000</td> </tr> <tr> <td>2019</td> <td>1,300</td> </tr> <tr> <td>2020</td> <td>1,100</td> </tr> <tr> <td>2021</td> <td>1,300</td> </tr> <tr> <td>2022</td> <td>1,050</td> </tr> </tbody> </table>	Year	Disbursements	2018	1,000	2019	1,300	2020	1,100	2021	1,300	2022	1,050
Year	Disbursements													
2018	1,000													
2019	1,300													
2020	1,100													
2021	1,300													
2022	1,050													

Under its strategic goal 1 (“Introduce and scale up vaccines”), Gavi aims to increase access to immunisation and enable equal access to new and underused vaccines (“NVS”). The level of NVS programme disbursements is directly correlated with the rate of uptake of these vaccines and, therefore, provides an indication of Gavi’s progress toward achieving its strategic goal. NVS programme disbursements remained stable from 2018 to 2022. The decrease in NVS programme disbursements during 2020 was primarily due to delays in campaigns and vaccine introductions as a result of COVID-19 pandemic disruptions and, consequently, lower operational costs. There were continued efforts in 2021 and 2022 to restore and achieve normal levels of programmatic activity.

Indicator	Definition	Five-Year History												
<p>Health system strengthening programme disbursements</p> <p>2022: US\$ 191 million</p> <p>2021: US\$ 248 million 2020: US\$ 412 million 2019: US\$ 409 million 2018: US\$ 318 million</p>	<p>Cash disbursed, on a calendar year basis, to implementing countries for the purpose of strengthening their health systems. Includes disbursements for immunisation services support and Cold Chain Equipment Optimisation Platform (“CCEOP”).</p>	<table border="1"> <caption>Health system strengthening programme disbursements (US\$ million)</caption> <thead> <tr> <th>Year</th> <th>Disbursements</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>318</td> </tr> <tr> <td>2019</td> <td>409</td> </tr> <tr> <td>2020</td> <td>412</td> </tr> <tr> <td>2021</td> <td>248</td> </tr> <tr> <td>2022</td> <td>191</td> </tr> </tbody> </table>	Year	Disbursements	2018	318	2019	409	2020	412	2021	248	2022	191
Year	Disbursements													
2018	318													
2019	409													
2020	412													
2021	248													
2022	191													

To achieve its strategic goal 2 (“Strengthen health systems to increase equity in immunisation”), Gavi disbursed US\$ 1.6 billion to implementing countries from 2018–2022, to help bolster their health systems. HSS support addresses health system bottlenecks, primarily in five areas: (1) supply chain; (2) data availability, quality and use; (3) demand promotion and community engagement; (4) in-country leadership, management and coordination; and (5) health workforce. Governments are encouraged to engage civil society organisations for the implementation of HSS activities. HSS programme disbursements continued to increase from 2018 to 2020 as Gavi scaled up the HSS programme to deliver on the coverage and equity agenda, and strengthened the disbursement process. In 2021, Gavi focused on establishing strategic and operational alignment towards achieving Gavi 5.0 goals, as it was the first year of the strategic period. In 2022, Gavi disbursed a record level of cash support to countries, however Gavi - Core HSS disbursements were impacted by countries managing the utilisation of available funding across Gavi - Core and COVAX (COVID-19 vaccine Delivery Support or “CDS”). While routine immunisation coverage was largely maintained, planning and implementation of HSS grants were disrupted in some countries given the diversion of capacity and focus on responding to the pandemic.

In July 2020, the Board agreed that an amount of at least US\$ 1.2 billion is available for HSS disbursements, including performance payments and excluding disbursements to CCEOP, for grant programme years in the 2021–2025 strategic period, with additional funding being subject to future Board decisions. Subsequently, in December 2020, the Board approved an additional US\$ 500 million for the 2021–2025 strategic period as dedicated funding to reach zero-dose children and missed communities.

In June 2015, the Board approved the establishment of CCEOP to strengthen countries’ cold chain systems, with an initial amount of US\$ 50 million to launch its implementation and fund the first applications. CCEOP was launched in 2016. In December 2016, the Board approved additional funding for an aggregate amount not exceeding US\$ 250 million.

Indicator	Definition	Three-Year History								
<p>COVAX Facility programme disbursements</p> <p>2022: US\$ 1.9 billion</p> <p>2021: US\$ 5.3 billion</p> <p>2020: US\$ 300 million</p>	<p>Cash disbursed, on a calendar year basis, for the purpose of the Gavi COVAX AMC. Includes disbursements for prepayments to vaccine manufacturers and procurement agents and cash-based programmes such as CDS.</p>	<table border="1"> <thead> <tr> <th>Year</th> <th>Disbursements (US\$ billion)</th> </tr> </thead> <tbody> <tr> <td>20</td> <td>0.3</td> </tr> <tr> <td>21</td> <td>5.3</td> </tr> <tr> <td>22</td> <td>1.9</td> </tr> </tbody> </table>	Year	Disbursements (US\$ billion)	20	0.3	21	5.3	22	1.9
Year	Disbursements (US\$ billion)									
20	0.3									
21	5.3									
22	1.9									

On 23 February 2021, the Facility became operational as COVAX shipped the first batch of COVID-19 vaccine doses to Ghana. This marked the beginning of the global roll-out of COVID-19 vaccines. In 2021, Gavi disbursed US\$ 5.3 billion for the procurement and delivery of vaccines to all Gavi COVAX AMC participants, including advance payments to vaccine manufacturers and procurement agents. In 2022, COVAX Facility programme disbursements decreased by US\$ 3.5 billion as advance payments in 2021 were drawn down to procure vaccines. As of 31 December 2022 and 2021, Gavi's outstanding commitments on APAs with vaccine manufacturers amounted to approximately US\$ 962 million and US\$ 4.3 billion, respectively. Gavi COVAX AMC is described in the *Innovative Finance Mechanisms* section on page 17 of this report.

In June 2021, the Board approved the creation of a CDS envelope and cross-cutting delivery elements, with associated funding to countries of at least US\$ 775 million, with the objective of ensuring successful rapid roll-out and scale-up of COVID-19 vaccines over the subsequent 6 to 12 months. Gavi launched the CDS Funding Window in July 2021 to address urgent gaps impacting roll-out and scale-up of COVID-19 vaccines received through the Facility. In 2022, the total CDS and cross-cutting envelope was increased to US\$ 1.4 billion to address the ongoing needs of countries implementing COVID-19 vaccinations.

Indicator	Definition	Five-Year History												
<p>Percentage overhead expenses</p> <p>2022: 2.86 percent</p> <p>2021: 2.56 percent</p> <p>2020: 2.14 percent</p> <p>2019: 4.35 percent*</p> <p>2018: 2.53 percent</p>	<p>Gavi's overhead expenses as a percentage of total expenses, excluding the Facility.</p> <p>* The 2019 increase was primarily a result of a change in accounting policy, as further described below.</p>	<table border="1"> <thead> <tr> <th>Year</th> <th>Percentage (%)</th> </tr> </thead> <tbody> <tr> <td>18</td> <td>2.53</td> </tr> <tr> <td>19*</td> <td>4.35</td> </tr> <tr> <td>20</td> <td>2.14</td> </tr> <tr> <td>21</td> <td>2.56</td> </tr> <tr> <td>22</td> <td>2.86</td> </tr> </tbody> </table>	Year	Percentage (%)	18	2.53	19*	4.35	20	2.14	21	2.56	22	2.86
Year	Percentage (%)													
18	2.53													
19*	4.35													
20	2.14													
21	2.56													
22	2.86													

Indicator	Definition	Three-Year History								
<p>COVAX Facility percentage overhead expenses</p> <p>2022: 0.24 percent</p> <p>2021: 0.18 percent</p> <p>2020: 0.00 percent</p>	<p>The Facility's overhead expenses as a percentage of total expenses.</p>	<table border="1"> <thead> <tr> <th>Year</th> <th>Percentage (%)</th> </tr> </thead> <tbody> <tr> <td>20</td> <td>0.00</td> </tr> <tr> <td>21</td> <td>0.18</td> </tr> <tr> <td>22</td> <td>0.24</td> </tr> </tbody> </table>	Year	Percentage (%)	20	0.00	21	0.18	22	0.24
Year	Percentage (%)									
20	0.00									
21	0.18									
22	0.24									

Indicator	Definition	Five-Year History												
Percentage operating expenses 2022: 7.61 percent 2021: 6.35 percent 2020: 5.17 percent 2019: 10.68 percent* 2018: 6.11 percent	Gavi's operating expenses as a percentage of total expenses, excluding the Facility. * The 2019 increase was primarily a result of a change in accounting policy, as further described below.	<table border="1"> <caption>Percentage operating expenses (2018-2022)</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>6.11</td> </tr> <tr> <td>2019*</td> <td>10.68</td> </tr> <tr> <td>2020</td> <td>5.17</td> </tr> <tr> <td>2021</td> <td>6.35</td> </tr> <tr> <td>2022</td> <td>7.61</td> </tr> </tbody> </table>	Year	Percentage	2018	6.11	2019*	10.68	2020	5.17	2021	6.35	2022	7.61
Year	Percentage													
2018	6.11													
2019*	10.68													
2020	5.17													
2021	6.35													
2022	7.61													

Indicator	Definition	Three-Year History								
COVAX Facility percentage operating expenses 2022: 0.53 percent 2021: 0.31 percent 2020: 0.00 percent	The Facility's operating expenses as a percentage of total expenses.	<table border="1"> <caption>COVAX Facility percentage operating expenses (2020-2022)</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>0.00</td> </tr> <tr> <td>2021</td> <td>0.31</td> </tr> <tr> <td>2022</td> <td>0.53</td> </tr> </tbody> </table>	Year	Percentage	2020	0.00	2021	0.31	2022	0.53
Year	Percentage									
2020	0.00									
2021	0.31									
2022	0.53									

In order to maximise the amount of funds available for programmatic activities, the Gavi Group's administrative overhead must be kept as low as possible. Gavi - Core's percentage overhead expenses has been below 5% since 2017 and increased slightly from 2.56% in 2021 to 2.86% in 2022. Gavi - Core's percentage operating expenses increased slightly from 6.35% in 2021 to 7.61% in 2022. This increase in the Gavi - Core's percentage overhead expenses and operating expenses was driven primarily by a decrease in total programme expenses from 2021 to 2022 which is discussed further in the *Overview of Income and Expenses* section on page 22 of this report.

In 2020, the Facility was being implemented, and no COVID-19 vaccines were procured during the year. In 2021, the Facility procured and began the global roll-out of COVID-19 vaccines. As of 31 December 2022 and 2021, the Facility's operating costs totalled US\$ 40.6 million and US\$ 29.2 million, respectively. US\$ 12.1 million and US\$ 9.0 million, respectively, of operating costs were covered under the SFP arrangements and presented net of interest income, in-kind contributions and pro-rata reimbursements under such arrangements in the consolidated financial statements. The Facility's percentage overhead expenses and percentage operating expenses were 0.24% and 0.53%, respectively.

For the purposes of calculating the Gavi Group's percentage overhead and operating expenses amounts above, overhead expenses are the aggregate of the Gavi Group's fundraising, management and general expenses; and operating expenses are the aggregate of the Gavi Group's overhead expenses, Secretariat programme implementation expenses and partners' programme implementation expenses in relation to evaluations and assessments. Overhead expenses exclude indirect programme expenses, such as those expenses related to programme implementation and performance monitoring.

The components of the Gavi Group's percentage overhead and operating expenses were:

Indicator	Gavi - Core	Gavi - Facility	2022	Gavi - Core	Gavi - Facility	2021
Management and general expenses percentage	1.49%	0.13%	0.44%	1.49%	0.10%	0.41%
Fundraising expenses percentage	1.37%	0.11%	0.40%	1.07%	0.08%	0.29%
Total overhead expenses percentage	2.86%	0.24%	0.84%	2.56%	0.18%	0.70%

Indicator	Gavi - Core	Gavi - Facility	2022	Gavi - Core	Gavi - Facility	2021
Total overhead expenses percentage	2.86%	0.24%	0.84%	2.56%	0.18%	0.70%
Secretariat programme implementation expenses percentage	4.16%	0.29%	1.19%	3.31%	0.13%	0.83%
Partners' programme implementation expenses percentage ¹	0.59%	0.00%	0.14%	0.48%	0.00%	0.10%
Total operating expenses percentage	7.61%	0.53%	2.17%	6.35%	0.31%	1.63%

The Gavi Group's fundraising, management and general expenses were as follows:

In Millions of US\$	Gavi - Core	Gavi - Facility	2022	Gavi - Core	Gavi - Facility	2021
Management and general expenses	25	7	32	28	7	35
Fundraising expenses	23	6	29	20	5	25
Total overhead expenses	48	13	61	48	12	60

The Gavi Group's operating expenses were as follows:

In Millions of US\$	Gavi - Core	Gavi - Facility	2022	Gavi - Core	Gavi - Facility	2021
Total overhead expenses	48	13	61	48	12	60
Secretariat programme implementation expenses	70	16	86	62	9	71
Partners' programme implementation expenses ¹	10	-	10	9	-	9
Total operating expenses	128	29	157	119	21	140

¹ This total only includes the portion of partners' programme implementation expenses that are related to evaluations and assessments.

Certain departments within the Secretariat conduct activities that have programmatic and fundraising, as well as management and general components. The cost of conducting these activities ("Joint Costs") were allocated as follows:

In Millions of US\$	Gavi - Core	Gavi - Facility	2022	Gavi - Core	Gavi - Facility	2021
Joint costs allocated to programmes	23	2	25	19	1	20
Joint costs allocated to fundraising	5	1	6	5	-	5
Joint costs allocated to management and general	6	1	7	5	-	5
Total joint costs	34	4	38	29	1	30

For the purposes of calculating the Gavi Group's percentage overhead and operating expenses amounts above, total expenses are the aggregate of the Gavi Group's direct and indirect programme expenses, and overhead costs. Total expenses exclude financing costs and all fair value gains and losses. Total expenses were determined as follows:

In Millions of US\$	Gavi - Core	Gavi - Facility	2022	Gavi - Core	Gavi - Facility	2021
Direct country programme expenses	1,393	5,517	6,910	1,587	6,680	8,267
Secretariat programme implementation expenses	70	16	86	62	9	71
Partners' programme implementation expenses	172	14	186	176	-	176
Total programme expenses	1,635	5,547	7,182	1,825	6,689	8,514
Total overhead expenses	48	13	61	48	12	60
Total non-programme expenses	48	13	61	48	12	60
Total expenses, excluding financing costs and fair value gains and losses	1,683	5,560	7,243	1,873	6,701	8,574

Indicator	Definition	Five-Year History												
<p>Percentage net financing costs 2022: 2.06 percent 2021: 0.25 percent 2020: 0.72 percent 2019: 2.64 percent 2018: 2.42 percent</p>	<p>IFFIm's net interest expense as a percentage of its average bonds and other borrowings balance for the year. Net interest expense is after the effect of hedging transactions. Average bonds and other borrowings for the year is the average of the nominal monthly balances.</p>	<table border="1"> <caption>Five-Year History Data</caption> <thead> <tr> <th>Year</th> <th>Percentage net financing costs</th> </tr> </thead> <tbody> <tr> <td>18</td> <td>2.42%</td> </tr> <tr> <td>19</td> <td>2.64%</td> </tr> <tr> <td>20</td> <td>0.72%</td> </tr> <tr> <td>21</td> <td>0.25%</td> </tr> <tr> <td>22</td> <td>2.06%</td> </tr> </tbody> </table>	Year	Percentage net financing costs	18	2.42%	19	2.64%	20	0.72%	21	0.25%	22	2.06%
Year	Percentage net financing costs													
18	2.42%													
19	2.64%													
20	0.72%													
21	0.25%													
22	2.06%													

The Gavi Group's net interest expense and average bonds and other borrowings balances were as follows:

In Millions of US\$, except Percentages	2022	2021	2020	2019	2018
Net interest expense on bonds and other borrowings after impact of swaps	42	4	5	24	27
Average nominal value of bonds and other borrowings for the year	2,034	1,582	699	908	1,114
Percentage net financing costs	2.06%	0.25%	0.72%	2.64%	2.42%

The Gavi Group incurs financing costs on Vaccine Bonds issued by IFFIm. In order to minimise these financing costs, although influenced by market conditions and other factors outside IFFIm's control, IFFIm has done the following:

- put in place a liquidity policy that allows it to maintain a high credit rating. See the *Cash Reserve and Liquidity Policies* section on page 26 for further details; and
- entered into currency and interest rate swaps to hedge against IFFIm's exposure to currency and interest rate fluctuations impacting its Vaccine Bonds. See the *IFFIm Hedging Activity* section on page 27 of this report for further information on IFFIm's currency and interest swap arrangements.

Percentage net financing costs were higher in 2022 compared to 2021 primarily due to: (1) a higher weighted average of outstanding bonds payable during 2022 compared to 2021; and (2) relatively higher interest rates in 2022 which resulted in higher coupon rates on IFFIm's new bond issuances in 2022 and higher interest payments on the floating rate pay legs of bond swaps.

The Gavi Group's low percentage net financing costs over the last five years indicate that IFFIm's liquidity and hedging policies have been appropriately designed and effectively executed. IFFIm's cost of funding compared to that of its donors serves as an indicator of IFFIm's efficiency, subject to macroeconomic factors. At its inception, IFFIm's funding cost was, on average, anticipated to be higher than that of its donors and would be considered alongside the utility and impact of its flexible financing structure. IFFIm has successfully accessed the capital markets based on Gavi's needs. IFFIm's weighted average cost of all its bonds issued is 34 basis points over Secured Overnight Financing Rate ("SOFR"). This is seven basis points higher than the

weighted average cost of borrowing of its donors, which is 29 basis points over SOFR calculated over the same period.

INNOVATIVE FINANCE MECHANISMS

BENEFITS OF INNOVATIVE FINANCE MECHANISMS

Innovative finance mechanisms help Gavi to:

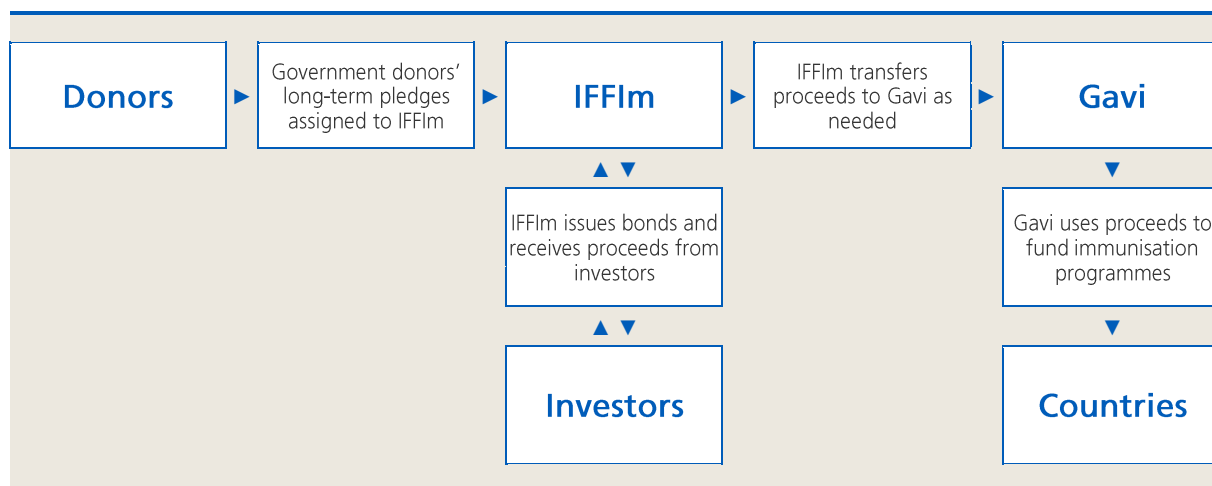
- Diversify its funding portfolio: Innovative finance mechanisms attract capital from a variety of public and private sources. They aim to attract funds that are committed for longer periods of time.
- Adapt to the needs of implementing countries, donors and investors: Innovative finance mechanisms help match the capacity and preferences of donors and investors with the needs of implementing countries to rapidly scale up vaccine coverage, lower disease prevalence and accelerate introduction of new and underused vaccines.
- Provide predictable and flexible resources: Funding predictability has enabled countries to implement multi-year programmes that fundamentally improve the quality of and access to health care services. Flexible resources, including the ability to frontload or accelerate funding based on need, generate additional impact and allow Gavi to access alternate funding resources as funding constraints emerge, avoiding programme disruption.
- Respond to the United Nations Sustainable Development Goals: Gavi and immunisation are critical to achieving child health goals set by the United Nations (“UN”). Gavi aided the UN in achieving the Millennium Development Goals (“MDG”) for child health, which aimed to reduce by two thirds the deaths of children under five by 2015. As the MDG period came to an end, Gavi is in full support of the UN post-2015 Sustainable Development Goals including child health: accelerate the progress made to date in reducing newborn and child mortality by ending all such preventable deaths before 2030. Additional resources provided from innovative finance mechanisms help Gavi accelerate funding for the introduction of vaccines and strengthen health systems.
- Shape markets: Gavi’s use of innovative finance helps meet country demand, grow markets, attract manufacturers and reduce prices. This makes donor resources go further and increases the ability of countries to fund vaccines in the long term.
- Respond to emergencies: Gavi’s use of innovative finance mechanisms provide Gavi with resources and the ability to respond to emergencies during outbreaks or pandemics.

THE INTERNATIONAL FINANCE FACILITY FOR IMMUNISATION

IFFIm is an innovative finance mechanism created in 2006 that provides long-term, predictable and flexible funding to Gavi. IFFIm historically has converted long-term government commitments into immediately available cash resources by issuing bonds in the capital markets. IFFIm contributes to accelerating the availability and predictability of funds for Gavi’s immunisation programmes, including NVS support, HSS support, vaccine research and development activities, and procurement and delivery of COVID-19 vaccines. Between 2006 and 2022, IFFIm accounted for over 17% of Gavi’s funding. IFFIm is a core component of Gavi’s long-term funding strategy.

IFFIm is backed by legally binding funding commitments from the Governments of the Commonwealth of Australia, the Federative Republic of Brazil, the Republic of France, the Republic of Italy, the State of the Netherlands, the Kingdom of Norway, the Republic of South Africa, the Kingdom of Spain, the Kingdom of Sweden, and the United Kingdom of Great Britain and Northern Ireland (“the United Kingdom”), which together have pledged to contribute approximately US\$ 9.6 billion to IFFIm over 30 years.¹ These long-term government pledges are used as collateral to raise funds on the global capital markets by issuing Vaccine Bonds. Cash receipts from the donor governments are then used to repay IFFIm bonds.

¹ Further information on donor pledges to IFFIm is on page 69 of this report.



The ability of IFFIm to convert long-term commitments into immediate cash provides Gavi with the flexibility to use funds when they are needed most. This means that Gavi can choose either to frontload IFFIm resources over a short period of time or to have smaller and more consistent drawdowns over a longer term, depending on Gavi’s funding needs and without incurring significant costs in either situation. Having these immediately available resources ensures a near-term positive impact on public health that strengthens and protects future generations.

IFFIm bonds also provide investors with a socially responsible investment opportunity and raise awareness about Gavi and its mission. IFFIm bonds have proven popular with both institutional and individual investors, raising over US\$ 8.7 billion since IFFIm’s inception in 2006 to 31 December 2022.

THE GAVI ADVANCE MARKET COMMITMENT FOR COVID-19 VACCINES

At the GVS 2020 on 4 June 2020, Gavi launched the Gavi COVAX AMC as the first building block of the Facility. It was established as an innovative finance mechanism to provide access to donor-funded doses of COVID-19 vaccines to 92 eligible lower-income economies, comprising all economies with gross national income (GNI) per capita under US\$ 4,000, plus other World Bank International Development Association (IDA)-eligible economies.

Gavi is coordinating the design, operationalisation and fundraising for the Gavi COVAX AMC. Gavi has been mobilising resources from donor governments, philanthropy and the private sectors. This goes towards vaccine manufacturers to secure supply agreements for Gavi COVAX AMC doses. The Gavi COVAX AMC is critical to ensuring equitable access to COVID-19 vaccines, regardless of income level, by having an allocation mechanism to guide how the vaccines are distributed within countries and territories.

The first phase of the Gavi COVAX AMC began with seed funding of US\$ 505 million enabled by the support at the GVS. A target was set to mobilise US\$ 2 billion by the end of 2020 to fund down payments to manufacturers and secure the first doses. This target was reached by the end of December 2020.

A second phase began with support from the G7 Summit in February 2021, and the launch of an Investment Opportunity hosted by the Government of the United States of America in April 2021. Further momentum was generated through the Global Health Summit on 21 May 2021, co-hosted by the European Commission (“EC”) and Italy as chair of the G20, culminating in the Gavi COVAX AMC Summit on 2 June 2021, hosted by the Government of Japan.

From inception to 31 December 2022, total cash receipts amounted to US\$ 11.8 billion; and total donated doses received, which are non-cash transactions, amounted to US\$ 5.7 billion. US\$ 2.7 billion of the total cash receipts and US\$ 1.3 billion of the total donated doses were received for the year ended 31 December 2022.

THE GAVI MATCHING FUND

The Gavi Matching Fund is a public-private funding mechanism designed to incentivise private sector investments in immunisation.

At Gavi’s pledging conference in June 2011, the United Kingdom Department for International Development (“DFID”) and the Gates Foundation pledged £50 million and US\$ 50 million, respectively, to match contributions from corporations, foundations and other organisations, as well as from their customers, members, employees and business partners until 2015.

At Gavi's second pledging conference in January 2015, the Gates Foundation and the State of the Netherlands pledged US\$ 75 million and €10 million, respectively, to match contributions from corporations, foundations and other organisations, as well as from their customers, members, employees and business partners until 2020. In December 2020, the Gates Foundation and Gavi agreed that US\$ 5 million of the US\$ 75 million matching fund be reallocated towards general support on Gavi - Core activities.

At the GVS 2020 in June 2020, the Gates Foundations, the State of the Netherlands and the United Kingdom pledged US\$ 75 million (of which US\$ 30 million was allocated to the Facility), €25 million and £25 million, respectively, to match contributions from corporations, foundations and other organisations, as well as from their customers, members, employees and business partners until 2025.

The Gavi Matching Fund allows Gavi to deliver more life-saving vaccines to the lowest-income countries. Healthy children lead to healthy communities and healthy societies. The Gavi Matching Fund also attracts advocates for the cause of immunisation and those who provide core business skills to help address technological and logistical challenges to immunisation.

The Gavi Matching Fund process comprises three key steps:

- (1) Gavi works with the partner to find ways to engage customers, employees, business partners or others to contribute through the Gavi Matching Fund.
- (2) A private sector partner makes a cash or in-kind contribution to Gavi.
- (3) Until 2015, every contribution to Gavi through the Gavi Matching Fund by the private sector partner, its customers, employees and business partners was matched either by DFID or by the Gates Foundation. From 2016 to 2020, private sector contributions to Gavi through the Gavi Matching Fund are matched by the Gates Foundation and the State of the Netherlands. For the 2021–2025 strategic period, private sector contributions to Gavi through the Gavi Matching Fund will be matched by the Gates Foundation, the State of the Netherlands and the United Kingdom.

The Gavi Matching Fund raised US\$ 10.0 million in 2022. Since its inception in 2011 to 31 December 2022, the Gavi Matching Fund has raised a total of US\$ 471.5 million. This amount is the total of pledges from the private sector partners and matching pledges from the Gates Foundation, the State of the Netherlands and the United Kingdom.

FUNDING FROM GATES FOUNDATION

Gavi received US\$ 300 million in funding from the Gates Foundation to fund the COVID-19 vaccine (principally being the Covovax vaccine) procurement prepayment to Serum Institute of India Private Limited ("SII"), across two US\$ 150 million tranches on 31 July 2020 and 28 September 2020, respectively. 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. Procurement credit is equal to the amount of the procurement prepayment from Gavi. 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 during such quarter. As SII delivers vaccine doses to Gavi (through UNICEF or any other agent designated by Gavi), Gavi will repay its one-third equivalent obligation to the Gates Foundation.

The aggregate amount repayable by Gavi to the Gates Foundation will be subject to proportional reduction relative to the amount of any procurement credit reduction, which relates to reductions to the amount repayable by Gavi in the event of product failures that may be incurred by SII.

Gavi received US\$ 300 million in 2020. Repayment commenced in May 2022 and US\$ 138.6 million has been repaid as of 31 December 2022.

EUROPEAN COMMISSION FACILITIES

The loan facilities were a funding acceleration mechanism designed to provide immediate access to cash upon the signature of grants in order to rapidly assist in addressing the pandemic.

In December 2020, the EC committed support to the Facility with a €400 million EC-guaranteed loan, in two tranches, provided through the European Investment Bank ("EIB"), as part of its Global Coronavirus Response. The loan was received on 31 March 2021. It consists of an SFP upfront payment of US\$ 150 million (€130 million), a risk-sharing guarantee of US\$ 35 million (€30 million), and loan proceeds of US\$ 283 million (€240 million).

In October 2021, the EIB provided an additional €200 million loan for the Gavi COVAX AMC. The loan was received on 26 November 2021.

The loan facilities had a fixed rate of 0% per annum and would mature on 11 December 2025. Gavi repaid US\$ 498 million (€470 million) in December 2022. The outstanding borrowings to the EIB was US\$ 0 million (€0 million) as of 31 December 2022. This balance is net of the SFP upfront payment of US\$ 139 million (€130 million) which is expected to be paid directly by the EC to the EIB under the terms of the European Fund for Sustainable Development Guarantee between the EC and the EIB.

In December 2022, Gavi and the EIB entered into two financing facilities which will provide Gavi:

- (1) A credit of up to €500 million for the purpose of supporting the financing of the purchase of COVID-19 vaccines and equipment required for immunisation campaigns and the financing of the purchase of vaccines and equipment required for immunisation campaigns for all vaccines approved by the Gavi Board.
- (2) A letter of credit facility in an amount equivalent to US\$ 320 million in order to support Gavi's obligations to pay amounts for multi-year vaccine procurement contracts entered into by UNICEF.

The outstanding borrowings from these facilities were US\$ 0 as of 31 December 2022.

US INTERNATIONAL DEVELOPMENT FINANCE CORPORATION FACILITY

In December 2022, the United States International Development Finance Corporation ("DFC") entered into a loan facility with Gavi, to provide up to US\$1 billion to accelerate COVID-19 vaccine and ancillary supply purchase and delivery on behalf of developing countries participating in the Gavi COVAX AMC.

The loan facility mechanism is designed to provide rapid access to cash even prior to a grant agreement being signed, and allows Gavi to monetize sovereign and private sector pledges to the Gavi COVAX AMC and consequently maximize impact by minimizing waiting time for the funding.

The outstanding borrowings from DFC was US\$ 0 as of 31 December 2022.

FINANCIAL OVERVIEW

OVERVIEW OF ASSETS AND LIABILITIES

The following table summarises the Gavi Group's consolidated assets and liabilities as of 31 December 2022, 2021 and 2020:

In Millions of US\$, except Percentages	2022	2021	2020	Change, 2021 to 2022	Change, 2020 to 2021
Assets					
Cash and investments	8,959	8,907	5,106	1 %	74 %
Contributions receivable	4,912	6,668	4,762	(26)%	40 %
Derivative assets	591	188	83	214 %	127 %
Receivable on COVAX Facility arrangements	6	14	220	(59)%	(94)%
Other assets	1,250	4,288	422	(71)%	916 %
Total assets	15,718	20,065	10,593	(22)%	89 %
Liabilities					
Programme grants and procurement accounts payable	994	1,896	933	(48)%	103 %
Derivative liabilities	370	395	622	(6)%	(36)%
Payable on COVAX Facility arrangements	989	1,659	1,851	(40)%	(10)%
Bonds and other borrowings	2,413	2,345	916	3 %	156 %
Other liabilities	971	797	471	22 %	69 %
Total liabilities	5,737	7,092	4,793	(19)%	48 %
Total net assets	9,981	12,973	5,800	(23)%	124 %
Total liabilities and net assets	15,718	20,065	10,593	(22)%	89 %

The Gavi Group's total assets decreased by 22% during 2022; 20% of the decrease relates to the Facility. The decrease in total assets was primarily due to decreases in contributions receivable, receivable on COVAX Facility arrangements and other assets. Each of these is discussed below:

- Decrease in contributions receivable: The decrease in contributions receivable of US\$ 1.8 billion resulted primarily from cash receipts of US\$ 3.8 billion and fair value losses of US\$ 624 million offset by new multi-year pledges of US\$ 2.7 billion.
- Decrease in receivable on COVAX Facility arrangements: The decrease in receivable on COVAX Facility arrangements of US\$ 8 million resulted from cash receipts from cost-sharing participants of US\$ 12 million, partially offset by new receivables on cost-sharing arrangements of US\$ 4 million.
- Increase in derivative assets: The derivative assets were US\$ 402 million higher in 2022 compared to 2021.

The Gavi Group's increase in derivative assets balance comprised of an increase in Gavi's asset position on its foreign currency forward contracts by US\$ 107 million and an increase in IFFIm's net asset position on its interest rate and currency swap contracts by US\$ 87 million. As of 31 December 2022, IFFIm's net balance on its derivative financial instruments was a receivable of US\$ 87 million (derivative financial assets of US\$ 447 million less derivative financial liabilities of US\$ 360 million), which represented a change of US\$ 283 million from the prior year net payable balance of US\$ 196 million (derivative financial liabilities of US\$ 347 million less derivative financial assets of US\$ 151 million). This change of US\$ 283 million in 2022 was due to net fair value gains of US\$ 269 million and net swap settlement payments of US\$ 14 million. See the *IFFIm Hedging Activity* section on page 27 of this report for further information on IFFIm's currency and interest swap arrangements.

- Decrease in other assets: The decrease in other assets of US\$ 3.0 billion was primarily due to the drawdown of advances to vaccine manufacturers and procurement agents for the procurement of COVID-19 vaccines of US\$ 2.1 billion, provision on advance payments to vaccine manufacturers of US\$ 647 million, exit costs of US\$ 441 million and cost of expired doses and raw materials of US\$ 308 million. The decrease was offset by advance payments to vaccine manufacturers of US\$ 587 million in 2022.

The Gavi Group supply strategy for COVID-19 vaccines was to build a portfolio of vaccines across diverse technologies and geographical supply bases to provide resilience in an uncertain context of the pandemic's course and success rate of vaccine development (virus mutations, research and development, regulatory approval and manufacturing scale-up). It was always envisaged that not all vaccines would be successful and there would be costs incurred with manufacturers where vaccine approval was not obtained or delayed, such is the nature of vaccine development, and these will be borne by the Facility (shared between AMC and SFP participants). The strategy further evolved to incorporate dose donations that increased the available supply. Gavi has managed a supply rebalancing exercise including contract renegotiations as demand for vaccines has reduced, looking for an optimal solution to minimise global vaccine waste, that has included paying exit costs (at a significantly lower cost than the full vaccine price) as the most cost effective and environmentally sustainable approach where the shelf life of vaccines is short and donated doses are available.

The Gavi Group's total liabilities decreased by 19% during 2022; 24% of the decrease relates to the Facility. The decrease in total liabilities was primarily due to decreases in programme grants and procurement accounts payable, net derivative liabilities and payable on COVAX Facility arrangements. Each of these is discussed below:

- Decrease in programme grants and procurement accounts payable: The decrease in procurement accounts payable of US\$ 879 million was primarily due to amounts drawdown by UNICEF for the procurement of COVID-19 vaccines under the Facility.
- Decrease in derivative liabilities: The derivative liabilities were US\$ 26 million lower in 2022 compared to 2021.

The Gavi Group's decrease in derivative liabilities balance comprised of a decrease in Gavi's liability position on its foreign currency forward contracts by US\$ 38 million and a decrease in IFFIm's net liability position on its interest rate and currency swap contracts by US\$ 196 million as described in the increase in derivative assets.

- Decrease in payable on COVAX Facility arrangements: The decrease in payable on COVAX Facility arrangements of US\$ 670 million resulted primarily from the close-out of SFP agreements in 2022. During the period, most SFPs have expressed interest in winding down their Facility engagement and have started the process to close out their Commitment Agreements. As of 31 December 2022, 24 participants have terminated the Commitment Agreements. As a result of the close out, remaining upfront payments are either donated to Gavi COVAX AMC, repaid or retained by Gavi as termination payment.

For the year ended 31 December 2022, vaccine doses of US\$ 483 million were donated by SFPs to Gavi COVAX AMC, repayments of US\$ 59 million were disbursed to the participants, procurement agents or private fund and termination payments of US\$ 64 million were retained by Gavi to be utilised to satisfy any liabilities arising from APA with vaccine manufacturers.

- **Increase in bonds and other borrowings:** The increase in bonds and other borrowings of US\$ 68 million resulted from the proceeds of two new bond issuances totalling US\$ 799 million. The increase was partially offset by redemption of bonds totalling US\$ 86 million, repayment of EIB facility of US\$ 498 million (€470 million) and fair value gains of US\$ 152 million.

OVERVIEW OF INCOME AND EXPENSES

The following table summarises the Gavi Group's consolidated income and expenses for the years ended 31 December 2022, 2021 and 2020:

In Millions of US\$, except Percentages	2022	2021	2020	Change, 2021 to 2022	Change, 2020 to 2021
Revenue					
Contributions from government and private donors	3,161	11,231	3,567	(72)%	215 %
Contributed nonfinancial assets	1,310	4,412	1	(70)%	441,100 %
Net investment income (loss)	(12)	88	129	(114)%	(32)%
Other revenue	2	6	1	(67)%	500 %
Total revenue ¹	4,461	15,737	3,698	(72)%	326 %
Expenses					
Programme	7,182	8,514	2,062	(16)%	313 %
Net interest expense on bonds and other borrowings after impact of swaps	42	4	5	950 %	(20)%
Other fair value (gains) losses	168	(16)	71	(1,150)%	(123)%
Administrative, fundraising and other	60	60	45	- %	33 %
Total expenses	7,452	8,562	2,183	(13)%	292 %
Increase (decrease) in net assets	(2,991)	7,175	1,515	(142)%	373 %

¹ This total includes donor-restricted contributions from government and private donors and contributed nonfinancial assets. It does not include the release of net assets from restrictions, net fair value gains on derivatives and net financing income (expense), which are included in the total revenue reported in the Consolidated Statements of Activities on page 34 of the consolidated financial statements.

The Gavi Group's recorded contribution revenue is the aggregate of new multi-year pledges and annual contributions. The Gavi Group's revenue for 2022, 2021 and 2020 was driven primarily by the following:

- **2022 contribution revenue:** Contribution revenue of US\$ 4.5 billion was recorded in 2022.

Some grant agreements were multi-year pledges whose initial fair values were recorded as 2022 revenue in accordance with the Gavi Group's accounting policies. Gavi's multi-year pledges for the year included US\$ 10.0 million and US\$ 3.2 million from Japan and the Kingdom of Belgium, respectively, for the 2021–2025 strategic period and US\$ 5.1 million and US\$ 2.4 million from Commonwealth of Australia and Kingdom of Belgium, respectively, for the Gavi COVAX AMC. In 2022, Gavi assigned to IFFIm the benefit of new sovereign grant agreements from United Kingdom and the Kingdom of Spain in amounts totalling £461 million and €100 million, respectively, with initial recorded fair values totalling US\$ 541 million. The new grant agreements were assigned to IFFIm to support programme funding to Gavi encompassing its core programmes.

Other grants took the form of annual contributions, which were recorded as revenue as the funds were received. See Schedule 1.5: *Annual Contributions from Donors* on page 70 for a complete list of annual contributions received by the Gavi Group during 2022.

In 2022, the Gavi Group received in-kind contributions from Gavi COVAX AMC donors in the form of COVID-19 vaccine doses under dose sharing arrangements, which were recorded as revenue in accordance with the Gavi Group's accounting policies. See Schedule 1.7: *Gavi COVAX AMC Donated Doses* on page 73 for a complete list of donated doses received by the Gavi Group during 2022.

- **2021 contribution revenue:** Contribution revenue of US\$ 15.6 billion was recorded in 2021. This high contribution revenue amount was primarily due to continued increase in grant agreements signed by several public and private donors, pursuant to the commitments these donors made at Gavi's third donor pledging conference, in June 2020, in support of Gavi's immunisation mission, including its efforts to respond to the COVID-19 pandemic through the Facility.

Some grant agreements were multi-year pledges whose initial fair values were recorded as 2021 revenue in accordance with the Gavi Group's accounting policies. Gavi's multi-year pledges for the year included

US\$ 1.5 billion, US\$ 703 million, US\$ 299 million, US\$ 290 million, US\$ 232 million and US\$ 3 million from the Gates Foundation, the Kingdom of Norway, the United Kingdom, United States Agency for International Development (“USAID”), the Commonwealth of Australia and various other donors, respectively, for the 2021–2025 strategic period and US\$ 4 billion, US\$ 1 billion, US\$ 374 million, US\$ 236 million, US\$ 236 million and US\$ 2 billion from USAID, the Federal Republic of Germany, the Republic of Italy, Canada, the Republic of France, and various other donors, respectively, for the Gavi COVAX AMC. In 2021, Gavi assigned to IFFIm the benefit of new sovereign grant agreements from the Kingdom of Norway, the Kingdom of Sweden and the Commonwealth of Australia in amounts totalling kr (NOK) 4 billion, kr (SEK) 2.5 billion and A\$ 86 million, respectively, with initial recorded fair values totalling US\$ 720 million. The new grant agreements were assigned to IFFIm to support programme funding to Gavi encompassing its core programmes, CEPI’s new vaccine research and development activities, and the Gavi COVAX AMC.

Other grants took the form of annual contributions, which were recorded as revenue as the funds were received. See Schedule 1.5: *Annual Contributions from Donors* on page 70 for a complete list of annual contributions received by the Gavi Group during 2022. The increase in contribution revenue, compared to 2021, is an expected trend given that Gavi is in the first year of the 2021–2025 strategic period and continues to receive funding for the Gavi COVAX AMC.

In 2021, the Gavi Group received in-kind contributions from Gavi COVAX AMC donors in the form of COVID-19 vaccine doses under dose sharing arrangements, which were recorded as revenue in accordance with the Gavi Group’s accounting policies. See Schedule 1.7: *Gavi COVAX AMC Donated Doses* on page 73 for a complete list of donated doses received by the Gavi Group during 2021.

- **2020 contribution revenue:** Contribution revenue of US\$ 3.6 billion was recorded in 2020. This high contribution revenue amount was primarily due to grant agreements signed by several public and private donors, pursuant to the commitments these donors made at Gavi’s third donor pledging conference, in June 2020, in support of Gavi’s immunisation mission, including its efforts to respond to the COVID-19 pandemic through the Facility.

Some grant agreements were multi-year pledges whose initial fair values were recorded as 2020 revenue in accordance with the Gavi Group’s accounting policies. Gavi’s multi-year pledges for the year included US\$ 732 million and US\$ 31 million from the Federal Republic of Germany, and various other donors, respectively, for the 2021–2025 strategic period and US\$ 171 million, US\$ 150 million and US\$ 150 million from Canada, the Gates Foundation and the Kingdom of Saudi Arabia, respectively, for the Gavi COVAX AMC. In 2020, IFFIm received new sovereign pledges from the Republic of Italy, the State of the Netherlands, the Kingdom of Norway, and the United Kingdom in amounts totalling €155 million, €250 million, kr 3 billion and £500 million, respectively, with initial recorded fair values totalling US\$ 1.3 billion. The new pledges were made to IFFIm to support programme funding to Gavi encompassing its core programmes, CEPI’s new vaccine research and development activities, and the Gavi COVAX AMC.

The Gavi Group’s net investment loss was US\$ 12 million in 2022, a decrease from an income of US\$ 88 million in 2021. IFFIm’s investment income was higher by US\$ 10 million in 2022 compared to 2021, as IFFIm’s investment portfolio had a relatively higher weighted average balance in 2022. The higher balance, together with increased market returns due to higher interest rates, resulted in a portfolio rate of return of 1.91% during 2022 compared to 0.24% during 2021. Gavi’s investment income was lower by US\$ 110 million in 2022 compared to 2021. Although interest income in money market funds increased due to higher interest rates, Gavi’s long-term portfolio delivered an estimated loss of 8.6% during 2022 compared to an estimated gain of 8.0% during 2021.

The Gavi Group’s programme expenses decreased by 16% in 2022. In 2022, programme expenses comprised primarily of US\$ 4.1 billion for cash and vaccine programmes (including US\$ 308 million for expired doses and raw materials), US\$ 1.4 billion for donated COVID-19 vaccine doses, US\$ 647 million for provision on advance payments to vaccine manufacturers, US\$ 441 million for exit costs, US\$ 186 million for Partners’ programme implementation, US\$ 180 million for CDS, US\$ 86 million for Secretariat programme implementation, US\$ 22 million for CCEOP, and US\$ 37 million for procurement fees. Programme expenses were lower in 2022 as a result of delays in disbursements.

The Gavi Group supply strategy for COVID-19 vaccines was to build a portfolio of vaccines across diverse technologies and geographical supply bases to provide resilience in an uncertain context of the pandemic’s course and success rate of vaccine development (virus mutations, research and development, regulatory approval and manufacturing scale-up). It was always envisaged that not all vaccines would be successful and there would be costs incurred with manufacturers where vaccine approval was not obtained or delayed, such is the nature of vaccine development, and these will be borne by the Facility (shared between AMC and SFP participants). The strategy further evolved to incorporate dose donations that increased the available supply. Gavi has managed a supply rebalancing exercise including contract renegotiations as demand for vaccines has reduced, looking for an optimal solution to minimise global vaccine waste, that has included paying exit

costs (at a significantly lower cost than the full vaccine price) as the most cost effective and environmentally sustainable approach where the shelf life of vaccines is short and donated doses are available.

Net interest expense was higher in 2022 compared to 2021, primarily due to (1) a higher weighted average of outstanding bonds payable during 2022 compared to 2021 and (2) relatively higher interest rates in 2022 which resulted in higher coupon rates on IFFIm's new bond issuances in 2022 compared to its previous issuances. In 2022, net interest expense on bonds and other borrowings after impact of swaps of US\$ 42 million was comprised of interest expense of US\$ 20 million and net interest expense on bond swaps of US\$ 22 million. In 2021, net interest expense on bonds and other borrowings after impact of swaps of US\$ 4 million was comprised of interest expense of US\$ 8 million and interest expense on bond swaps of US\$ 4 million.

The Gavi Group incurred other fair value losses of US\$ 168 million in 2022, other fair value gains of US\$ 16 million in 2021 and other fair value losses of US\$ 71 million in 2020. The composition and drivers of each of these gains and losses are described below:

- **2022 other fair value losses:** Other fair value losses of US\$ 168 million were comprised of fair value gains on derivatives of US\$ 358 million, net fair value gains on bonds and other borrowings of US\$ 150 million, and other foreign exchange gains of US\$ 79 million. These gains were partially offset by foreign currency transaction losses on contributions receivable of US\$ 330 million, fair value losses on contributions receivable of US\$ 332 million, and other fair value losses of US\$ 93 million.

The US\$ 358 million fair value gains on derivatives were primarily the result of hedging Gavi's future net cash inflows and a stronger United States dollar in 2022, which resulted in lower fair values of pledge swaps. The US\$ 150 million fair value gains on bonds and other borrowings were primarily the result of higher interest rates in 2022. Due to higher interest rates in 2022, higher discount rates were applied to IFFIm bonds. The US\$ 330 million foreign currency transaction losses on contributions receivable were primarily the result of a stronger United States dollar in 2022, which significantly decreased the fair values of foreign currency denominated contributions receivable. The US\$ 332 million net fair value losses on contributions receivable and US\$ 93 million fair value losses on other receivables were primarily the result of higher interest rates in 2022. Due to higher interest rates in 2022, higher discount factors were applied to the pledges.

- **2021 other fair value gains:** Other fair value gains of US\$ 16 million were comprised of fair value gains on derivatives of US\$ 224 million and net fair value gains on bonds and other borrowings of US\$ 24 million. These gains were partially offset by foreign currency transaction losses on contributions receivable of US\$ 191 million, fair value losses on contributions receivable of US\$ 35 million and other foreign exchange losses of US\$ 6 million.

The US\$ 224 million fair value gains on derivatives were primarily the result of hedging Gavi's future net cash inflows and a stronger United States dollar in 2021, which resulted in lower fair values of pledge swaps. The US\$ 24 million fair value gains on bonds and other borrowings were primarily the result of higher interest rates in 2021. Due to higher interest rates in 2021, higher discount rates were applied to IFFIm bonds. The US\$ 191 million foreign currency transaction losses on contributions receivable were primarily the result of a stronger United States dollar in 2021, which significantly decreased the fair values of foreign currency denominated contributions receivable. The US\$ 35 million net fair value losses on contributions receivable were primarily the result of higher interest rates in 2021. Due to higher interest rates in 2021, higher discount factors were applied to the pledges.

- **2020 other fair value losses:** Other fair value losses of US\$ 71 million were comprised of fair value losses on derivatives of US\$ 236 million and net fair value losses on bonds and other borrowings of US\$ 33 million. These losses were partially offset by foreign currency transaction gains on contributions receivable of US\$ 151 million, net fair value gains on contributions receivable of US\$ 36 million and other foreign exchange gains of US\$ 11 million. The US\$ 236 million fair value losses on derivatives were primarily the result of hedging Gavi's future net cash inflows and a weaker United States dollar in 2020, which resulted in higher fair values of pledge swaps, the majority of which were related to pledges denominated in British pounds. The US\$ 33 million fair value losses on bonds and other borrowings were primarily the result of lower interest rates in 2020. Due to lower interest rates in 2020, lower discount rates were applied to IFFIm bonds. The US\$ 151 million foreign currency transaction gains on contributions receivable were primarily the result of a weaker United States dollar in 2020, which significantly increased the fair values of foreign currency denominated contributions receivable. The US\$ 36 million net fair value gains on contributions receivable were primarily the result of lower interest rates in 2020. Due to lower interest rates in 2020, lower discount factors were applied to the pledges.

Net fair value gains or losses on derivatives are reported as total revenue and total expenses, respectively, in the Consolidated Statements of Activities on page 34 of the consolidated financial statements. Net fair value gains or losses on contributions receivable and foreign currency transaction gains or losses on contributions receivable are reported as total expenses and/or changes in net assets with donor restrictions in the

Consolidated Statements of Activities on page 34 of the consolidated financial statements. Net fair value gains or losses on bonds and other borrowings are reported as net financing income (expense) in the Consolidated Statements of Activities on page 34 of the consolidated financial statements and as finance income or expenses in the Consolidated Statements of Functional Expenses on page 36 of the consolidated financial statements. See the *Gavi Foreign Currency and Hedging Activity* and *IFFIm Hedging Activity* sections on pages 26 and 27, respectively, of this report for further information on the Gavi Group's use of derivatives to hedge against market risks.

OVERVIEW OF CASH FLOWS

The following table summarises the Gavi Group's consolidated cash flows for the years ended 31 December 2022, 2021 and 2020:

In Millions of US\$, except Percentages	2022	2021	2020	Change, 2021 to 2022	Change, 2020 to 2021
Net cash from (used in) operating activities ¹	(65)	2,244	1,480	(103)%	52 %
Net cash from (used in) investing activities	(2,527)	(207)	(1,976)	1,121 %	(90)%
Net cash from (used in) financing activities	232	1,480	651	(84)%	127 %
Net change in cash	(2,360)	3,517	155	(167)%	2,169 %
Cash and restricted cash as of the beginning of the year	4,545	1,028	873	342 %	18 %
Cash and restricted cash as of the end of the year	2,185	4,545	1,028	(52)%	342 %

¹ This total includes the effect of exchange rate changes on cash, which is excluded from net cash provided by operating activities reported in the Consolidated Statements of Cash Flows on page 35 of the consolidated financial statements.

Net cash from (used in) operating activities is driven mainly by cash receipts from donors, as described in the *Overview of Assets and Liabilities* section on page 20 of this report, and cash payments to implementing countries, procurement agents, partners and vendors for programmatic and administrative purposes.

Net cash from (used in) investing activities mainly relates to the investment of proceeds from donors and SFPs, as described in the *Overview of Assets and Liabilities* section on page 20 of this report, and bond issuances before those proceeds are used to fund Gavi programmes or redeem bonds.

Net cash from (used in) financing activities reflects the cash inflows from Vaccine Bond issuances and cash outflows from Vaccine Bond redemptions.

As of 31 December 2022 and 2021, cash and restricted cash as of the end of the year in the table above included US\$ 1.3 billion and US\$ 3.6 billion, respectively, of cash related to Gavi's role as administrator of the Facility.

The Gavi Group's cash receipts from donors and IFFIm investors were as follows:

In Millions of US\$, except Percentages	2022	2021	2020	Change, 2021 to 2022	Change, 2020 to 2021
Sovereign governments and the European Commission	1,115	864	1,151	29 %	(25)%
Gates Foundation and other private donors	360	216	313	67 %	(31)%
IFFIm	829	1,214	406	(32)%	199 %
Other innovative finance mechanisms	2,476	7,720	427	(68)%	1,709 %
Total cash receipts from donors and IFFIm investors	4,780	10,014	2,297	(52)%	336 %

The Gavi Group's programme disbursements were as follows:

In Millions of US\$, except Percentages	2022	2021	2020	Change, 2021 to 2022	Change, 2020 to 2021
NVS	1,061	1,328	1,120	(20)%	19 %
HSS	191	248	412	(23)%	(40)%
Facility	1,917	5,330	300	(64)%	1,677 %
Total programme disbursements	3,169	6,906	1,832	(54)%	277 %

CASH RESERVE AND LIQUIDITY POLICIES

Gavi and IFFIm have put in place certain policies in order to ensure that they maintain sufficient liquidity to meet their obligations to implementing countries, IFFIm investors and all other creditors. These policies are summarised below:

- Gavi cash reserve policy: At all times, Gavi maintains at a minimum unrestricted cash and investment reserve equivalent to eight months of Gavi's expected annual expenditures.
- Gavi programme funding policy: As a prerequisite to Board approval or endorsement of any new programmes, Gavi designates an amount of Qualifying Resources sufficient to fully cover all its commitments for the period from the start of the current year through the next two calendar years. Qualified Resources are defined as the aggregate of Gavi cash and investments on hand, in excess of the reserve policy, and expected future cash inflows for the next two years. Expected future cash flows are comprised of: (1) expected cash receipts from Gavi - Core and Gavi COVAX AMC donors; (2) expected funding from IFFIm; and (3) projected investment income.
- IFFIm liquidity policy: IFFIm maintains an adequate level of liquidity to meet its operational requirements, provide predictability of programme funding and support its credit rating. Taking these factors into account, IFFIm maintains a minimum balance of pooled investments equivalent to its cumulative contracted debt service payments for the next twelve months. This minimum balance is recalculated and reset on a quarterly basis.

GAVI FOREIGN CURRENCY AND HEDGING ACTIVITY

Gavi expenditures are primarily incurred in United States dollars. Therefore, Gavi is exposed to foreign currency exchange rate fluctuations on contributions receivable in currencies other than the United States dollar. In November 2011, the Board approved a currency hedging policy that specified parameters for currency hedging through which Gavi can manage this exposure. Under its hedging policy, Gavi actively hedges its foreign currency exchange risk on a portion of contributions receivable and future net cash inflows by entering into currency forward contracts. In addition, a small portion of Gavi's currency exchange risk is naturally hedged by expenses that Gavi incurs in currencies other than the United States dollar.

At the GVS 2020 on 4 June 2020, Gavi valued commitments to Gavi - Core activities from donors' direct contributions using Bloomberg spot foreign currency exchange rates. Using these rates, the valuation of direct contributions committed for the period 2021 to 2025 totalled US\$ 8.1 billion.² Various other commitments from donors have since decreased direct contributions and the United States dollar has strengthened since then, thereby decreasing the United States dollar valuation³ of the direct contributions committed in other currencies. The Secretariat estimated that, as of March 2023, the United States dollar value of the commitments for direct contributions had decreased by US\$ 1.0 billion to a value of US\$ 7.1 billion, for the period 2021 to 2025. The amount of US\$ 7.1 billion is comprised of:

- US\$ 2.7 billion (38%) for amounts received or to be received in United States dollars;
- US\$ 3.5 billion (49%) for amounts in other currencies already received and exchanged for United States dollars, and amounts to be received that are hedged into United States dollars; and
- US\$ 0.9 billion (13%) for amounts in other currencies to be received that are not yet hedged and are valued using Bloomberg spot rates. Gavi is exposed to exchange rate fluctuations on this amount.

The COVID-19 pandemic has resulted in greater volatility and uncertainty on financial markets. As a result, Gavi applied currency hedging to provide certainty of funding and reduce the volatility in the United States dollar value of future net cash inflows due to exchange rate fluctuations. As of March 2023, Gavi has hedged nearly 80% of the total direct non-US dollar contributions expected to be received over the period 2021 to 2025.

² Includes pledges for direct contributions that were made at Gavi's third donor pledging conference.

³ The updated valuation of non-US\$ contributions uses Bloomberg spot foreign currency rates as of 31 March 2023.

Gavi remains exposed to foreign currency fluctuations on a portion of its contributions receivable. The sensitivity analysis in the following table shows the impact that a 5% change in value of the United States dollar would have on the fair value of Gavi's contributions receivable as of 31 December 2022 and 2021:

In Millions of US\$	Illustrative Increase or Decrease in US\$ Value of Contributions Receivable for each 5% movement of exchange rate against US\$	
	2022	2021
Australian dollar	9	10
Euro	23	33
Norwegian krone	19	27

49% and 39% of Gavi's contributions receivable as of 31 December 2022 and 2021, respectively, were denominated in Australian dollar, Euro and Norwegian krone.

IFFIm HEDGING ACTIVITY

The majority of IFFIm's contributions receivable and some of its bonds and other borrowings are denominated in currencies other than the United States dollar. Therefore, IFFIm is exposed to the risk of financial loss or unpredictable cash flows resulting from fluctuations in foreign exchange rates. Since almost all Gavi's programme expenses are incurred in United States dollars and predictability of funding is essential to Gavi's mission, IFFIm has entered into currency swap contracts with the World Bank and other counterparties to mitigate the aforementioned risks. Under these contracts, IFFIm has effectively swapped foreign currency receipts from donors and payments to investors with United States dollar receipts from, and payments to, the World Bank and other counterparties.

In addition to the abovementioned foreign exchange risks, IFFIm is also exposed to potential adverse changes in the value of contributions receivable and bonds and other borrowings resulting from fluctuations in interest rates. In order to mitigate this risk, IFFIm has entered into interest rate swap contracts with the World Bank. Under these contracts, IFFIm has effectively swapped contributions receivable into dollar floating rate receivables from the World Bank and bonds and other borrowings into floating rate payables to the World Bank.

The following table shows IFFIm's fair value adjustments and interest expense, for the year ended 31 December 2022, before and after the impact of IFFIm's currency and interest rate swaps:

In Millions of US\$	Pledges	Bonds
<u>Interest and fair value adjustments before impact of swaps</u>		
Interest expense	-	(20)
Interest rate fair value (losses) gains	(286)	128
Foreign currency fair value (losses) gains	(225)	25
Other fair value gains	37	-
Total interest and fair value adjustments before impact of swaps	(474)	133
<u>Impact of currency and interest rate swaps</u>		
Interest expense	-	(22)
Interest rate fair value gains (losses)	223	(108)
Foreign currency fair value gains (losses)	184	(4)
Other fair value losses	(14)	10
Total impact of currency and interest rate swaps	393	(124)
Net interest and fair value adjustments after impact of swaps	(81)	9

RECENT EVENTS

COVAX FACILITY MILESTONES

Advance Market Commitment (“AMC”) participants have made significant progress in vaccine delivery efforts, enabled by increasingly consistent and predictable vaccine supply provided through COVAX and other sources, and intensified support to countries for uptake activities.

In less than two years since the creation of COVAX and the ACT Accelerator, COVAX has now shipped nearly 2 billion COVID-19 vaccine doses to 146 economies, including nearly 1.8 billion doses to AMC economies, contributing significantly to coverage rates achieved in lower-income countries. COVAX represents the major source of COVID-19 vaccine supply to low-income countries as well as to the African continent.

With additional successful fundraising for the Gavi COVAX AMC, in 2022 COVAX was able to secure sufficient supply to meet participant demand, raise urgent funds for support to turn vaccines into vaccinations and put in place contingency financing in support of scenario planning via the launch of the Pandemic Vaccine Pool. It was also able to resize its portfolio of APAs and donations, successfully hitting targets to ensure continuing to meet countries’ needs while minimising above-country wastage and securing access to optional doses to meet unforecasted increases in demand.

Gavi COVID-19 delivery vaccine funding has been instrumental to readiness and scale-up of country absorption and will continue to be critical to supporting country needs. Through Gavi, nearly US\$ 1 billion in delivery funding has been made available to countries. In 2022, Gavi alongside partners WHO and UNICEF launched the COVID-19 Vaccine Delivery Partnership to provide targeted support to 34 countries furthest behind (under 10% primary series coverage). This focused work, alongside significant investments in delivery and high levels of commitment and engagement from governments, has enabled the number of countries below 10% to be cut to 6, as of March 2023. Several countries have made remarkable progress – such as Somalia, Ethiopia, Central African Republic, United Republic of Tanzania and Côte d’Ivoire, which have pushed coverage rates to 30% and beyond.

Gavi and COVAX have supported lower-income countries to collectively administer more vaccines in 2021 and 2022 than in any other period in history – reaching new demographics, such as adult populations, even without dedicated large-scale surge response capacity; and enabling rapid targeted increase in coverage in the most difficult settings. The equity gap continues to close, with an average of 55% of the population across 92 AMC-eligible countries now protected with a primary series (compared to 31% in January 2022). AMC coverage of health care workers, a key high-risk group, at 82%, is extremely high, although coverage of older adults, currently at 69% remains an area of concern. Effective coverage of high-risk groups, including with boosters, will continue to be a key priority as the pandemic further evolves.

In December 2022, the Gavi Board confirmed in principle the plan to move towards integration of COVID-19 into routine core programmes from 2024 onwards, in alignment with the WHO base case scenario. COVAX partners have continued to work towards this goal, with rounds of consultations with countries and other stakeholders, and providing targeted support for this objective through Gavi CDS funding. In parallel, COVAX partners have also established worst-case scenario planning to ensure mechanisms, process and surge capacity is kept on hand to respond to other WHO scenarios.

Latest data on COVAX is available here: <https://www.gavi.org/news-resources/document-library/covax-data-brief>.

TRANSFER OF LISTING OF IFFIm SECURITIES

In January 2023, IFFIm transferred the listing of its securities from the main regulated market of the Luxembourg Stock Exchange (“LuxSE”) to the Euro MTF, the LuxSE’s exchange-regulated market. The transfer provides IFFIm with cost savings and eliminates the administrative burden of incremental reporting requirements on the main regulated market of the LuxSE, which IFFIm was required to comply with following the United Kingdom’s withdrawal from the European Union. Following the transfer, IFFIm is no longer required to prepare interim and annual financial statements in accordance with International Financial Reporting Standards (“IFRS”) as was previously required to comply with reporting obligations as an issuer of securities admitted to trading on a regulated market in the European Union. Accordingly, IFFIm did not prepare annual financial statements in accordance with IFRS for the year ended 31 December 2022 and will not do so going forward.

ARBITRATION PROCEEDINGS

On 16 November 2022, Gavi was served by a notice of termination in connection with the APA with Novavax (the “Company”) to procure COVID-19 vaccines for AMC-eligible economies and SFPs. In the notice of

termination, Novavax stated its intention to retain the advance payments paid by Gavi to Novavax of which US\$ 695 million has not been utilised. The advance payments have been reclassified as “other receivables” in Note 7 to the consolidated financial statements as of 31 December 2022. Gavi categorically refutes the validity of the notice of termination and Novavax’s right to retain the advance payments. On 22 November 2022, Gavi issued a notice of termination and is asserting the claim to a full refund of the advance payments. Gavi formally commenced arbitration proceedings on 24 January 2023. Arbitration is ongoing and the outcome is uncertain. In its 2022 year end accounts Novavax recognised Gavi’s advance payment as “other current liabilities” in its consolidated balance sheet. Any recovery or repayment could also be impacted by the liquidity and solvency of Novavax, who have made a going concern disclosure in its 10-Q Securities and Exchange Commission filing for the quarter ended 31 March 2023. Novavax highlighted substantial doubt regarding its ability to continue as a going concern through one year from the date of their report. At the same time, the Company announced a global restructuring and cost reduction plan. In the event of a Novavax insolvency, Gavi may not be able to recover some or all of the unutilised advance payment amount, even if it is successful in arbitration. Due to the significant uncertainties and the range of recoverability outcome from US\$ 0 to US\$ 695 million, it has not been possible to reasonably estimate any loss and as such, no provision has been made against the advance payment balance.

NEW SOVEREIGN PLEDGE

In March 2023, Canada became IFFIm’s eleventh sovereign donor with a new sovereign pledge to IFFIm in the amount of C\$ 125 million, which will be payable over a period of seven years.

STRESS IN THE GLOBAL BANKING SYSTEM

Management have considered the stress in the banking system that occurred in the first quarter of 2023 and its global impact on economic activity and financial markets. The Gavi Group has evaluated and assessed the potential impact on its financial position, performance, and ability to continue meeting its obligations, including the impact on Gavi’s counterparty credit risk in derivative instruments with a counterparty whose credit rating has become lower than A or A2. Management does not expect that the Gavi Group’s overall financial position and performance will be significantly impacted by the adverse effects of the stress in the banking system. 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 risks and the potential challenges it may involve.

COVID-19 PANDEMIC

On 4 May 2023, the WHO Director-General transmitted the Report of the 15th meeting of the International health regulations (2005) (“IHR”) Emergency Committee and determined that COVID-19 is now an established and ongoing health issue which no longer constitutes a Public Health Emergency of International Concern. Management was expecting WHO’s announcement and has assessed that Gavi’s overall operations will not be significantly impacted. Gavi is continuously working with countries to understand their plans for COVID-19 integration into routine immunisation programmes in the course of 2023 and beyond.

FUTURE PLANS

MEETING FUTURE VACCINE DEMAND

Taking into account the available resources, the Secretariat forecasts that Gavi will have sufficient resources to fund all its programmatic commitments, as revised for the impact of COVID-19 pandemic on Gavi’s core mission and the response to the pandemic through the Facility.

Gavi – Core: The Secretariat regularly forecasts, reviews and manages Gavi’s cash flows to ensure that Gavi has sufficient Qualifying Resources and liquidity to meet all its future vaccine demand. See *Cash Reserve and Liquidity Policies* section on page 26 of this report for further information on Gavi’s Qualifying Resources and liquidity policies.

As of December 2022, the date of the last forecast approved by the Board, Gavi’s estimated Qualifying Resources for its 2021–2025 strategic period totalled US\$ 10.4 billion, while its total forecasted cash outflows for the same period were US\$ 10.2 billion. Therefore, Gavi had approximately US\$ 0.2 billion available for additional future mission-related investments. This surplus also provides increased assurance that Gavi will be able to meet future vaccine demand while still responding to significant unexpected future events and has allowed Gavi to provide additional support to countries in response to the COVID-19 pandemic.

COVAX Facility: Due to the rapidly changing nature of the COVID-19 pandemic, the Facility forecast for resources and expenditures required to meet future COVID-19 vaccine demand is revised and presented to the AFC more frequently than the Gavi - Core forecast. The Secretariat anticipates that the Facility forecast will continue to rapidly evolve, including the revisions necessary to reflect any future Board decisions on the strategy of the Facility. Any financial commitments made by Gavi in its capacity as administrator of the Facility are governed by the Board-approved framework and the subsequent risk management mechanism agreed with the AFC.

As of December 2022, the date of the last forecast approved by the Board, Gavi COVAX AMC's estimated Qualifying Resources for the period 2020 to 2023 totalled US\$ 12.5 billion, while its total Forecast Expenditure for the same period was US\$ 12.5 billion.

PREPARATION OF THE ANNUAL FINANCIAL REPORT

RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The Board and the Secretariat are responsible for the preparation of Gavi's consolidated financial statements and related information that is presented in this report. The consolidated financial statements have been prepared in accordance with US GAAP and also comply with Swiss Law and the Gavi Alliance Statutes. Gavi's consolidated financial statements include amounts based on estimates and judgments made by the Secretariat. The Company engaged Deloitte to audit and opine on Gavi's consolidated financial statements.

Gavi designs and maintains accounting and internal control systems to provide reasonable assurance at reasonable cost that assets are safeguarded against loss from unauthorised use or disposition, and that the financial records are reliable for preparing consolidated financial statements and maintaining accountability for assets. These systems are augmented by written policies, an organisational structure providing division of responsibilities, careful selection and training of qualified personnel, and a program of internal audits.

The Board, through its AFC, meets periodically with the Secretariat, internal auditor, and Deloitte to ensure that each is meeting its responsibilities, and to discuss matters concerning internal controls and financial reporting. Deloitte and the internal auditor each have full and free access to the AFC.

FORWARD-LOOKING INFORMATION

Certain information contained in this *Discussion and Analysis* constitutes forward-looking information. This forward-looking information relates to the future financial conditions and results of activities of Gavi. The information represents the Secretariat's current expectations and estimates about the business environments in which Gavi operates and the Secretariat's beliefs and assumptions regarding these environments. This forward-looking information is subject to important risks and uncertainties which are difficult to predict and assumptions which may prove to be inaccurate. The results or events predicted in the forward-looking information contained in this *Discussion and Analysis* may differ materially from actual results or events.

CONSOLIDATED FINANCIAL STATEMENTS



CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

In Thousands of US\$	Note	As of 31 December 2022	As of 31 December 2021
Assets			
Cash		229,053	1,355,077
Restricted cash	3	1,956,041	3,190,770
Investments	4	5,768,566	3,758,168
Pooled investments	4	1,005,115	603,383
Contributions receivable	5	4,911,865	6,667,584
Foreign currency forward contracts receivable	6	144,407	37,188
Receivables, prepaid expenses and other assets	7	1,233,570	4,269,392
Currency and interest rate swaps receivable	6	446,875	150,589
Receivable on COVAX Facility arrangements	8	5,675	13,621
Operating lease right-of-use asset	18	16,434	18,867
Total assets		15,717,601	20,064,639
Liabilities and net assets			
Liabilities			
Accounts payable and other liabilities	9	951,869	775,180
Programme grants payable	10	36,793	59,079
Procurement accounts payable	3	957,016	1,836,994
Foreign currency forward contracts payable	6	10,388	47,888
Currency and interest rate swaps payable	6	359,536	346,615
Payable on COVAX Facility arrangements	8	988,571	1,659,157
Operating lease obligations	18	18,859	21,654
Bonds and other borrowings	11	2,413,237	2,344,992
Total liabilities		5,736,269	7,091,559
Net assets			
Without donor restrictions		1,000,733	3,683,085
With donor restrictions	12	8,980,599	9,289,995
Total net assets		9,981,332	12,973,080
Total liabilities and net assets		15,717,601	20,064,639

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

CONSOLIDATED STATEMENTS OF ACTIVITIES

In Thousands of US\$	Note	Year Ended 31 December 2022	Year Ended 31 December 2021
<u>Changes in net assets without donor restrictions</u>			
<u>Revenue</u>			
Contributions from government and private donors		450,202	410,350
Net investment income	13	-	87,629
Net fair value gains on derivatives	14	335,878	223,852
Net financing income	15	130,508	20,521
Foreign currency transaction adjustment		79,401	-
Other revenue		2,127	6,436
Release of net assets from restrictions		3,667,902	10,576,129
Total revenue		4,666,018	11,324,917
<u>Expenses</u>			
Programme	17	7,181,953	8,514,764
Management and general		32,250	34,587
Net investment expenses	13	12,252	-
Fundraising		28,615	24,738
Other fair value losses	7	93,300	1,000
Foreign currency transaction adjustment		-	6,104
Total expenses		7,348,370	8,581,193
Change in net assets without donor restrictions		(2,682,352)	2,743,724
<u>Changes in net assets with donor restrictions</u>			
Contributions from government and private donors		2,711,346	10,820,804
Contributed nonfinancial assets	16	1,309,841	4,411,952
Net fair value losses on contributions receivable		(332,237)	(35,122)
Foreign currency transaction adjustment on contributions receivable		(330,444)	(191,792)
Release of net assets from restrictions		(3,667,902)	(10,576,129)
Change in net assets with donor restrictions		(309,396)	4,429,713
<u>Net assets as of the beginning of the year</u>			
Without donor restrictions		3,683,085	939,361
With donor restrictions		9,289,995	4,860,282
Total net assets as of the beginning of the year		12,973,080	5,799,643
<u>Net assets as of the end of the year</u>			
Without donor restrictions		1,000,733	3,683,085
With donor restrictions	12	8,980,599	9,289,995
Net assets as of the end of the year		9,981,332	12,973,080

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

In Thousands of US\$	Note	Year Ended 31 December 2022	Year Ended 31 December 2021
<u>Net cash flows from operating activities</u>			
<u>Change in net assets</u>		(2,991,748)	7,173,437
<u>Adjustments to reconcile change in net assets to net cash from operating activities:</u>			
Realised and unrealised foreign currency transaction adjustment		160,082	129,210
Increase in fair value of bonds and other borrowings		(143,877)	(27,149)
Decrease in fair value of contributions receivable		332,237	35,122
Net losses from swaps related to bonds and other borrowings		123,852	18,896
Other fair value losses		93,300	-
Amortisation of operating lease right-of-use asset		2,433	2,756
Depreciation expense		864	713
Loss on disposal of fixed assets		11	-
Investment fees		1,045	(780)
Realised and unrealised losses (gains) on investments and pooled investments		114,316	(77,883)
<u>Changes in assets and liabilities:</u>			
Decrease (increase) in contributions receivable		1,238,992	(2,075,906)
Increase in foreign currency forward contracts receivable		(107,219)	(33,302)
Decrease (increase) in receivables, prepaid expenses and other assets		2,942,386	(3,867,896)
Decrease in receivable on COVAX Facility arrangements		7,946	206,754
Increase in operating lease right-of-use asset		-	(259)
Increase in accounts payable and other liabilities		176,689	329,076
Decrease in programme grants payable		(22,286)	(58,780)
(Decrease) increase in procurement accounts payable		(879,978)	1,021,496
Decrease in foreign currency forward contracts payable		(37,500)	(87,638)
Decrease in net currency and interest rate swaps		(393,174)	(246,387)
Decrease in payable on COVAX Facility arrangements		(670,586)	(191,873)
Decrease in operating lease obligation		(2,795)	(3,167)
<u>Net cash (used in) provided by operating activities</u>		(55,010)	2,246,440
<u>Cash flows from investing activities</u>			
Purchase of fixed assets		(739)	(1,116)
Purchase of investments and pooled investments		(8,882,204)	(10,333,268)
Sales of investments and pooled investments		6,354,713	10,127,222
<u>Net cash used in investing activities</u>		(2,528,230)	(207,162)
<u>Cash flows from financing activities</u>			
Net proceeds (payments) upon settlement of swaps related to bonds and other borrowings		(14,043)	16,292
Proceeds from issuance of bonds and other borrowings		830,332	1,501,041
Redemption of bonds and other borrowings		(584,243)	(37,608)
<u>Net cash provided by financing activities</u>		232,046	1,479,725
<u>Effect of exchange rate changes on cash</u>		(9,559)	(2,025)
<u>Net change in cash</u>		(2,360,753)	3,516,978
Cash and restricted cash as of the beginning of the year		4,545,847	1,028,869
Cash and restricted cash as of the end of the year	23	2,185,094	4,545,847
<u>Supplemental disclosures</u>			
Cash paid for interest		12,233	5,953

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

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended 31 December 2022, in Thousands of US\$	Programme Expenses	Management and General Expenses	Financing Expenses	Fundraising Expenses	Total Expenses
Direct programme expenses	6,909,559	-	-	-	6,909,559
Programme implementation	186,103	-	-	-	186,103
Total programme expenses	7,095,662	-	-	-	7,095,662
Payroll and benefits	45,617	11,785	-	12,651	70,053
Training and recruitment	-	1,038	-	-	1,038
Professional fees	28,110	12,599	-	12,249	52,958
Media production and distribution	175	17	-	367	559
Events and meetings	725	1,247	-	578	2,550
Travel and representation	2,573	367	-	545	3,485
Facility and office costs	6,462	4,421	-	1,592	12,475
Supplies and minor equipment	2,629	776	-	633	4,038
Finance income	-	-	(150,153)	-	(150,153)
Interest expense	-	-	19,645	-	19,645
Other operating expenses	86,291	32,250	(130,508)	28,615	16,648
Total functional expenses	7,181,953	32,250	(130,508)	28,615	7,112,310

Year Ended 31 December 2021, in Thousands of US\$	Programme Expenses	Management and General Expenses	Financing Expenses	Fundraising Expenses	Total Expenses
Direct programme expenses	8,267,255	-	-	-	8,267,255
Programme implementation	176,412	-	-	-	176,412
Total programme expenses	8,443,667	-	-	-	8,443,667
Payroll and benefits	38,942	12,873	-	10,749	62,564
Training and recruitment	-	1,562	-	-	1,562
Professional fees	23,585	15,878	-	11,053	50,516
Media production and distribution	249	22	-	336	607
Events and meetings	214	200	-	637	1,051
Travel and representation	483	264	-	62	809
Facility and office costs	5,398	3,195	-	1,353	9,946
Supplies and minor equipment	2,226	593	-	548	3,367
Finance expense	-	-	(28,406)	-	(28,406)
Interest expense	-	-	7,885	-	7,885
Other operating expenses	71,097	34,587	(20,521)	24,738	109,901
Total functional expenses	8,514,764	34,587	(20,521)	24,738	8,553,568

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS AND AFFILIATIONS

These consolidated financial statements include the accounts of the following entities: (1) the Gavi Alliance (“Gavi”) and (2) the International Finance Facility for Immunisation Company (“IFFIm”). For the purposes of these consolidated financial statements, Gavi and IFFIm are collectively referred to as the Gavi Group. IFFIm’s accounts include the accounts of IFFIm Sukuk Company III Limited, a Cayman Islands company with limited liability, which were established for the sole purpose of issuing Sukuk certificates in support of IFFIm’s operations. Each entity included in these consolidated financial statements is described below:

The 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-juridical association of public and private sector organisations, institutions and governments, including the Bill & 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 (“WHO”), implementing country governments, grantor country governments, vaccine manufacturers, civil society organisations and research and technical health institutes. Gavi is registered as an international organisation in Switzerland, with privileges and immunities similar to those accorded to other international intergovernmental organisations.

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 countries fulfil their national vaccination strategies by enabling equitable access to life-saving COVID-19 vaccines. By joining the Facility, participating countries and economies obtained not only access to a diverse portfolio of COVID-19 vaccines at beneficial prices, 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 more than 90% of the world’s population), consisting of 101 Self-Financing Participants (“SFP”), including “Team Europe” - the European Commission on behalf of 27 European Union member states plus Norway and Iceland; and 92 AMC-eligible economies (“AMC92”).

With funding through the SFPs and through donations to the Gavi Advance Market Commitment for COVID-19 vaccines (“Gavi COVAX AMC”), the Facility reserved doses with manufacturers to build an actively managed portfolio of vaccines based upon diverse technologies and geographies to accelerate access. This shaped 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.

The International Finance Facility for Immunisation Company: 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, health system strengthening (“HSS”), vaccine research and development programmes, and procurement and delivery of COVID-19 vaccines. Gavi is the sole member of IFFIm. Gavi also has ongoing economic interests in the net assets of IFFIm through contracts and affiliation agreements.

IFFIm Sukuk Company III Limited (“IFFImSC III”): IFFImSC III is a Cayman Islands company with limited liability, which was incorporated on 5 March 2019 under the Companies Law (2013 Revision) of the Cayman Islands, with company registration number 348825. IFFIm has control over IFFImSC III, which was established for the sole purpose of issuing Sukuk certificates in support of IFFIm’s operations. In April 2022, IFFImSC III made the final payment of US\$ 50 million to the holders of its certificates.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (“US GAAP”).

Basis of Consolidation: The accompanying consolidated financial statements include the accounts of Gavi, IFFIm, and IFFIm SC III. All intercompany balances and transactions have been eliminated on consolidation.

Adoption of New Accounting Pronouncement: In March 2020, the FASB issued ASU No. 2020-04 *Reference Rate Reform (Topic 848)*. This update provides optional expedients and exceptions for applying generally accepted accounting principles to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. This applies only to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. As of 31 December 2022, the Gavi Group's exposure to LIBOR was comprised of IFFIm's legacy swap contracts referencing the United States dollar 3-month LIBOR, which is due to be discontinued after 30 June 2023. Besides the United States dollar 3-month LIBOR, the Gavi Group's financial instruments do not reference any other interest rate benchmarks that are due to be discontinued. IFFIm's outstanding bonds are all based on fixed coupon rates. With respect to IFFIm's investments, effective 31 March 2022, all IFFIm liquidity is now linked to the Secured Overnight Financing Rate ("SOFR") and all new funding is executed against a SOFR benchmark. Therefore, there is currently no exposure to LIBOR in the Gavi Group's outstanding bonds and funding transactions. The adoption did not result in a significant change in the consolidated financial statements.

Cash and Cash Equivalents: The Gavi Group reports all demand deposits as cash and has not experienced any losses in these accounts. Risks are managed in accordance with its cash and liquidity management policy. The Gavi Group 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. The Gavi Group reports all cash equivalents, which includes fiduciary deposits and money market funds, as investments.

Net Contributions Receivable: The Gavi Group's net contributions receivable comprises unconditional promises to give from donors. The Gavi Group records each unconditional promise to give at fair value on the date the recognition criteria are met. A conditional promise to give is considered unconditional if the barriers or conditions are met. The techniques applied in determining the fair values of promises to give are described in the *Fair Values of Financial Instruments* section below. In addition, management evaluates the collectability based on historical experience and likelihood of payment.

Due to the nature of promises to give, changes in market and credit risk, vaccine demand and the economic environment may significantly impact the inputs used in the model and, consequently, the fair values of the contributions receivable. Although a secondary market might not exist for these transactions, it is reasonably possible that if the Gavi Group were to sell these receivables in a secondary market a buyer might require a discount to the reported fair value, and the discount could be significant.

Changes in the fair values of contributions receivable, excluding fair value changes related to changes in currency exchange rates, are recognised in the Consolidated Statements of Activities in the period of change and included in net fair value gains and losses on contributions receivable in the Consolidated Statements of Activities.

Contributions receivable pledged in currencies other than the United States dollars are converted to United States dollars using the spot currency exchange rates as of year-end. Fair value changes related to changes in currency exchange rates are reported in the Consolidated 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.

Investments: Gavi and IFFIm manage and record their investments in different ways as follows:

- Investments held by Gavi: These investments are governed by Gavi's investment policies and managed by external investment managers. The investments are recorded at fair value. Investment sales and purchases are recorded on a trade-date basis, which results in both investment receivables and payables on unsettled investment trades on individually held securities. Money market accounts managed by external advisers, with original maturities of three months or less, are reported in the Consolidated Statements of Financial Position as investments.
- Investments held by IFFIm: These investments are managed on a pooled basis by the World Bank, which maintains a single, commingled investment portfolio (the "Pool") for all of the trust funds it administers. The World Bank commingles IFFIm's assets with other trust fund assets it administers. The amounts recorded in the Gavi Group's Consolidated Statements of Financial Position represent the Gavi Group's allocated share of the Pool's fair value at year-end. The fair value is based on market quotations, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. The carrying amount of cash included in the Pool approximates its fair value.

The Gavi Group records investments at fair value. The techniques applied in determining the fair values of investments are described in the *Fair Values of Financial Instruments* section below.

Gains and losses on investments as well as interest and dividend income are reported as net investment income (expense) in the Consolidated Statements of Activities.

Fixed Assets: Furniture, equipment, computer software, and leasehold improvements that were purchased by the Gavi Group 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. Fixed assets (net of accumulated depreciation of US\$ 6.9 million and US\$ 6.3 million in 2022 and 2021, respectively) of US\$ 2.2 million and US\$ 2.3 million are included in receivables, prepaid expenses and other assets in the Consolidated Statements of Financial Position as of 31 December 2022 and 2021, respectively.

Bonds and Other Borrowings: Bonds and other borrowings are recognised at fair value. The techniques applied in determining the fair values of bonds and other borrowings are described in the *Fair Values of Financial Instruments* section below.

Changes in the fair values of bonds and other borrowings are recognised in net assets without donor restrictions in the period of change and are included in net financing income (expense) in the Consolidated Statements of Activities. Bonds and other borrowings issuance costs, mark-to-market costs, and discounts are recognised in the period incurred and are also included in net financing income (expense) in the Consolidated Statements of Activities.

Derivative Financial Instruments: IFFIm uses currency and interest rate swaps and 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 in the Consolidated Statements of Financial Position. The currency and interest rate swaps and the foreign currency forward contracts are shown gross. The techniques applied in determining the fair values of derivative financial instruments are described in the *Fair Values of Financial Instruments* section below.

Changes in the fair values of derivatives, including fair value changes related to changes in currency exchange rates, are recognised in the Consolidated Statements of Activities in the period of change and included in net fair value gains and losses on derivatives in the Consolidated Statements of Activities.

IFFIm and Gavi have elected not to apply hedge accounting. Therefore, fair value changes on derivative financial instruments are not offset against related fair value changes on the contributions receivable, and bonds and other borrowings that are economically hedged by those derivative financial instruments.

IFFIm has both: (1) a master netting agreement with the World Bank that legally provides for net settlement of receivables and payables on IFFIm's currency and interest rate swaps, and (2) the intention to settle such receivables and payables on a net basis.

Net Programme Grants Payable: Net programme grants payable are recognised at fair value. The techniques applied in determining the fair values of programme grants payable are described in the *Fair Values of Financial Instruments* below.

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 Consolidated Statements of Financial Position.

Procurement Accounts Payable: Procurement accounts payable are recognised at fair value. The techniques applied in determining the fair values of procurement accounts payable are described in the *Fair Values of Financial Instruments* below.

Payable on COVAX Facility arrangements: These are the advances from SFPs and cost-sharing participants held by Gavi for future procurement of vaccines.

Leases: Gavi is a lessee in several non-cancellable 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.

Fair Values of Financial Instruments: US GAAP establishes a framework for measuring fair value and prescribes disclosures about fair value measurements. It emphasises that fair value is a market-based measurement, not an entity-specific measurement and, therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participants' assumptions in fair value measurements, US GAAP establishes a fair value hierarchy based upon the observability of the inputs to the valuation of an asset or liability. These inputs may be observable, whereby the market participant assumptions are developed based on market data obtained from independent sources, and unobservable, whereby market participant assumptions are developed by the reporting entity based on the best information available in the circumstances.

The Gavi Group has elected to report its contributions receivable, programme grants payable, procurement accounts payable and bonds and other borrowings at fair value, with changes in fair value reported in the Consolidated Statements of Activities. With respect to IFFIm's contributions receivable and bonds and other borrowings, this election was made to better align the carrying values of these contributions receivable and bonds and other borrowings with the carrying values of currency and interest rate swap contracts that economically hedge them. With respect to programme grants payable, procurement accounts payable and non-IFFIm contributions receivable, this election was made to ensure consistent accounting treatment across Gavi and IFFIm. The Gavi Group recognises all new contributions receivable, programme grants payable, procurement accounts payable and bonds and other borrowings at fair value as these assets and liabilities are acquired or incurred.

US GAAP establishes a three-level fair value hierarchy under which financial assets and financial liabilities are categorised based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities, the next-highest priority to observable market-based inputs or inputs that are corroborated by market data, and the lowest priority to unobservable inputs that are not corroborated by market data. US GAAP requires that the valuation techniques used to measure fair value maximise the use of observable inputs and minimise the use of unobservable inputs.

The Gavi Group's financial assets and financial liabilities recorded at fair value are categorised based on the inputs to the valuation techniques as follows:

- Level 1: Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2: Financial assets and liabilities whose values are based on either: (1) quoted prices for similar assets or liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in non-active markets, or (3) pricing models for which all significant inputs are observable, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3: Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

When the inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorised is based on the lowest-level input that is significant to the fair value measurement of the asset or liability in its entirety.

Investments for which fair value is measured at net asset value per share (or its equivalent) using the practical expedient are not categorised in the fair value hierarchy and are disclosed separately, as shown in Note 22 to the consolidated financial statements for the years ended 31 December 2022 and 2021.

The techniques applied in determining the fair values of assets and liabilities are summarised below:

- Cash: The carrying amount of the Gavi Group's cash approximates its fair value.
- Investments Managed by Gavi: The fair values of investments are calculated based on either quoted market prices per share, observable data such as ongoing redemption and subscription activity, or net asset values per share provided by Gavi's investment managers.
- Pooled Investments Managed by the World Bank: Pooled Investments managed by the World Bank are included in the Consolidated Statements of Financial Position. The World Bank maintains the Pool for IFFIm, certain trust funds and other entities administered by the World Bank, as well as assets held in trust for other World Bank Group institutions. The Pool's assets are maintained separately from the funds of the World Bank Group. The Pool is divided into sub-portfolios to which allocations were made based on

funding specific investment horizons, risk tolerances and other eligibility requirements set by the World Bank.

IFFIm's share of the Pool is not traded in any market. However, the Pool is a trading portfolio that is reported at fair value. IFFIm's shares in the Pool represent its allocated share of the Pool's fair value at the end of the reporting period. If an active market exists, the market or quoted price is applied. If an active market does not exist, generally accepted valuation techniques, based on observable market data as of the reporting date, are used instead. The carrying amount of cash included in the Pool approximates its fair value.

Under an investment strategy approved by the IFFIm Board, IFFIm is invested in high-grade fixed-income instruments with interest rate sensitivity matching that of the liabilities funding its investment portfolio. For instruments for which market quotations are not available, fair values are determined using model-based valuation techniques, whether internally generated or vendor-supplied, including the standard discounted cash flow method using market observable inputs, such as yield curves, credit spreads and prepayment speeds. Unless quoted prices are available, money market instruments are reported at face value, which approximates fair value.

- **Contributions Receivable from IFFIm Donors:** The Gavi Group's contributions receivable include pledges to IFFIm from the following ten sovereign government donors: (1) the Commonwealth of Australia, (2) the Republic of France, (3) the Republic of Italy, (4) the Kingdom of Norway, (5) the State of the Netherlands, (6) the Republic of South Africa, (7) the Kingdom of Spain, (8) the Kingdom of Sweden, (9) the United Kingdom, and (10) Federative Republic of Brazil (together the "IFFIm Donors"). The IFFIm Donors have entered into legally binding obligations to make scheduled payments to Gavi over periods of up to 20 years. Gavi has assigned the right to receive these grant payments to IFFIm in consideration of IFFIm's agreement to assess for approval programmes presented to IFFIm by Gavi, and to use its reasonable endeavours to raise funds for such programmes if approved. The pledges are irrevocable and are payable by the IFFIm Donors in several instalments in accordance with predetermined fixed payment schedules over time.

The total amount paid by the IFFIm Donors is impacted by a grant payment condition ("GPC") that allows the donors to reduce their payment amounts if one or more eligible recipient countries, as defined by the transactional documents, falls into protracted arrears on their obligations to the International Monetary Fund ("IMF"). Each recipient country has been ascribed a weight within a reference portfolio, which represents the IMF's estimate of how likely the country will be to enter into protracted arrears. These weights remain static for the life of IFFIm, and are 0.5%, 1%, 3%, or 5%. The amounts are aggregated, and the IFFIm Donors reduce the amounts they pay by the aggregate percentage weights of countries that are in protracted arrears to the IMF. When countries clear their arrears to the IMF, future amounts payable by the IFFIm Donors are increased by the respective weights of those clearing countries. The final determination of each IFFIm Donor payment amount, as measured by the World Bank, is made 25 business days prior to the due date of the payment.

The reference portfolio as of 31 December 2022 and 2021 was as follows:

Country	Country Weighting	Total Share
South Sudan, Sudan	0.5%	1%
Afghanistan, Angola, Armenia, Azerbaijan, Benin, Bhutan, Bolivia, Burkina Faso, Burundi, Cambodia, Cameroon, Central African Republic, Chad, Comoros, Congo, Côte d'Ivoire, Djibouti, Eritrea, Gambia, Georgia, Ghana, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Kenya, Kiribati, Kyrgyzstan, Lao PDR, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Moldova, Mongolia, Mozambique, Myanmar, Nepal, Nicaragua, Niger, Papua New Guinea, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Solomon Islands, Somalia, Sri Lanka, Tajikistan, Tanzania, Timor-Leste, Togo, Uganda, Ukraine, Uzbekistan, Yemen, Zambia, Zimbabwe	1%	61%
Vietnam	3%	3%
Bangladesh, Democratic Republic of the Congo, Ethiopia, India, Indonesia, Nigeria, Pakistan	5%	35%

The fair values of contributions receivable from the IFFIm Donors are estimated using a discounted cash flow method. Each expected future cash flow is reduced by an estimated reduction amount due to the GPC, except when an IFFIm Donor irrevocably commits to make grant payments in full without applying any reduction due to the GPC. The GPC reduction amounts are calculated using a probabilistic model that estimates the likelihood and duration that any recipient member country might fall into arrears with the IMF. The probabilistic model uses inputs that are both unobservable and significant to the overall fair value of the contributions receivable. This model yielded reductions in expected future cash flows of 7.2%

and 7.4% as of 31 December 2022 and 2021, respectively. In 2022 and 2021, fair value losses on contributions receivable reported in the Consolidated Statements of Activities include gains of US\$ 37 million and US\$ 71 million, respectively, attributable to the GPC fair value adjustment.

The reduced expected future cash flows are then discounted to present value using observable donor-specific risk-adjusted interest rates. Each IFFIm Donor's promise to give is discounted using the donor's sovereign government borrowing rate, which considers both market risk and the donor's credit risk.

The fair values of future cash flows from IFFIm Donors were US\$ 3.0 billion and US\$ 3.4 billion as of 31 December 2022 and 2021, respectively. These fair values were estimated using observable donor-specific risk adjusted annual discount rates ranging from 1.8% to 7.1% for 2022, and from 0.0% to 5.5% for 2021.

- **Other Contributions Receivable:** Contributions receivable other than those from IFFIm Donors are estimated using a discounted cash flow method. The fair values of future cash flows as of 31 December 2022 and 2021 were US\$ 2.0 billion and US\$ 3.2 billion, respectively. This fair value was estimated using observable donor-specific risk adjusted annual discount rates ranging from 1.8% to 14.1% for 2022, and from 0.0% to 13.4% for 2021.
- **Programme Grants Payable:** The fair value of each country programme grants payable is the estimated cost of the vaccine and supplies to be procured plus shipping, or the actual cash value to be paid to the country.

The fair values of grants payable to programme implementing partners are estimated using a discounted cash flow method. Future cash flows are discounted using inputs from the United States treasury bonds and notes and Bloomberg Fair Values ("BFV") yield curve.

- **Procurement Accounts Payable:** The fair value of each procurement accounts payable is the estimated cost of the vaccine and supplies to be procured plus shipping, or the actual cash value to be paid to the country.
- **Bonds and Other Borrowings:** The fair value of IFFIm's bonds and other borrowings is determined using a discounted cash flow method, which relies on market observable inputs such as yield curves, foreign exchange rates, basis spreads and funding spreads.
- **Derivatives:** The fair values of derivatives are estimated using a discounted cash flow method. All model inputs are based on readily observable market parameters such as yield curves, foreign exchange rates, and credit spreads. A credit valuation adjustment and a debit valuation adjustment are included in the valuation of derivatives to account for counterparty credit risk and IFFIm's own credit risk, respectively.

Interest Rate Benchmark Reform: Specific interest rate benchmarks, including London Interbank Offered Rate ("LIBOR"), are due to be discontinued and replaced with alternative benchmark rates which meet new regulatory and market requirements.

- **Exposure to LIBOR:** As of 31 December 2022, IFFIm's exposure to LIBOR was comprised of its legacy swap contracts referencing the United States dollar 3-month LIBOR, which is due to be discontinued after 30 June 2023. Besides the United States dollar 3-month LIBOR, IFFIm's financial instruments do not reference any other interest rate benchmarks that are due to be discontinued.

IFFIm's outstanding bonds are all based on fixed coupon rates, the details of which are included in Note 11 to the consolidated financial statements. With respect to IFFIm's investments in the Pool, effective 31 March 2022, all IFFIm liquidity is now linked to the Secured Overnight Financing Rate ("SOFR") and all new funding is executed against a SOFR benchmark. Therefore, there is currently no exposure to LIBOR in IFFIm's outstanding bonds and funding transactions. With the transition to SOFR, IFFIm's investment portfolio continued to outperform its benchmark. For the years ended 31 December 2022 and 2021, the return on IFFIm's investment portfolio was 1.91% and 0.24%, respectively, outperforming its benchmark by 27 basis points and 9 basis points, respectively.

- **LIBOR transition strategy:** With respect to IFFIm's legacy swap contracts, only those positions that have LIBOR fixings after 30 June 2023 need to be transitioned away from LIBOR. The IFFIm board resolved, at its meeting on 3 March 2021, for IFFIm to adhere to the International Swaps and Derivatives Association ("ISDA") 2020 IBOR Fallbacks Protocol ("the Protocol") as published by the ISDA on 23 October 2020. The Protocol, which came into effect on 25 January 2021, was created to enable parties to Protocol Covered Documents to amend the terms of each such Protocol Covered Document to incorporate new terms and fallbacks as provided by the Protocol and the IBOR Fallbacks Supplement. The master agreements and credit support annexes governing IFFIm's legacy swaps with all IFFIm's swap counterparties are the relevant Protocol Covered Documents for IFFIm. On 24 March 2021 an Adherence Letter submitted by IFFIm to the ISDA, confirming IFFIm's adherence to the Protocol, was accepted by the ISDA. All IFFIm's swap counterparties adhered to the Protocol too. Adherence to the Protocol will allow IFFIm's legacy swaps to be transitioned automatically to the SOFR upon the discontinuation of the United States 3-month LIBOR on 30 June 2023. This is consistent with market practice around the management of LIBOR

transition risk. Going forward, IFFIm will not hedge any new donor pledges and bond issuances against LIBOR.

The execution of new transactions using SOFR is already a common market practice and is not expected to be a challenge for IFFIm. IFFIm has considered risks to which it may be exposed arising from the transition from LIBOR to SOFR:

Income Taxes: The Gavi Group is exempt from income taxes in each of the jurisdictions in which it has operations. US GAAP requires that financial statements reflect the expected future tax consequences of uncertain tax positions that an entity has taken or expects to take on a tax return, presuming the tax authorities' full knowledge of the position and all relevant facts. US GAAP also requires that an entity recognises the benefit of tax positions when it is more likely than not that the provision will be sustainable based on the merits of the position. The Gavi Group performed an evaluation of uncertain tax positions for the years ended 31 December 2022 and 2021 and determined that there were no matters that would require recognition in the financial statements or which may have any effect on its tax-exempt status. As of 31 December 2022, the statutes of limitations for tax years 2018 through 2021 remain open with the United States Federal jurisdiction or the various states and local jurisdictions in which the Gavi Group files tax returns. It is the Gavi Group's policy to recognise interest or penalties related to uncertain tax positions, if any, in income tax expense. As of 31 December 2022 and 2021, the Gavi Group had no accrued interest or penalties.

Contingencies: The Gavi Group'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 consolidated financial statements are presented in United States dollars, which is the reporting currency of the Gavi Group. 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 2022 and 2021. 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 Consolidated Statements of Activities.

Classification of Net Assets: Net assets are reported as follows:

- Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed stipulations.
- Net Assets With Donor Restrictions: Net assets subject to donor-imposed stipulations that are expected to be met by actions of the Gavi Group, the passage of time, or both.

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 donor-restricted support 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statements of Activities as net assets released from restrictions.

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 Consolidated Statements of Activities at their estimated fair value at the date of their receipt.

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

The Gavi Group's major classes of programmes are New and Underused Vaccine Support ("NVS") programmes, HSS programmes, COVID-19 vaccine programmes and Investment Cases. NVS programmes provide funding to Gavi 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 programme funding is used for pooled procurement and equitable distribution of COVID-19 vaccines under the Facility. The Gavi Group records these programme expenses in the periods to which the grants are approved and 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 Group partners such as UNICEF, WHO and CEPI.

Allocation of Functional Expenses: The Gavi Group's expenses are summarised by their functional classification in the Consolidated 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 the Consolidated Statements of Functional Expenses.

Use of Estimates and Judgements: The preparation of the consolidated financial statements, in accordance with US GAAP, requires management to make estimates, judgements, 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 consolidated financial statements include:

- the determination of the fair values of contributions receivable, other receivables, and bonds and other borrowings as described in Notes 2 and 7 to the consolidated financial statements;
- the recoverability of advances to vaccine manufacturers and procurement agents as described in Note 7 to the consolidated financial statements, including one agreement currently in arbitration as described in Note 25 to the consolidated financial statements;
- the valuation of contributed nonfinancial assets as described in Note 16 to the consolidated financial statements;
- the recognition of any loss contingency on Gavi's commitments under the advance purchase agreements ("APA") as described in Note 24 to the consolidated financial statements;
- the recognition of donated COVID-19 vaccine doses as contributed nonfinancial assets. Gavi recognises contributed nonfinancial asset when there is certainty that the donated doses accepted by Gavi can be utilised in vaccine programmes and received by Gavi COVAX AMC-eligible economies;
- the 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: (a) Gavi does not have control over the vaccines or have inventory risk before the vaccines are transferred to the participants; (b) Gavi does not have control over the pricing of the actual procurement price of the vaccines; (c) the vaccines purchased are directly between the manufacturer and the SFPs, cost-sharing participants or their procurement agent; and (d) the agreements are constructed to eliminate any risks to Gavi; and
- the cessation of the commitment agreements with SFPs when the termination agreement is signed. At this point, SFPs may opt to irrevocably release their surplus pro-rata share of doses for the benefit of the Gavi COVAX AMC and provide a cash consideration to support the funding of these doses. Gavi recognises the cash consideration provided as unconditional contributions.

Reclassifications: IFFIm's derivative financial instruments were previously presented at net receivable/payable for currency and interest rate swaps in the Consolidated Statements of Financial Position. In 2022, these derivative financial instruments were presented at gross amount to be consistent with the Annual Trustees' Report of IFFIm. Prior year figures have been reclassified to conform to the current year's presentation.

3. RESTRICTED CASH AND PROCUREMENT ACCOUNTS PAYABLE

The Gavi Group established separate bank accounts into which it transfers cash as needed for the benefit of UNICEF to procure vaccines and other supplies on the Gavi Group'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 the Gavi Group. As collateral security for the prompt payment and performance when due of Gavi Group's obligations, the Gavi Group has granted UNICEF a security interest in all of Gavi Group's rights, titles, interests in, and proceeds from, the Procurement Accounts and all financial assets credited thereto. As of 31 December 2022 and 2021, US\$ 2.0 billion and US\$ 3.2 billion, respectively, were available to UNICEF in the Procurement Accounts.

Amounts committed to UNICEF for the procurement of vaccines were US\$ 1.0 billion and US\$ 1.8 billion as of 31 December 2022 and 2021, respectively. These amounts are presented as procurement accounts payable in the Consolidated Statements of Financial Position.

4. INVESTMENTS

The fair values of the Gavi Group's investments were:

In Thousands of US\$	2022	2021
Money market funds	4,740,376	2,516,601
Registered investment companies	325,742	367,673
Limited liability companies and limited partnerships ¹	702,448	873,894
Pooled investments	1,005,115	603,383
Total investments	6,773,681	4,361,551

¹ The Gavi Group invests a portion of its assets in limited liability companies and limited partnerships. The fair value of these investments is estimated using their calculated net asset value per share ("NAVPS") as a practical expedient, and they are redeemable at their current net asset value upon written notice by the Gavi Group.

Money market funds disclosed in the table above included funds related to Gavi's role as administrator of the Facility of US\$ 4.0 billion and US\$ 2.4 billion as of 31 December 2022 and 2021, respectively.

Gavi had US\$ 22 million and US\$ 0 outstanding capital commitments as of 31 December 2022 and 2021, respectively.

The following table summarises the redemption frequencies, redemption notice periods and fair values of the Gavi Group's investments in funds, which are valued based on NAVPS as a practical expedient:

As of 31 December 2022, In Thousands of US\$	Redemption Frequency	Redemption Notice Period	Fair Value
Limited liability companies and limited partnerships ¹	Daily	2-day notice	86,012
Limited liability companies and limited partnerships ²	Daily	5-day notice	65,460
Limited liability companies and limited partnerships ³	Daily	10-day notice	63,683
Limited liability companies and limited partnerships ⁴	Monthly	3-day notice	56,854
Limited liability companies and limited partnerships ⁵	Monthly	30-day notice	193,820
Limited liability companies and limited partnerships ⁶	Monthly	60-day notice	34,689
Limited liability companies and limited partnerships ⁷	Monthly	90-day notice	27,301
Limited liability companies and limited partnerships ⁸	Quarterly	45-day notice	18,917
Limited liability companies and limited partnerships ⁹	Quarterly	60-day notice	56,176
Limited liability companies and limited partnerships ¹⁰	Quarterly	90-day notice	24,840
Limited liability companies and limited partnerships ¹¹	Semi-Annually	90-day notice	43,870
Limited liability companies and limited partnerships ¹²	Annually	90-day notice	13,260
Limited liability companies and limited partnerships ¹³	None	None	17,566
Total			702,448

As of 31 December 2021, In Thousands of US\$	Redemption Frequency	Redemption Notice Period	Fair Value
Limited liability companies and limited partnerships ¹	Daily	2-day notice	78,571
Limited liability companies and limited partnerships ²	Daily	5-day notice	62,911
Limited liability companies and limited partnerships ³	Daily	10-day notice	81,520
Limited liability companies and limited partnerships ⁴	Monthly	3-day notice	65,820
Limited liability companies and limited partnerships ⁵	Monthly	30-day notice	267,914
Limited liability companies and limited partnerships ⁶	Monthly	60-day notice	38,802
Limited liability companies and limited partnerships ⁷	Monthly	90-day notice	39,699
Limited liability companies and limited partnerships ⁸	Quarterly	45-day notice	34,276
Limited liability companies and limited partnerships ⁹	Quarterly	60-day notice	65,201
Limited liability companies and limited partnerships ¹⁰	Quarterly	90-day notice	61,777
Limited liability companies and limited partnerships ¹¹	Semi-Annually	90-day notice	48,281
Limited liability companies and limited partnerships ¹³	None	None	29,122
Total			873,894

¹ This category comprises one underlying fund. This fund seeks to outperform the Barclays Capital 1-3 Year US Treasury index by investing in fixed rate, floating rate or variable interest fixed income securities.

² This category comprises one underlying fund. This fund seeks to provide investors with above average absolute returns primarily through investing and trading in equities and equity related instruments. Short-term volatility will be managed through the use of various hedging and risk management techniques.

- ³ This category comprises one underlying fund. This fund seeks to maximise long-term total return, consistent with prudent investment management and identify relative value opportunities that offer attractive risk-adjusted returns through sector, country, currency and security selection, while addressing a set of environmental social and governance objectives.
- ⁴ This category comprises two underlying funds. One fund's investment objective is to realise long-term appreciation in the value of its assets. This fund seeks exposure to risks that are systematic in nature, i.e. the risks that are intrinsic to the operation of the global markets and economies. The other fund seeks to invest in transferable securities and/or in other liquid financial assets in accordance with the Regulations with the aim of spreading investment risk.
- ⁵ This category comprises five underlying funds. One fund seeks long-term capital appreciation by investing primarily in common stocks of emerging markets small capitalisation issuers. The other fund seeks to generate absolute return on a period-by-period basis by investing in liquid derivative markets for commodities. Another fund seeks to invest all of its assets in ordinary shares to achieve long-term appreciation in the value of its assets. Another fund seeks to outperform the MSCI World ex USA Micro Cap Index over full market cycles. This fund will principally invest in equity securities issued by micro capitalisation non-US corporations. Another fund seeks to achieve long-term capital appreciation that is uncorrelated or negatively correlated with global equity markets. In 2021, this category comprised six underlying funds. The other fund's investment objective was to generate superior risk adjusted returns relative to the B of A Merrill Lynch 0-5 year US High Yield Constrained Index through a portfolio of short duration investments consisting primarily of high yield and convertible bonds, corporate loans, preferred equities, stressed and distressed securities, and "special situation" investments.
- ⁶ This category comprises one underlying fund. The fund's investment objective is to monetise or benefit from the equity index correlation risk premium through buying single-name equity volatility and selling equity index volatility. This fund seeks to achieve its investment objective through an active correlation risk premium monetisation program that utilises both single name and index, listed and OTC options, among other strategies.
- ⁷ This category comprises one new underlying fund. The fund aims to achieve an array of investment objectives while spreading investment risks through investment in transferable securities, liquid financial assets, collective investment schemes or other permitted investments in accordance with the Undertakings for Collective Investment in Transferable Securities ("UCITS") Regulations.
- ⁸ This category comprises one underlying fund. The fund's investment objective is to provide consistently superior, risk adjusted returns. This fund seeks to achieve this objective primarily by investing both long and short in equity securities and related instruments of publicly traded issuers, with a focus on issuers in the global technology, media and telecommunication (TMT) sectors.
- ⁹ This category comprises one underlying fund. This fund seeks to invest opportunistically mainly in stressed, distressed and special situations debt obligations with varying terms as to collateralisation, relative seniority or subordination, interest requirements and maturity and occasionally in post-reorganisation equity products of corporate issuers incorporated or significantly carrying out business in Europe.
- ¹⁰ This category comprises one underlying fund. One underlying fund invests primarily in other offshore hedge fund vehicles. In 2021, this category comprised two underlying funds. The other fund's investment objective was to consistently generate attractive risk-adjusted returns over a market cycle by investing primarily in emerging markets across a range of asset classes, including but not limited to foreign exchange, credit, interest rates, commodities and equities.
- ¹¹ This category comprises one underlying fund. This fund seeks to achieve its target return by investing principally in (or otherwise gaining exposure to) performing, stressed or distressed securities and loans of any type and within any sector across the global fixed income markets.
- ¹² This category comprises two new underlying funds. One underlying fund aims to achieve superior risk-adjusted returns following periods of market dislocation in the US and European credit markets. The fund will invest opportunistically across multiple asset classes, seeking to invest in securities positions and credit-related instruments. The other fund is an infrastructure debt fund focused on performing investments in the US only and seeking to deliver attractive absolute returns with a favourable risk-adjusted profile, low correlation to other asset classes and an ESG focus.
- ¹³ This category comprises one underlying fund. This fund seeks capital preservation and the generation of superior, risk-adjusted absolute returns over a multi-year period. Due to a three-year lock-up period, redemptions of shares in these funds are restricted until the three-year anniversary of the subscription payment.

5. NET CONTRIBUTIONS RECEIVABLE

The Gavi Group's net contributions receivable consisted of the following unconditional promises to give:

In Thousands of US\$	2022	2021
Unconditional promises due in less than one year	1,168,618	1,697,633
Unconditional promises due in two to five years	3,326,914	4,306,865
Unconditional promises due thereafter	1,144,317	1,075,713
Contributions receivable before unamortised discount and grant payment condition	5,639,849	7,080,211
Reduction due to grant payment condition and unamortised discount: ¹		
Due in less than one year	(52,207)	(44,015)
Due in more than one year	(675,777)	(368,612)
Total net contributions receivable	4,911,865	6,667,584

¹ The grant payment condition is described in Note 2 to the consolidated financial statements.

As of 31 December 2022 and 2021, US\$ 660 million and US\$ 1.2 billion, respectively, of the net contributions receivable in the table above is from Gavi COVAX AMC donors, including grant agreements assigned to IFFIm, and related to Gavi's role as administrator of the Facility.

6. DERIVATIVE FINANCIAL INSTRUMENTS

The Gavi Group 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. IFFIm's market risk is comprised primarily of foreign exchange rate risk and interest rate risk, while Gavi is exposed to foreign exchange risk only. Each of these is described further below.

Foreign Exchange Rate Risk: During the years ended 31 December 2022 and 2021, IFFIm was exposed to foreign exchange risks from currency mismatches as well as timing differences between receipt of donor payments, payment of bonds and other borrowings obligations, disbursements to Gavi and issuance of IFFIm bonds. To mitigate these risks, donor pledges were economically swapped into United States dollar floating rate assets and, at issuance, IFFIm's bonds and other borrowings were economically swapped into United States dollar floating rate liabilities.

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

Interest Rate Risk: IFFIm was exposed to interest rate risk from differences in the interest rate bases of the bonds and other borrowings and funds held in trust. IFFIm used interest rate swaps to mitigate this exposure.

The notional amounts and fair values of currency and interest rate swaps held by IFFIm were:

In Thousands of US\$	2022		2021	
	Notional Amount	Fair Value	Notional Amount	Fair Value
Currency and interest rate swaps receivable related to contributions receivable	2,084,136	446,148	1,445,709	150,589
Currency and interest rate swaps receivable related to bonds and other borrowings	500,000	727	-	-
Total currency and interest rate swaps receivable		446,875		150,589
Currency and interest rate swaps payable related to contributions receivable	1,243,767	(147,303)	1,076,671	(254,632)
Currency and interest rate swaps payable related to bonds and other borrowings	1,941,212	(212,233)	1,633,772	(91,983)
Total currency and interest rate swaps payable		(359,536)		(346,615)
Net fair value of currency and interest rate swaps		87,339		(196,026)

IFFIm maintains a minimum liquidity equivalent to its cumulative contracted debt service payments for the next twelve months. This minimum liquidity level is recalculated and reset on a quarterly basis. As of

December 2022, IFFIm's calculated minimum liquidity was US\$ 576 million and the value of IFFIm's cash and pooled investments was US\$ 1.0 billion. As of December 2021, IFFIm's calculated minimum liquidity level was US\$ 99 million and the value of IFFIm's cash and pooled investments was US\$ 615 million.

The above US\$ 87 million net receivable on swaps comprised a total amount of US\$ 91 million from the counterparties on IFFIm's currency and interest rate swap contracts, partially offset by a net credit valuation adjustment of US\$ 4 million. The World Bank has the right to call for collateral, above a specified threshold amount, to protect against its exposure on IFFIm's derivative positions under the terms of the Credit Support Annex ("CSA") to the ISDA Agreement between IFFIm and the World Bank. The World Bank has not exercised this right and has confirmed that it will not call collateral over at least twelve months from the date of approval of these consolidated financial statements. Instead, in order to mitigate the risk that the World Bank may call collateral, an agreement has been reached between the World Bank and IFFIm to apply an additional buffer (the "Risk Management Buffer") to an existing gearing ratio limit that IFFIm uses to manage its liquidity risk. The Risk Management Buffer was applied to manage the World Bank's exposure under the swap contracts and may be adjusted by the World Bank in its sole discretion. In addition, the World Bank, as IFFIm's Treasury Manager, shall continue to monitor IFFIm's funding needs to ensure that at all times IFFIm maintains sufficient available resources to be able to meet its financial obligations, including debt-service payments and obligations under the abovementioned CSA and ISDA Agreement.

As of 31 December 2022, derivative financial instruments include the effects of a swap re-couponsing transaction in the amount of US\$ 200 million, which was executed in May 2020 between IFFIm and the World Bank, as counterparty on all IFFIm's swap contracts. The transaction, which reduced the World Bank's derivative exposure, amended certain swap contracts between IFFIm and the World Bank by modifying their cash flows such that IFFIm made an additional payment of US\$ 200 million to the World Bank in May 2020 and the World Bank will make scheduled repayments to IFFIm in 2023, 2024, and 2025 totalling US\$ 200 million with interest. IFFIm evaluated the transaction and determined that it resulted in a hybrid financial instrument comprising the amended swap contracts as an embedded derivative and the modified cash flows corresponding to a separate financial instrument as the host. IFFIm elected to designate the entire hybrid instrument as a financial instrument through profit or loss. As both components of the hybrid instrument have closely related economic characteristics and risks, they are not separated in the consolidated financial statements and are reported as part of derivative financial instruments, as the principal cash flows are primarily related to the embedded derivative component.

As of 31 December 2022 and 2021, the Risk Management Buffer was 0% of the present value of expected future cash flows from Grantor pledges. The World Bank recalculated and reset the Risk Management Buffer to 0% from the previous value of 12% following the execution of a swap re-couponsing transaction in May 2020 in the amount of US\$ 200 million, which reduced the World Bank's exposure on IFFIm's derivative positions by the same amount and enabled the World Bank to intermediate new swaps for IFFIm.

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

In Thousands of US\$	2022		2021	
	Notional Amount	Fair Value	Notional Amount	Fair Value
Foreign currency forward contracts receivable	1,814,191	144,407	1,970,204	37,188
Foreign currency forward contracts payable	(409,650)	(10,388)	(888,778)	(47,888)

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 treasury risk management 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.

There was no required collateral and held collateral as of 31 December 2022. The required collateral as a result of hedging future net cash inflows and a weaker United States dollar was US\$ 7.7 million as of 31 December 2021. US\$ 2.0 million was held as collateral and included in receivables, prepaid expenses and other assets in the Consolidated Statements of Financial Position.

7. RECEIVABLES, PREPAID EXPENSES AND OTHER ASSETS

The Gavi Group's receivables, prepaid expenses and other assets were:

In Thousands	2022	2021
Advances to vaccine manufacturers and procurement agents	1,174,664	4,170,002
Prepaid expenses	83,922	93,691
Fixed assets	2,212	2,348
Other receivables	713,072	3,351
Total receivables, prepaid expenses and other assets before provision and present value discount	1,973,870	4,269,392
Provision on advances to vaccine manufacturers and procurement agents	(647,000)	-
Present value discount on other receivables	(93,300)	-
Total net receivables, prepaid expenses and other assets	1,233,570	4,269,392

During 2022, the Facility has undergone negotiations with vaccine manufacturers to reduce or rephase volume commitments in response to the decline in demand for vaccines from participant countries. As a result of the negotiations, Gavi incurred exit costs of US\$ 441 million and cost of expired doses and raw materials of US\$ 308 million. These costs are included in Note 17 to the consolidated financial statements.

In 2022, other receivables include advance payment due from Novavax of US\$ 695 million as described in Note 25 to the consolidated financial statements. As of 31 December 2022, a present value discount of US\$ 93 million was recognised and reported as other fair value loss in the Consolidated Statements of Activities. In 2021, the advance payment to Novavax of US\$ 350 million was included in advances to vaccine manufacturers and procurement agents.

As of 31 December 2022, a provision on advances to vaccine manufacturers and procurement agents to secure COVID-19 vaccine doses for SFPs and AMC-eligible economies was recognised based on management's evaluation of collectability of the advances and demand for certain vaccines. The provision is included in Note 17 to the consolidated financial statements.

8. RECEIVABLE/PAYABLE ON COVAX FACILITY ARRANGEMENTS

As the administrator of the Facility, the Gavi Group 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 had two ways in which they could 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 2022, the pro-rata reimbursement towards the Facility's operating costs totalled US\$ 2.5 million, net of interest income of US\$ 10.8 million. As of 31 December 2021, the pro-rata reimbursement towards the Facility's operating costs totalled US\$ 9.5 million, net of interest income and in-kind contributions of US\$ 808 thousand.

Under committed purchase arrangements, participants provided a lower upfront payment of US\$ 1.60 per dose, or 15% of the total cost per dose and a financial guarantee of US\$ 8.95 per dose (unchanged from prior period). As of 31 December 2022 and 2021, 30 participants had opted for the committed purchase arrangement and committed to procure 98 million doses.

Under optional purchase arrangements, 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 (unchanged from prior period). As of 31 December 2022 and 2021, 71 participants (including "Team Europe" - the European Commission on behalf of 27 European Union member states plus Norway and Iceland) had opted for the optional purchase arrangement to procure 479 million doses. A number of participants had opted out of purchasing vaccines, resulting in a forfeit of their upfront payments totalling US\$ 72 million.

During the period, most SFPs have expressed interest in winding down their Facility engagement and have started the process to close out their Commitment Agreements. As of 31 December 2022, 24 participants have terminated the Commitment Agreements. As a result of the close out, remaining upfront payments are either donated to Gavi COVAX AMC, repaid or retained by Gavi as termination payment. For the year ended 31 December 2022, vaccine doses of US\$ 483 million were donated by SFPs to Gavi COVAX AMC, repayments of US\$ 59 million were disbursed to the participants, procurement agents or private fund and termination payments of US\$ 64 million were retained by Gavi to be utilised to satisfy any liabilities arising from APA with vaccine manufacturers.

In June 2021, the Facility designed a new model for self-financing participants ("SFP 2.0") under a single purchase arrangement. SFPs note the total indicative non-binding number of doses they wish to procure. Payment for doses is not required until they enter a decision window to opt into specific deals. Under SFP 2.0 arrangements, participants submit the full financial commitment for confirmed doses before the Facility enters into agreements with manufacturers for the committed doses. As of 31 December 2022, 2 participants have migrated to SFP 2.0 and committed to procure 306 thousand doses.

In September 2021, the 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 Group's receivable on COVAX Facility arrangements were:

In Thousands	2022	2021
Optional purchase arrangements	4,349	4,350
Cost-sharing approach	756	9,271
Self-financing participant 2.0 arrangements	570	-
Total receivable on COVAX Facility arrangements	5,675	13,621

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

In Thousands	2022	2021
Committed purchase arrangements	180,854	194,826
Optional purchase arrangements	799,546	1,457,869
Cost-sharing approach	7,601	6,462
Self-financing participant 2.0 arrangements	570	-
Total payable on COVAX Facility arrangements	988,571	1,659,157

9. ACCOUNTS PAYABLE AND OTHER LIABILITIES

The Gavi Group's accounts payable and other liabilities were:

In Thousands	2022	2021
Refundable advance	161,420	300,000
Deferred revenue	739,385	416,513
Trade creditors	9,315	9,185
Accrued expenses	41,483	49,196
Other liabilities	266	286
Total accounts payable and other liabilities	951,869	775,180

In 2020, Gavi received funding from the Gates Foundation in the amount of US\$ 300 million to fund the COVID-19 vaccine (principally being the Covovax 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 Gates 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 relates to reductions to the amount repayable by Gavi in the event of product failures that may be incurred by SII. Repayment commenced in May 2022 and US\$ 139 million has been repaid as of 31 December 2022. No repayment became due in 2021.

10. NET PROGRAMME GRANTS PAYABLE

The Gavi Group's committed but unpaid grants were:

In Thousands of US\$	2022	2021
Grants payable due in less than one year	36,793	59,079
Total net programme grants payable	36,793	59,079

As of 31 December 2022 and 2021, programme grants payable of US\$ 16.4 million and US\$ 32.9 million, respectively, were written off based on management's evaluation of existence and validity of the related programmes.

11. BONDS AND OTHER BORROWINGS

IFFIm borrows in the worldwide capital markets by offering its bonds to fund the Gavi Group's programmes. IFFIm's outstanding bonds and other borrowings were all bonds except for IFFIm Sukuk certificates with a fair value of US\$ 0 and US\$ 50 million as of 31 December 2022 and 2021.

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 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 (€130 million), a risk-sharing guarantee of US\$ 35 million (€30 million) and loan proceeds of US\$ 283 million (€240 million). For the year ended 31 December 2022 and 2021, US\$ 69 million (€58 million) and US\$ 86 million (€72 million), respectively, of the SFP upfront payment was donated to Gavi COVAX AMC and reported as contributions from government and private donors in the consolidated statement of activities.

In October 2021, the EIB provided an additional €200 million loan for the Gavi COVAX AMC. This amount was received on 26 November 2021 and the loan proceeds were US\$ 226 million (€200 million).

In June 2022, the risk-sharing guarantee of US\$ 35 million (€30 million) was released and added to loan proceeds in accordance with the terms of the EIB loan facility agreement.

The loan facilities have a fixed rate of 0% per annum and will mature on 11 December 2025. Gavi repaid US\$ 498 million (€470 million) in December 2022. The outstanding borrowings to the EIB were US\$ 0 million (€0 million) and US\$ 500 million (€440 million) as of 31 December 2022 and 2021, respectively. This balance is net of the SFP upfront payment of US\$ 139 million (€130 million) which is expected to be paid directly by the EC to the EIB under the terms of the European Fund for Sustainable Development Guarantee between the EC and the EIB.

In December 2022, Gavi entered into various financing facilities. The outstanding borrowings from these facilities were US\$ 0 as of 31 December 2022.

- On 16 December 2022, Gavi and the United States International Development Finance Corporation ("DFC") entered into a financing facility, which provides up to US\$ 1 billion to accelerate COVID-19 vaccine and ancillary supply purchase and delivery on behalf of developing countries participating in the Gavi COVAX AMC.
- On 19 December 2022, Gavi and the EIB entered into a financing facility, which provides Gavi a credit of up to €500 million for the purpose of supporting the financing of the purchase of COVID-19 vaccines and equipment required for immunisation campaigns and the financing of the purchase of vaccines and equipment required for immunisation campaigns for all vaccines approved by the Gavi Board.
- On 19 December 2022, EIB entered into an amended letter of credit facility for Gavi in an amount equivalent to US\$ 320 million in order to support Gavi's obligations to pay amounts for multi-year vaccine procurement contracts entered into by UNICEF.

Bonds and other borrowings summarised by year of maturity were:

Year of Maturity, In Thousands of US\$	2022		2021	
	Nominal Amount	Fair Value	Nominal Amount	Fair Value
2022 ¹	-	-	98,582	98,486
2023 ¹	575,691	554,348	548,532	540,592
2024	122,069	112,652	89,808	88,364
2025	875,681	775,886	546,700	544,374
Thereafter	1,137,583	970,351	1,151,154	1,073,176
Total bonds and other borrowings	2,711,024	2,413,237	2,434,776	2,344,992

¹ Fair value includes accrued interest of US\$ 6.0 million and US\$ 2.2 million of 31 December 2022 and 2021, respectively.

Bonds and other borrowings as of 31 December 2022 and 2021, include both United States dollar and foreign currency denominated fixed and variable rate debt as presented below:

Currency	Coupon Rate	Fair Value as of 31 December 2022, in Thousands of US\$	Fair Value as of 31 December 2021, in Thousands of US\$
United States Dollars	Variable	-	50,037
United States Dollars	Fixed	1,879,823	1,985,834
Pounds Sterling	Fixed	291,575	-
South African Rand	Fixed	63,632	66,966
Norwegian Krone	Fixed	178,207	242,155
Total bonds and other borrowings		2,413,237	2,344,992

In order to diversify its investors and raise its profile in the Middle East capital markets, IFFIm issued US\$ 50 million in Sukuk certificates through IFFImSC III on 9 April 2019. The Sukuk certificates entitled the holders to pro-rata interests in commodity transactions with IFFIm under which IFFIm purchased and immediately on-sold commodities on a recognised commodities exchange as part of the Sukuk issuance. The purchase and on-sale of the commodity transactions offset each other and were recorded on a net basis. In April 2022, IFFImSC III made the final payment of US\$ 50 million to the holders of its certificates. No amounts were payable to IFFImSC III as of 31 December 2022.

As of 31 December 2022, the weighted average coupon interest rate for fixed rate bonds was 1.2%, with actual rates ranging from 0.0% to 4.8%, and the coupon rate for variable rate bonds was 4 basis points over three-month USD LIBOR.

As of 31 December 2021, the weighted average coupon interest rate for fixed rate bonds was 0.5%, with actual rates ranging from 0.0% to 1.0%, and the coupon rate for variable rate bonds was 4 basis points over three-month USD LIBOR.

The impact on interest rate benchmark reform is described in Note 2 to the consolidated financial statements.

12. NET ASSETS WITH DONOR RESTRICTIONS

The Gavi Group's net assets with donor restrictions consisted of the following:

In Thousands of US\$	2022	2021
Due to time restriction	4,701,175	5,831,950
Due to programme restriction:		
Gavi - Core programmes	83,691	82,594
Gavi COVAX AMC	4,195,733	3,375,451
Total net assets with donor restrictions	8,980,599	9,289,995

With funding through the SFPs and through donations to the Gavi COVAX AMC, the Facility entered into APA with vaccine manufacturers and procurement agents to secure COVID-19 vaccine doses as described in Note 24 to the consolidated financial statements. In securing the doses, Gavi incurred prepayments for the

dose quantities in accordance with the agreements. Prepayments are reported as advances to vaccine manufacturers in Note 7 to the consolidated financial statements.

13. NET INVESTMENT INCOME (EXPENSE)

Net investment income (expense) was as follows:

In Thousands of US\$	2022	2021
Investment (expense) income on investments held by Gavi	(19,540)	89,140
Investment fees on investments held by Gavi	(3,178)	(1,389)
Direct internal investment expenses	(874)	(789)
Net investment (expense) income on investments held by Gavi	(23,592)	86,962
Investment income on pooled investments held by IFFIm	11,340	667
Total net investment (expense) income	(12,252)	87,629

Investment income on investments held by Gavi included realised and unrealised net loss of US\$ 113 million for the year ended 31 December 2022 and realised and unrealised net gain of US\$ 78 million for the year ended 31 December 2021. US\$ 115 million of net loss and US\$ 17 million of net gain were unrealised as of 31 December 2022 and 2021, respectively.

14. NET FAIR VALUE GAINS (LOSSES) ON DERIVATIVES

Net gains (losses) on the fair values of derivatives, which have been recognised in the Consolidated Statements of Activities, include the following:

In Thousands of US\$	2022	2021
Net gains from swaps related to contributions receivable	393,174	179,678
Net losses from swaps related to bonds and other borrowings	(123,852)	(18,896)
Net gains from other derivatives	66,556	63,070
Net fair value gains on derivatives	335,878	223,852

Net losses from swaps related to bonds and other borrowings were primarily due to relatively higher interest rates in 2022, which resulted in higher discount rates applied to bond swaps and higher interest accrued on the floating rate pay legs of the swaps.

15. NET FINANCING INCOME (EXPENSE)

Net financing income (expense) were as follows:

In Thousands of US\$	2022	2021
Interest expense on bonds and other borrowings	(19,645)	(7,885)
Net fair value gains on bonds and other borrowings	152,336	30,540
Other financing charges	(2,183)	(2,134)
Net financing income (expense)	130,508	20,521

Net fair value gains on bonds and other borrowings were due to relatively higher interest rates in 2022, which resulted to higher discounts rates applied to bonds and other borrowings. Furthermore, some of IFFIm's bonds are denominated in British pound, South African rand, and Norwegian krone. The United States dollar strengthened against these currencies during 2022, which resulted in foreign currency gains on bonds and other borrowings.

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 of US\$	2022	2021	Usage in programmes/ activities	Donor imposed restrictions	Fair value technique and inputs
COVID-19 vaccine doses	1,308,272	4,406,448	Gavi COVAX AMC	Use for AMC-eligible economies	Estimates based on price per dose in the APA with vaccine manufacturers
Consultant services	1,569	5,229	Vaccine and immunisation	None	Estimates based on current rates for similar consultant services
Vehicles	-	275	Cold Chain Equipment	Use for AMC-eligible economies	Estimates based on current rates for similar vehicles
Total contributed nonfinancial assets	1,309,841	4,411,952			

The Gavi Group received pledges from Gavi COVAX AMC donors in the form of COVID-19 vaccine doses under a dose-sharing arrangement. See Schedule 1.7: *Gavi COVAX AMC Donated Doses* on page 73 for a complete list of donated doses received by the Gavi Group during 2022 and 2021. There were no outstanding donated doses as of 31 December 2022. As of 31 December 2021, US\$131 million of the US\$4.4 billion has not been received and reported as contributions receivable in the consolidated statement of financial position.

17. PROGRAMME EXPENSES

Programme expenses were as follows:

In Thousands of US\$	2022	2021
Cash and vaccine programmes	5,657,564	8,402,136
Provision on advances to vaccine manufacturers and procurement agents	647,000	-
Exit costs	441,137	-
Cost of expired doses and raw materials	308,193	-
Others	128,059	112,628
Total programme expenses	7,181,953	8,514,764

18. 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, with a five-year option to renew. The lease agreement provided Gavi with a Tenant Improvement Allowance of up to US\$ 2.3 million towards certain costs incurred by Gavi incidental to its occupancy of the office space.

As of 31 December 2022, the right-of-use asset and lease obligations of US\$ 16 million and US\$ 19 million, respectively, are reported in the Consolidated Statements of Financial Position. The right-of-use asset and lease obligations were measured using risk-free annual discount rates ranging from 0% to 2.7% for 2022.

As of 31 December 2021, the right-of-use asset and lease obligations of US\$ 19 million and US\$ 22 million, respectively, are reported in the Consolidated Statements of Financial Position. The right-of-use asset and lease obligations were measured using risk-free annual discount rates ranging from 0.0% to 2.7% for 2021.

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

In Thousands of US\$	Principal	Interest	Total
Year Ending 31 December 2023	2,807	101	2,908
Year Ending 31 December 2024	2,753	125	2,878
Year Ending 31 December 2025	2,693	149	2,842
Year Ending 31 December 2026	2,675	174	2,849
Year Ending 31 December 2027	2,674	199	2,873
Thereafter	3,784	1,252	5,036
Total	17,386	2,000	19,386

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 and US\$ 3.1 million for the years ended 31 December 2022 and 2021, respectively, and reported as facility and office costs in the Consolidated Statements of Functional Expenses.

19. RETIREMENT PLANS

The Gavi Group 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, 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 expended for Gavi's contributions was US\$ 9.9 million and US\$ 8.6 million for the years ended 31 December 2022 and 2021, 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, the Gavi 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 expended for Gavi's contributions were US\$ 320 thousand and US\$ 320 thousand for the years ended 31 December 2022 and 2021, respectively.

20. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Gavi Group to concentrations of credit risk consist of deposits in banks in excess of deposit insurance limits in Switzerland, the United Kingdom and the United States. Bank deposits in these countries are insured up to limits guaranteed by the Swiss Banks' and Securities Dealers' Depositor Protection Association, the United Kingdom's Financial Services Compensation Scheme ("FSCS") and the United States Federal Deposit Insurance Corporation ("FDIC"), respectively. The Gavi Group also invests its excess cash in money market and debt instruments and has established guidelines relative to diversification and maturities aimed at maintaining safety and liquidity.

The deposit insurance limits in Switzerland and the United Kingdom are SFr 100 thousand and £85 thousand, respectively, per depositor, per insured depository institution. In the United States, the standard maximum FDIC deposit insurance amount per depositor, per insured depository institution for each account ownership category is US\$ 250 thousand. While amounts in the Gavi Group's demand deposit accounts at times exceed the amounts guaranteed in the respective jurisdictions and therefore bear some risk, the Gavi Group has not experienced, nor does it anticipate, any credit losses on these financial instruments.

IFFIm's derivative assets are excluded from its credit exposure as they would be netted against its derivative liabilities. As of 31 December 2022, the counterparties on IFFIm's swaps had credit ratings of AAA and AA-. To manage credit risk related to investments, the World Bank invests the pooled assets in liquid instruments such as money market deposits, government and agency obligations. The World Bank is limited to investments with minimum credit ratings at the time of purchase as follows:

- Money market deposits issued or guaranteed by financial institutions whose senior debt securities are rated at least A- by the major rating agencies.
- Government and agency obligations issued or unconditionally guaranteed by government agencies rated at least AA- by the major rating agencies if denominated in a currency other than the home currency of

the issuer, otherwise no rating is required. Obligations issued by an agency or instrumentality of a government, a multilateral organisation or any other official entity require a minimum credit rating of AA-.

- Mortgage-backed securities, asset-backed securities and corporate securities whose minimum rating is AAA.

In order to achieve greater diversification of portfolio risks and generate value, the World Bank has made investments in the short-term domestic debt of new sovereign markets offering potential to generate excess yields, mainly from currency basis arbitrage. Investments in these sovereign markets are subject to specific approvals from the financial governing committees of the World Bank and prudent credit limits.

The Gavi Group's contributions receivable as of 31 December 2022 included US\$ 1.2 billion and US\$ 1.3 billion of pledges received, either directly or through IFFIm, from the United Kingdom and euro zone countries, respectively. This represented 25% and 27%, respectively, of the Gavi Group's total contributions receivable as of 31 December 2022.

As of 31 December 2022, Gavi had entered into foreign currency forward contracts with two counterparties with an aggregate net fair value receivable of US\$ 132 million. This represented 98% of Gavi's foreign currency forward contracts as of 31 December 2022.

21. LIQUIDITY AND AVAILABILITY

The Gavi Group's financial assets available to meet cash needs for general expenditures, such as operating expenses and scheduled redemption of bonds and other borrowings, within one year consisted of the following:

In Thousands of US\$	Note	2022	2021
Cash		229,053	1,355,077
Investments	4	5,768,566	3,758,168
Pooled investments	4	1,005,115	603,383
Contributions receivable	5	1,116,411	1,653,618
Foreign currency forward contracts receivable	6	144,407	37,188
Currency and interest rate swaps receivable	6	446,875	150,589
Total financial assets available within one year		8,710,427	7,558,023
Less those unavailable for general expenditure within one year due to:			
Redemption of bonds and other borrowings	11	(1,858,889)	(2,246,506)
Payable on COVAX Facility arrangements	8	(988,571)	(1,659,157)
Donor-imposed programme restrictions on contributions	12	(83,691)	(82,594)
Financial assets available to meet cash needs for general expenditures within one year		5,779,276	3,569,766

Gavi and IFFIm have put certain policies in place to ensure that they maintain sufficient liquidity to meet their obligations to implementing countries, IFFIm investors and all other creditors. These policies are summarised below:

- **Gavi cash reserve policy:** At all times, Gavi maintains at a minimum unrestricted cash and investment reserve equivalent to eight months of Gavi's expected annual cash expenditures.
- **Gavi programme funding policy:** As a prerequisite to Board approval or endorsement of any new programmes, Gavi designates an amount of Qualifying Resources sufficient to fully cover all its commitments for the period from the start of the current year through the next two calendar years. Qualified Resources are defined as the aggregate of Gavi cash and investments on hand, in excess of the reserve policy, and expected future cash inflows for the next two years. Expected future cash flows are comprised of: (1) expected cash receipts from Gavi - Core and Gavi COVAX AMC donors; (2) expected funding from IFFIm; and (3) projected investment income.
- **IFFIm liquidity policy:** IFFIm maintains an adequate level of liquidity to meet its operational requirements, provide predictability of programme funding and support its credit rating. Taking these factors into account, IFFIm maintains a minimum balance of pooled investments equivalent to its cumulative contracted debt service payments for the next twelve months. This minimum balance is recalculated and reset on a quarterly basis.

22. FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table summarises the Gavi Group's assets measured at fair value along with their valuation hierarchy:

As of 31 December 2022, in Thousands of US\$	Investments measured at Net Asset Value	Level 1	Level 2	Level 3	Total
Pooled investments	-	-	1,005,115	-	1,005,115
Other investments:					
Money market funds	-	4,740,376	-	-	4,740,376
Registered investment companies	-	325,742	-	-	325,742
Limited liability companies and limited partnerships	702,448	-	-	-	702,448
Net contributions receivable	-	-	1,961,057	2,950,808	4,911,865
Foreign currency forward contracts receivable	-	-	144,407	-	144,407
Currency and interest rate swaps receivable	-	-	446,875	-	446,875
Total assets at fair value	702,448	5,066,118	3,557,454	2,950,808	12,276,828

As of 31 December 2021, in Thousands of US\$	Investments measured at Net Asset Value	Level 1	Level 2	Level 3	Total
Pooled investments	-	-	603,383	-	603,383
Other investments:					
Money market funds	-	2,516,601	-	-	2,516,601
Registered investment companies	-	367,673	-	-	367,673
Limited liability companies and limited partnerships	873,894	-	-	-	873,894
Net contributions receivable	-	-	3,231,019	3,436,565	6,667,584
Foreign currency forward contracts receivable	-	-	37,188	-	37,188
Currency and interest rate swaps receivable	-	-	150,589	-	150,589
Total assets at fair value	873,894	2,884,274	4,022,179	3,436,565	11,216,912

The following table summarises the Gavi Group's liabilities measured at fair value along with their valuation hierarchy:

As of 31 December 2022, in Thousands of US\$	Level 1	Level 2	Level 3	Total
Programme grants payable	-	36,793	-	36,793
Foreign currency forward contracts payable	-	10,388	-	10,388
Currency and interest rate swaps payable	-	359,536	-	359,536
Bonds and other borrowings	-	2,413,237	-	2,413,237
Total liabilities at fair value	-	2,819,954	-	2,819,954

As of 31 December 2021, in Thousands of US\$	Level 1	Level 2	Level 3	Total
Programme grants payable	-	59,079	-	59,079
Foreign currency forward contracts payable	-	47,888	-	47,888
Currency and interest rate swaps payable	-	346,615	-	346,615
Bonds and other borrowings	-	2,344,992	-	2,344,992
Total liabilities at fair value	-	2,798,574	-	2,798,574

The following table provides a summary of changes in the fair value of Level 3 financial assets:

In Thousands of US\$	2022	2021
Fair value as of beginning of year	3,436,565	3,285,785
Net realised fair value gains	101,336	156,086
Net unrealised fair value losses	(575,312)	(281,734)
New pledges	541,226	719,784
Contributions received/redemptions	(553,007)	(443,356)
Fair value as of end of year	2,950,808	3,436,565

There were no transfers of assets and liabilities between levels of the fair value hierarchy in 2022.

The techniques applied in determining the fair values of financial instruments are described in the *Fair Values of Financial Instruments* section of Note 2 to the consolidated financial statements.

23. NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

The following table reconciles cash and restricted cash in the Consolidated Statements of Financial Position to the total shown in the Consolidated Statements of Cash Flows:

In Thousands of US\$	2022	2021
Cash	229,053	1,355,077
Restricted cash	1,956,041	3,190,770
Total cash and restricted cash in the Consolidated Statements of Cash Flows	2,185,094	4,545,847

24. COMMITMENTS

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

- On 31 July 2020, Gavi signed an APA with SII for supply of 100 million doses of a then unnamed COVID-19 vaccine with an option for up to an additional 450 million doses. This agreement became the Covishield APA. On 28 September 2020, Gavi signed an amendment for supply of 100 million doses of a then second unnamed COVID-19 vaccine with options for up to an additional 450 million doses. This amendment was ultimately superseded by the Covovax APA signed by Gavi on 30 April 2021 as described below. On 16 January 2021, Gavi exercised an option for 140 million doses of Covishield, increasing the Firm Order Commitment ("FOC") to 240 million doses, and on 21 July 2021, Gavi, in agreement with SII, cancelled 80 million doses of the FOC, leaving 160 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 22 July 2022, the committed volume was amended to 168.5 million doses.
- On 15 January 2021, an APA was signed with Pfizer for up to 40 million doses of the Pfizer-BioNTech vaccine.
- On 30 April 2021, Gavi signed an APA with SII for supply of 300 million doses of Covovax with options for up to 700 million additional doses. This agreement became the Covovax APA and superseded the Covishield APA amendment signed on 28 September 2020 as described above. During 2022, Gavi issued two Hindrance Event notices to SII and mutually agreed to cancel the remaining FOC obligation for Covovax. The balance of the advance payments paid by Gavi is available to use for the purchase of any future vaccines from SII. As of 31 December 2022, US\$ 110 million of the advance payment to SII was utilised to procure other vaccines in the Gavi-Core programmes.
- On 30 April 2021, Gavi signed an APA with Moderna for 34 million doses of the Moderna vaccine with options for up to 466 million additional doses. On 30 June 2021, Gavi exercised its first option for supply of an additional 116.5 million doses, and on 28 October 2021, Gavi exercised its second option for supply of an additional 116.5 million doses. On 23 November 2021, Gavi signed an amendment to the APA with Moderna increasing the FOC by 20 million doses and increasing options by an additional 130 million doses. On 28 January 2022, Gavi exercised options for 40 million doses. On 30 September 2022, the committed volume was amended to 104.7 million doses.
- On 5 May 2021, Gavi signed an APA with Novavax for supply of 350 million doses of the Novavax vaccine.

- On 19 May 2021, Gavi signed an APA with Johnson & Johnson (“J&J”) for supply of 200 million doses of the J&J vaccine with options for up to an additional 300 million doses.
- On 29 June 2021, Gavi signed an APA with Clover Biopharmaceuticals for 64 million doses of the Clover vaccine with options for up to an additional 350 million doses. On 12 September 2022, Gavi signed an amendment to convert the FOC of 64 million doses into an option, and to cancel the previous option doses.
- On 7 July 2021, Gavi signed an APA with Sinopharm for 60 million doses of Sinopharm vaccine with options for up to an additional 110 million doses. On 17 September 2021, Gavi exercised an option for 58 million doses.
- On 8 July 2021, Gavi signed an APA with Sinovac for 50 million doses of Sinovac vaccine with options for up to an additional 330 million doses. On 17 September 2021, Gavi exercised an option for 83 million doses.

During the period, Gavi entered into agreements with manufacturers with payments to, or receipts from manufacturers to reduce or rephase committed volumes. These changes occurred following the decline in demand for vaccines from participant countries and to enable Gavi to resize its purchase commitments in line with updated country demand projections and dose donations. In addition, the agreement with Novavax is currently in arbitration as described in Note 25 to the consolidated financial statements.

Outstanding commitments on these APAs amounted to approximately US\$ 962 million and US\$ 4.3 billion as of 31 December 2022 and 31 December 2021, respectively. Gavi expects to fulfil its outstanding APA commitments by end of 2024.

25. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, the Gavi Group evaluated subsequent events through 27 June 2023, which represents the date that the consolidated financial statements were issued. The Gavi Group identified the following significant subsequent events requiring disclosure:

- In January 2023, IFFIm transferred the listing of its securities from the main regulated market of the Luxembourg Stock Exchange (“LuxSE”) to the Euro MTF, the LuxSE’s exchange-regulated market. The transfer provides IFFIm with cost savings and eliminates the administrative burden of incremental reporting requirements on the main regulated market of the LuxSE, which IFFIm was required to comply with following the United Kingdom’s withdrawal from the European Union. Following the transfer, IFFIm is no longer required to prepare interim and annual financial statements in accordance with International Financial Reporting Standards (“IFRS”) as was previously required to comply with reporting obligations as an issuer of securities admitted to trading on a regulated market in the European Union. Accordingly, IFFIm did not prepare annual financial statements in accordance with IFRS for the year ended 31 December 2022 and will not do so going forward.
- On 16 November 2022, Gavi was served by a notice of termination in connection with the APA with Novavax (the “Company”) to procure COVID-19 vaccines for AMC-eligible economies and SFPs. In the notice of termination, Novavax stated its intention to retain the advance payments paid by Gavi to Novavax of which US\$ 695 million has not been utilised. The advance payments have been reclassified as “other receivables” in Note 7 to the consolidated financial statements as of 31 December 2022. Gavi categorically refutes the validity of the notice of termination and Novavax’s right to retain the advance payments. On 22 November 2022, Gavi issued a notice of termination and is asserting the claim to a full refund of the advance payments. Gavi formally commenced arbitration proceedings on 24 January 2023. Arbitration is ongoing and the outcome is uncertain. In its 2022 year end accounts Novavax recognised Gavi’s advance payment as “other current liabilities” in its consolidated balance sheet. Any recovery or repayment could also be impacted by the liquidity and solvency of Novavax, who have made a going concern disclosure in its 10-Q Securities and Exchange Commission filing for the quarter ended 31 March 2023. Novavax highlighted substantial doubt regarding its ability to continue as a going concern through one year from the date of their report. At the same time, the Company announced a global restructuring and cost reduction plan. In the event of a Novavax insolvency, Gavi may not be able to recover some or all of the unutilised advance payment amount, even if it is successful in arbitration. Due to the significant uncertainties and the range of recoverability outcome from US\$ 0 to US\$ 695 million, it has not been possible to reasonably estimate any loss and as such, no provision has been made against the advance payment balance.
- In March 2023, Canada became IFFIm’s eleventh sovereign donor with a new sovereign pledge to IFFIm in the amount of C\$ 125 million, which will be payable over a period of seven years.

- Management have considered the stress in the banking system that occurred in the first quarter of 2023 and its global impact on economic activity and financial markets. The Gavi Group has evaluated and assessed the potential impact on its financial position, performance, and ability to continue meeting its obligations, including the impact on Gavi's counterparty credit risk in derivative instruments with a counterparty whose credit rating has become lower than A or A2. Management does not expect that the Gavi Group's overall financial position and performance will be significantly impacted by the adverse effects of the stress in the banking system. 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 risks and the potential challenges it may involve.
- On 4 May 2023, the WHO Director-General has transmitted the Report of the fifteenth meeting of the International Health Regulations (2005) ("IHR") Emergency Committee that COVID-19 is now an established and ongoing health issue which no longer constitutes a Public Health Emergency of International Concern. Management expected WHO's announcement and has assessed that Gavi's overall operations will not be significantly impacted. Gavi is continuously working with countries to understand their plans for COVID-19 integration in routine immunisation programmes in the course of 2023 and beyond.

Statutory Auditor's Report

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of GAVI Alliance and its subsidiaries (the Foundation), which comprise the consolidated statements of financial position as at 31 December 2022 and the consolidated statements of activities, cash flows and functional expenses for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Foundation as at 31 December 2022, and its results of operations and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (US GAAP) and comply with Swiss law, the statutes and by-laws of the Foundation.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Foundation in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the GAVI Alliance Board and the Secretariat for the Consolidated Financial Statements

The GAVI Alliance Board and Secretariat are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (US GAAP) and the provisions of Swiss law, the statutes and the by-laws of the Foundation, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the GAVI Alliance Board and Secretariat are required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a period of at least twelve months from when the consolidated financial statements are authorised for issue.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Swiss law and SA-CH will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, Swiss law and SA-CH we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 GAVI Alliance's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about GAVI Alliance's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information in the Annual Report

The GAVI Alliance Board and Secretariat are responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements of the Foundation and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on Other Legal and Regulatory 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 paragraph 1 item 3 CO and ISA-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the GAVI Alliance Board.

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

Deloitte SA

Fabien Bryois
Licensed Audit Expert
Auditor in Charge

Lisa Watson
Licensed Audit Expert

Geneva, Switzerland, 27 June 2023

SUPPLEMENTARY INFORMATION



PLEDGES AND CONTRIBUTIONS SCHEDULES

Schedules 1.1 to 1.7 provide details of the Gavi Group's pledges and contributions from the following sources:

- **Multi-Year Pledges:** The Gavi Group receives upfront written commitments from donors that do not include any conditions and are payable over multiple years ("Multi-Year Pledges"). In accordance with its accounting policy, the Gavi Group records each Multi-Year Pledge as contribution revenue and contributions receivable at fair value on the date the recognition criteria are met and the pledge becomes unconditional. The recorded contributions receivable balances are then reduced over time as cash payments are received from the donors, and are adjusted for changes in fair value.

The Gavi Group's methodology for valuing its contributions receivable, including details of IFFIm's grant payment condition, is described in the *Fair Values of Financial Instruments* section of Note 2 to the consolidated financial statements. Multi-Year Pledges in foreign currency are converted to United States dollars at the prevailing average interbank exchange rate as of 31 December 2022. See *Foreign Currency Transactions* section of Note 2 to the consolidated financial statements for further information.

Multi-Year Pledges balances presented in the currencies of the pledges, in Schedules 1.3 and 1.4, are not adjusted for reductions due to discounting. Discounting the Gavi Group's contributions receivable is described in Note 2 to the consolidated financial statements.

Multi-Year Pledges to IFFIm presented in the currencies of the pledge, in Schedule 1.4, are not adjusted for reductions due to the grant payment condition ("GPC"). The GPC is described in Note 2 to the consolidated financial statements.

- **Annual Contributions:** The Gavi Group receives contributions from donors that are committed and paid annually ("Annual Contributions"). In accordance with its accounting policy, the Gavi Group records Annual Contributions as contribution revenue when payments are received from the donors.
- **Gavi COVAX AMC Donated Doses:** Various countries have secured sufficient doses to begin sharing a portion of those doses rapidly with other countries. Consequently, the Facility is accelerating its work with potential dose-sharing countries, and vaccine manufacturers, to include these doses in the Facility and facilitate their equitable global distribution. In accordance with its accounting policy on initial recognition, the Gavi Group records each donated dose as contributed nonfinancial assets at fair value on the date the recognition criteria are met and the pledge becomes unconditional (i.e. when donated doses accepted by Gavi can be utilised in vaccine programmes and received by Gavi COVAX AMC-eligible economies).

The Gavi Group's methodology for recognising and valuing its contributed nonfinancial assets is described in Note 16 to the consolidated financial statements.

Schedules 1.8 to 1.9 provide details of cash receipts from donors, in United States dollars and in currencies of receipts. Cash receipts in foreign currencies are converted to United States dollars at the prevailing interbank exchange rate at the date cash is received.

SCHEDULE 1.1: MULTI-YEAR PLEDGES FROM DONORS, IN UNITED STATES DOLLARS

The following table presents the nominal amounts of Multi-Year Pledges from all Gavi Group's donors, in United States dollars:

In Thousands of US\$	Balance as of 31 December 2022	Balance as of 31 December 2021
<u>Multi-Year Pledges to Gavi from sovereign governments:</u>		
Australia, Commonwealth of	183,989	196,047
Belgium, Kingdom of	3,212	-
Cameroon, Republic of	1,000	1,000
China, People's Republic of	12,000	16,000
Denmark, Kingdom of	-	3,823
Germany, Federal Republic of	385,344	545,760
India, Republic of	9,000	12,000
Italy, Republic of	77,069	109,152
Japan	10,000	-
Monaco, Principality of	401	569
Norway, Kingdom of	374,067	548,126
Qatar, State of	8,000	8,000
Uganda, Republic of	605	1,000
United States of America	-	290,000
Total Multi-Year Pledges to Gavi from sovereign governments	1,064,687	1,731,477
<u>Multi-Year Pledges to Gavi from corporations, foundations and private individuals:</u>		
Alwaleed Bin Talal Foundation	2,000	2,000
Bill & Melinda Gates Foundation	990,000	1,315,000
Rockefeller Foundation	-	1,754
Total Multi-Year Pledges to Gavi from corporations, foundations and private individuals	992,000	1,318,754
<u>Multi-Year Pledges to IFFIm:</u>		
Australia, Commonwealth of ¹	78,857	94,613
Australia, Commonwealth of ⁴	55,064	62,350
Brazil, Federative Republic of	15,000	16,000
France, Republic of ³	326,130	416,086
France, Republic of ²	128,112	169,785
Italy, Republic of	248,217	294,294
Netherlands, State of the	213,520	254,678
Norway, Kingdom of	595,610	711,534
Norway, Kingdom of ⁴	81,312	101,971
South Africa, Republic of	4,000	5,000
Spain, Kingdom of	30,347	42,899
Spain, Kingdom of	101,422	-
Sweden, Kingdom of	21,683	27,593
Sweden, Kingdom of ⁴	173,466	237,296
United Kingdom	466,272	693,135
United Kingdom ⁴	481,560	673,800
United Kingdom	555,029	-
Total Multi-Year Pledges to IFFIm	3,575,601	3,801,034
<u>Multi-Year Pledges from Gavi COVAX AMC donors:</u>		
<u>Sovereign governments</u>		
Australia, Commonwealth of	5,100	-
Belgium, Kingdom of	2,461	9,096
Finland, Republic of	-	17,363
Kuwait, State of	-	10,000
Luxembourg, Grand Duchy of	-	569

Continued on page 67

Continued from page 66

In Thousands of US\$	Balance as of 31 December 2022	Balance as of 31 December 2021
Saudi Arabia, Kingdom of	-	50,000
Slovenia, Republic of	-	170
Spain, Kingdom of	-	3,980
King Salman Humanitarian Aid and Relief Centre	-	6,307
Toyota Tsusho Corporation	-	261
Total Multi-Year Pledges from Gavi COVAX AMC donors	7,561	97,746
Total Multi-Year Pledges from donors	5,639,849	6,949,011

¹ Acting through the Australian Agency for International Development.

² Acting through Agence Française de Développement.

³ Acting through the Ministry of Economy, Industry and Employment.

⁴ The funding from these pledges will support the Gavi COVAX AMC.

SCHEDULE 1.2: RECONCILIATION OF MULTI-YEAR PLEDGES TO CONTRIBUTIONS RECEIVABLE

The following table reconciles Multi-Year Pledges from donors, per Schedule 1.1 above, to the contributions receivable balances reported in the Consolidated Statements of Financial Position on page 33:

In Thousands of US\$	2022	2021
Total Multi-Year Pledges from donors	5,639,849	6,949,011
Contributions receivable on dose sharing arrangements	-	131,200
Grant Payment reduction on Multi-Year Pledges to IFFIm	(243,099)	(262,161)
Unamortised discount on Multi-Year Pledges to Gavi	(103,192)	(48,158)
Unamortised discount on Multi-Year Pledges to IFFIm	(381,693)	(102,308)
Total recorded contributions receivable	4,911,865	6,667,584

In 2021, the Gavi Group received pledges from Gavi COVAX AMC donors in the form of COVID-19 vaccine doses under a dose sharing arrangement. In accordance with its accounting policy, the Gavi Group recorded the pledges as contributed nonfinancial assets and contributions receivable at fair value.

SCHEDULE 1.3: MULTI-YEAR PLEDGES TO GAVI, IN CURRENCIES OF PLEDGES

The following table presents the activity of Multi-Year Pledges to Gavi, for the year ended 31 December 2022, in the currencies of the pledges:

In Thousands, in Currencies of Pledges	Currency of Pledge	Balance as of 31 December 2021	New Pledges	Payments Received	Balance as of 31 December 2022
<u>Multi-Year Pledges to Gavi from sovereign governments:</u>					
Australia, Commonwealth of	A\$ (AUD)	270,000	-	-	270,000
Belgium, Kingdom of	€ (EUR)	-	3,000	-	3,000
Cameroon, Republic of	US\$ (USD)	1,000	-	-	1,000
China, People's Republic of	US\$ (USD)	16,000	-	(4,000)	12,000
Denmark, Kingdom of	kr (DKK)	25,000	-	(25,000)	-
Germany, Federal Republic of	€ (EUR)	480,000	-	(120,000)	360,000
India, Republic of	US\$ (USD)	12,000	-	(3,000)	9,000
Italy, Republic of	€ (EUR)	96,000	-	(24,000)	72,000
Japan	US\$ (USD)	-	10,000	-	10,000
Monaco, Principality of	€ (EUR)	500	-	(125)	375
Norway, Kingdom of	kr (NOK)	4,828,027	-	(1,163,214)	3,664,813
Qatar, State of	US\$ (USD)	8,000	-	-	8,000
Uganda, Republic of	US\$ (USD)	1,000	-	(395)	605
United States of America	US\$ (USD)	290,000	-	(290,000)	-
<u>Multi-Year Pledges to Gavi from corporations, foundations and private individuals:</u>					
Alwaleed Bin Talal Foundation	US\$ (USD)	2,000	-	-	2,000
Bill & Melinda Gates Foundation	US\$ (USD)	1,315,000	-	(325,000)	990,000
Rockefeller Foundation	US\$ (USD)	1,754	-	(1,754)	-
<u>Multi-Year Pledges from Gavi COVAX AMC donors:</u>					
<u>Sovereign governments</u>					
Australia, Commonwealth of	A\$ (AUD)	-	7,500	-	7,500
Belgium, Kingdom of	€ (EUR)	8,000	2,300	(8,000)	2,300
Finland, Republic of	€ (EUR)	15,271	-	(15,271)	-
Kuwait, State of	US\$ (USD)	10,000	-	(10,000)	-
Luxembourg, Grand Duchy of	€ (EUR)	500	-	(500)	-
Saudi Arabia, Kingdom of	US\$ (USD)	50,000	-	(50,000)	-
Slovenia, Republic of	€ (EUR)	150	-	(150)	-
Spain, Kingdom of	€ (EUR)	3,500	-	(3,500)	-
<u>Corporations, foundations and private individuals</u>					
King Salman Humanitarian Aid and Relief Centre	SR (SAR)	20,000	-	(20,000)	-
King Salman Humanitarian Aid and Relief Centre	US\$ (USD)	965	-	(965)	-
Toyota Tsusho Corporation	US\$ (USD)	275	-	(275)	-

SCHEDULE 1.4: MULTI-YEAR PLEDGES TO IFFIm, IN CURRENCIES OF PLEDGES

The following table presents the activity of Multi-Year Pledges assigned to IFFIm, for the year ended 31 December 2022, in the currencies of the pledges:

In Thousands, In Currencies of Pledges	Currency of Pledge	Balance as of 31 December 2021	GPC Adjustments	New Pledges	Payments Received	Balance as of 31 December 2022
<u>Multi-Year Pledges to IFFIm:</u>						
Australia, Commonwealth of	A\$ (AUD)	216,500	-	-	(19,500)	197,000
Brazil, Federative Republic of	US\$ (USD)	16,000	-	-	(1,000)	15,000
France, Republic of	€ (EUR)	367,600	-	-	(62,120)	305,480
France, Republic of	€ (EUR)	150,000	-	-	(30,000)	120,000
Italy, Republic of	€ (EUR)	260,000	-	-	(27,500)	232,500
Netherlands, State of the	€ (EUR)	225,000	-	-	(25,000)	200,000
Norway, Kingdom of	kr (NOK)	7,180,000	-	-	(520,000)	6,660,000
South Africa, Republic of	US\$ (USD)	5,000	-	-	(1,000)	4,000
Spain, Kingdom of	€ (EUR)	37,900	-	100,000	(14,475)	123,425
Sweden, Kingdom of	kr (SEK)	2,400,000	-	-	(375,000)	2,025,000
United Kingdom	£ (GBP)	1,014,348	-	461,000	(227,047)	1,248,301

SCHEDULE 1.5: ANNUAL CONTRIBUTIONS FROM DONORS

The following schedule details Annual Contributions received from donors during the years ended 31 December 2022 and 2021, in both the currencies of the contributions and United States dollars:

In Thousands	Currency of Contribution	2022	2021	2022, in US\$	2021, in US\$
<u>Annual Contributions from sovereign governments:</u>					
Burkina Faso, Republic of	US\$ (USD)	-	1,000	-	1,000
Canada	C\$ (CAD)	100,000	100,000	78,855	79,140
China, People's Republic of	US\$ (USD)	247	-	247	-
European Union	€ (EUR)	30,000	90,000	29,115	104,337
France, Republic of	€ (EUR)	55,284	29,716	57,078	33,404
Germany, Federal Republic of	€ (EUR)	-	25,000	-	29,593
Ireland, Republic of ¹	€ (EUR)	3,000	3,000	3,272	3,596
Japan	US\$ (USD)	30,000	123	30,000	123
Japan	SFr (CHF)	293	158	311	172
Korea, Republic of	₩ (KRW)	13,150,000	-	10,394	-
Luxembourg, Grand Duchy of	€ (EUR)	1,000	1,000	985	1,192
Netherlands, State of the	€ (EUR)	12,175	10,000	11,997	11,563
Niger, Republic of	US\$ (USD)	-	1,000	-	1,000
Portuguese Republic	€ (EUR)	-	100	-	120
Spain, Kingdom of	€ (EUR)	-	10,000	-	11,330
Sweden, Kingdom of	kr (SEK)	350,000	350,000	33,943	42,158
United Kingdom	£ (GBP)	-	218,000	-	299,913
United States of America	US\$ (USD)	290,000	-	290,000	-
Total Annual Contributions from sovereign governments				546,197	618,641
<u>Annual Contributions from corporations, foundations and private individuals:</u>					
Bill & Melinda Gates Foundation	US\$ (USD)	6,975	7,526	6,975	7,526
Fondation Marie de la Providence	SFr (CHF)	1,000	-	1,006	-
"la Caixa" Foundation	€ (EUR)	1,000	1,000	996	1,161
"la Caixa" Foundation	US\$ (USD)	2,585	802	2,585	802
Other contributions	€ (EUR)	250	153	265	175
Other contributions	£ (GBP)	333	406	440	565
Other contributions	US\$ (USD)	7,303	2,140	7,303	2,140
Total Annual Contributions from corporations, foundations and private individuals				19,570	12,369
<u>Annual Contributions from Gavi COVAX AMC donors:</u>					
<u>Sovereign governments</u>					
Australia, Commonwealth of	A\$ (AUS)	-	4,000	-	3,106
Australia, Commonwealth of	US\$ (USD)	56,087	-	56,087	-
Austria, Republic of	€ (EUR)	-	7,500	-	8,635
Bahrain, Kingdom of	US\$ (USD)	-	2,500	-	2,500
Belgium, Kingdom of	€ (EUR)	-	4,000	-	4,866
Bhutan, Kingdom of	US\$ (USD)	-	5	-	5
Brazil	US\$ (USD)	22,780	-	22,780	-
Canada	C\$ (CAD)	210,220	295,000	159,306	230,336
China, People's Republic of	US\$ (USD)	100,000	-	100,000	-
Croatia, Republic of	€ (EUR)	-	500	-	597
Denmark, Kingdom of	kr (DKK)	75,000	115,000	10,695	18,424
Estonia, Republic of	€ (EUR)	40	70	42	82
European Union	US\$ (USD)	68,578	204,222	68,578	204,222
Finland, Republic of	€ (EUR)	2,000	-	2,032	-
France, Republic of	€ (EUR)	-	200,000	-	235,690

Continued on page 71

Continued from page 70

In Thousands	Currency of Contribution	2022	2021	2022, in US\$	2021, in US\$
Germany, Federal Republic of	€ (EUR)	400,314	890,224	429,714	1,054,168
Iceland, Republic of	US\$ (USD)	8	332	8	332
Iceland, Republic of	kr (ISK)	250,000	750,000	1,873	6,058
Ireland, Republic of	€ (EUR)	5,000	8,500	5,451	10,011
Italy, Republic of	€ (EUR)	100,000	320,000	98,190	373,862
Japan	US\$ (USD)	800,000	140,000	800,000	140,000
Korea, Republic of	US\$ (USD)	100,000	100,000	100,000	100,000
Kuwait, State of	US\$ (USD)	-	20,000	-	20,000
Liechtenstein, Principality of	€ (EUR)	400	200	437	216
Luxembourg, Grand Duchy of	€ (EUR)	1,000	-	1,055	-
Malaysia	US\$ (USD)	-	100	-	100
Malta, Republic of	€ (EUR)	40	40	42	47
Moldova, Republic of	US\$ (USD)	-	3	-	3
Netherlands, State of the	€ (EUR)	30,000	68,000	31,834	81,991
New Zealand	NZ\$ (NZD)	-	19,000	-	13,354
New Zealand ⁴	US\$ (USD)	3,434	7,491	3,434	7,491
Norway, Kingdom of	Nkr (NOK)	-	504,226	-	60,146
Oman, Sultanate of	US\$ (USD)	-	1,000	-	1,000
Philippines, Republic of	US\$ (USD)	-	1,100	-	1,100
Poland, Commonwealth of	€ (EUR)	-	750	-	911
Portuguese Republic	€ (EUR)	150	828	160	982
Qatar, State of	US\$ (USD)	-	10,000	-	10,000
Spain, Kingdom of ²	€ (EUR)	890	790	957	942
Sweden, Kingdom of	kr (SEK)	-	100,000	-	11,810
Swiss Confederation	SFr (CHF)	60	125,000	61	134,788
United Kingdom	US\$ (USD)	62,547	2,544	62,547	2,544
United Mexican States (Mexico)	US\$ (USD)	-	250	-	250
United States of America	US\$ (USD)	-	4,000,000	-	4,000,000
Vietnam, Socialist Republic of	US\$ (USD)	500	500	500	500
Corporations, foundations and private individuals					
Anonymous	SFr (CHF)	751	17,167	747	18,614
Asia Philanthropy Circle	US\$ (USD)	-	1,500	-	1,500
Bill & Melinda Gates Foundation	US\$ (USD)	1,450	78,212	1,450	78,212
Fondation Marie de la Providence	SFr (CHF)	1,000	-	1,089	-
Gates Philanthropy Partners	US\$ (USD)	-	18,000	-	18,000
Mastercard Impact Fund ³	US\$ (USD)	-	15,805	-	15,805
Mastercard International Incorporated	US\$ (USD)	-	10,000	-	10,000
National Philanthropic Trust	US\$ (USD)	31,875	-	31,875	-
Sergey Brin Family Foundation	US\$ (USD)	28,125	-	28,125	-
Silicon Valley Community Foundation	US\$ (USD)	-	100	-	100
The P&G Fund at the Greater Cincinnati Foundation	US\$ (USD)	-	5,000	-	5,000
Union Bank of Switzerland	US\$ (USD)	-	2,100	-	2,100
Vaccine Forward Initiative	kr (SEK)	2,620	16,783	273	2,005
Visa Foundation	US\$ (USD)	-	4,500	-	4,500
WHO Foundation	US\$ (USD)	7,429	-	7,429	-
Other contributions	C\$ (CAD)	136	5,000	106	3,924
Other contributions	€ (EUR)	457	2,256	507	2,663
Other contributions	£ (GBP)	200	67	230	92
Other contributions	Nkr (NOK)	-	100	-	11
Other contributions	kr (SEK)	-	2,240	-	260
Other contributions	US\$ (USD)	6,235	27,646	6,235	27,646
Total Annual Contributions from Gavi COVAX AMC donors				2,033,849	6,931,501
Total Annual Contributions				2,599,616	7,562,511

¹ Through the Department of Foreign Affairs

² Through the Catalan Agency for Development Cooperation

³ With support from the Mastercard Center for Inclusive Growth

⁴ Gavi COVAX AMC donor that opts to donate doses and ancillary costs, if any, in the form of cash. This was reported as contributions from government and private donors in the consolidated statement of activities.

SCHEDULE 1.6: RECONCILIATION OF ANNUAL CONTRIBUTIONS TO CONTRIBUTION REVENUE

The following table reconciles Annual Contributions per Schedule 1.5 above to contribution revenue reported in the Consolidated Statements of Activities on page 34 of the consolidated financial statements:

In Thousands of US\$	2022	2021
Total Annual Contributions	2,599,616	7,562,511
Contributed nonfinancial assets ¹	1,309,841	4,411,952
Initial fair value of new Multi-Year Pledges received during the year ²	561,932	3,668,643
Total recorded contribution revenue ³	4,471,389	15,643,106

¹In accordance with its accounting policy, the Gavi Group recorded the fair value of each in-kind contribution as contributed nonfinancial assets on the date the recognition criteria are met. Therefore, this amount is included in the total recorded contribution revenue amount in the Gavi Group's Consolidated Statement of Activities.

²In accordance with its accounting policy, the Gavi Group recorded the fair value of each new Multi-Year Pledge as contribution revenue on the date the recognition criteria are met. Therefore, this amount is included in the contribution revenue amount in the Gavi Group's Consolidated Statement of Activities.

³This amount represents the aggregate of unrestricted and donor-restricted contribution revenue as presented in the Gavi Group's Consolidated Statement of Activities. Annual Contributions in foreign currency are translated to United States dollars in accordance with the Gavi Group's methodology described in the *Foreign Currency Transactions* section of Note 2 to the consolidated financial statements.

Total recorded contribution revenue comprised of:

In Thousands of US\$	2022	2021
Contributions from governments and private donors without donor restrictions	450,202	410,350
Contributions from governments and private donors with donor restrictions	2,711,346	10,820,804
Contributed nonfinancial assets with donor restrictions	1,309,841	4,411,952
Total recorded contribution revenue	4,471,389	15,643,106

SCHEDULE 1.7: GAVI COVAX AMC DONATED DOSES

In accordance with Gavi's accounting policy on initial recognition, the Gavi Group records each donated dose as contributed nonfinancial assets at fair value on the date the recognition criteria are met and the pledge becomes unconditional.

The following table presents the fair value of Gavi COVAX AMC donated doses from all Gavi Group's donors, in United States dollars:

In Thousands of US\$	2022	2021
Australia, Commonwealth of	9	-
Austria, Republic of	19,885	7,452
Belgium, Kingdom of	10,881	47,546
Canada	86,492	78,771
Croatia, Republic of	756	6,744
Cyprus, Republic of	-	581
Czech Republic	3,384	8,218
Denmark, Kingdom of	18,495	31,430
Estonia, Republic of	-	2,328
Finland, Republic of	10,584	7,634
France, Republic of	103,349	278,892
Germany, Federal Republic of	157,290	645,491
Hellenic Republic (Greece)	10,092	16,308
Hong Kong, Special Administrative Region of the People's Republic of China	-	30,000
Iceland, Republic of	32	1,666
Ireland, Republic of	16,700	6,445
Italy, Republic of	128,185	236,528
Japan	12,924	48,044
Latvia, Republic of	540	192
Lithuania, Republic of	1,692	1,317
Luxembourg, Grand Duchy of	2,484	1,170
Monaco, Principality of	19	8
Netherlands, State of the	8,355	104,246
New Zealand	11,741	2,834
Norway, Kingdom of	1,459	142,828
Portuguese Republic	12,770	19,273
Slovak Republic	7,002	7,256
Slovenia, Republic of	2,082	8,243
Spain, Kingdom of	66,673	186,963
Sweden, Kingdom of	27,634	28,130
Swiss Confederation	7,613	7,037
United Kingdom	133,775	76,856
United States of America	445,375	2,366,017
Total Gavi COVAX AMC Donated Doses¹	1,308,272	4,406,448

¹ These were reported as contributed nonfinancial assets in the consolidated statement of activities. Other Gavi COVAX AMC donors opt to donate doses in the form of cash. These were excluded in the table above and reported as contributions from government and private donors in the consolidated statement of activities and included in Schedule 1.5: *Annual Contributions from Donors* on page 70.

Certain doses from the above donor countries were donated to the Gavi COVAX AMC through umbrella Dose-Sharing Tripartite Agreements: (a) Janssen doses through Belgium's agreement; (b) Pfizer doses through France's agreement; and (c) AstraZeneca and Moderna doses through Sweden's agreement.

SCHEDULE 1.8: CASH RECEIPTS FROM DONORS, IN UNITED STATES DOLLAR

The following schedule details Gavi's cash received from donors during the year ended 31 December 2022, in United States dollar:

In Thousands of US\$	Contribution Payments Received in 2022		
	For 2022 Pledges ¹	For Multi-Year Pledges ²	Total Received
<u>Sovereign governments:</u>			
Canada	78,855	-	78,855
China, People's Republic of	247	4,000	4,247
Denmark, Kingdom of	-	3,475	3,475
European Union	29,115	-	29,115
France, Republic of	57,078	-	57,078
Germany, Federal Republic of	-	125,158	125,158
India, Republic of	-	3,000	3,000
Ireland, Republic of	3,272	-	3,272
Italy, Republic of	-	25,030	25,030
Japan	30,311	-	30,311
Korea, Republic of	10,394	-	10,394
Luxembourg, Grand Duchy of	985	-	985
Monaco, Principality of	-	139	139
Netherlands, State of the	11,997	-	11,997
Norway, Kingdom of	-	126,161	126,161
Sweden, Kingdom of	33,943	-	33,943
Uganda Republic of	-	395	395
United States of America	290,000	290,000	580,000
Total cash receipts from sovereign governments	546,197	577,358	1,123,555
<u>Corporations, foundations and private individuals:</u>			
Bill & Melinda Gates Foundation	6,975	325,000	331,975
Fondation Marie de la Providence	1,006	-	1,006
Rockefeller Foundation	-	1,754	1,754
"la Caixa" Foundation	3,581	-	3,581
Other contributions	8,008	-	8,008
Total cash receipts from corporations, foundations and private individuals	19,570	326,754	346,324
<u>Gavi COVAX AMC donors:</u>			
<u>Sovereign governments</u>			
Australia, Commonwealth of	56,087	-	56,087
Belgium, Kingdom of	-	9,093	9,093
Brazil	22,780	-	22,780
Canada	159,306	-	159,306
China, People's Republic of	100,000	-	100,000
Denmark, Kingdom of	10,695	-	10,695
Estonia, Republic of	42	-	42
European Union	68,578	-	68,578
Finland, Republic of	2,032	19,182	21,214
Germany, Federal Republic of	429,714	-	429,714
Iceland, Republic of	1,881	-	1,881
Ireland, Republic of	5,451	-	5,451
Italy, Republic of	98,190	-	98,190
Japan	800,000	-	800,000
Korea, Republic of	100,000	-	100,000
Kuwait, State of	-	10,000	10,000
Liechtenstein, Principality of	437	-	437
Luxembourg, Grand Duchy of	1,055	501	1,556
Malta, Republic of	42	-	42

Continued on page 75

Continued from page 74

In Thousands of US\$	Contribution Payments Received in 2022		
	For 2022 Pledges ¹	For Multi-Year Pledges ²	Total Received
Netherlands, State of the	31,834	-	31,834
New Zealand	3,434	-	3,434
Portuguese Republic	160	-	160
Saudi Arabia, Kingdom of	-	50,000	50,000
Slovenia, Republic of	-	164	164
Spain, Kingdom of	957	3,824	4,781
Swiss Confederation	61	-	61
United Kingdom	62,547	-	62,547
Vietnam, Socialist Republic of	500	-	500
<u>Corporations, foundations and private individuals</u>			
Anonymous	747	-	747
Bill & Melinda Gates Foundation	1,450	-	1,450
Fondation Marie de la Providence	1,089	-	1,089
King Salman Humanitarian Aid and Relief Centre	-	6,297	6,297
National Philanthropic Trust	31,875	-	31,875
Sergey Brin Family Foundation	28,125	-	28,125
Toyota Tsusho Corporation	-	275	275
Vaccine Forward Initiative	273	-	273
WHO Foundation	7,429	-	7,429
Other contributions	7,078	-	7,078
Total cash receipts from Gavi COVAX AMC donors	2,033,849	99,336	2,133,185
Total cash receipts	2,599,616	1,003,448	3,603,064

¹ Amounts received in 2022 to fulfil pledges for 2022.

² Amounts received in 2022 to fulfil pledges for multi-years.

SCHEDULE 1.9: CASH RECEIPTS FROM DONORS, IN CURRENCIES OF RECEIPTS

The following schedule details Gavi's cash received from donors during the year ended 31 December 2022, in currencies of receipts:

In Thousands, in Currencies of Receipts	Currency of Receipt	Contribution Payments Received in 2022		
		For 2022 Pledges ¹	For Multi-Year Pledges ²	Total Received
<u>Sovereign governments:</u>				
Canada	C\$ (CAD)	100,000	-	100,000
China, People's Republic of	US\$ (USD)	247	4,000	4,247
Denmark, Kingdom of	kr (DKK)	-	25,000	25,000
European Union	€ (EUR)	30,000	-	30,000
France, Republic of	€ (EUR)	55,284	-	55,284
Germany, Federal Republic of	€ (EUR)	-	120,000	120,000
India, Republic of	US\$ (USD)	-	3,000	3,000
Ireland, Republic of	€ (EUR)	3,000	-	3,000
Italy, Republic of	€ (EUR)	-	24,000	24,000
Japan	US\$ (USD)	30,000	-	30,000
Japan	SFr (CHF)	293	-	293
Korea, Republic of	₩ (KRW)	13,150,000	-	13,150,000
Luxembourg, Grand Duchy of	€ (EUR)	1,000	-	1,000
Monaco, Principality of	€ (EUR)	-	125	125
Netherlands, State of the	€ (EUR)	12,175	-	12,175
Norway, Kingdom of	kr (NOK)	-	1,163,214	1,163,214

Continued on page 76

Continued from page 75

In Thousands, in Currencies of Receipts	Currency of Receipt	Contribution Payments Received in 2022		
		For 2022 Pledges ¹	For Multi-Year Pledges ²	Total Received
Sweden, Kingdom of	kr (SEK)	350,000	-	350,000
Uganda, Republic of	US\$ (USD)	-	395	395
United States of America	US\$ (USD)	290,000	290,000	580,000
<u>Corporations, foundations and private individuals:</u>				
Bill & Melinda Gates Foundation	US\$ (USD)	6,975	325,000	331,975
Fondation Marie de la Providence	SFr (CHF)	1,000	-	1,000
Rockefeller Foundation	US\$ (USD)	-	1,754	1,754
"la Caixa" Foundation	€ (EUR)	1,000	-	1,000
"la Caixa" Foundation	US\$ (USD)	2,585	-	2,585
Other contributions	€ (EUR)	250	-	250
Other contributions	£ (GBP)	333	-	333
Other contributions	US\$ (USD)	7,303	-	7,303
<u>Gavi COVAX AMC donors:</u>				
<u>Sovereign governments</u>				
Australia, Commonwealth of	US\$ (USD)	56,087	-	56,087
Belgium, Kingdom of	€ (EUR)	-	8,000	8,000
Brazil	US\$ (USD)	22,780	-	22,780
Canada	C\$ (CAD)	210,220	-	210,220
China, People's Republic of	US\$ (USD)	100,000	-	100,000
Denmark, Kingdom of	kr (DKK)	75,000	-	75,000
Estonia, Republic of	€ (EUR)	40	-	40
European Union	US\$ (USD)	68,578	-	68,578
Finland, Republic of	€ (EUR)	2,000	15,271	17,271
Germany, Federal Republic of	€ (EUR)	400,314	-	400,314
Iceland, Republic of	US\$ (USD)	8	-	8
Iceland, Republic of	kr (ISK)	250,000	-	250,000
Ireland, Republic of	€ (EUR)	5,000	-	5,000
Italy, Republic of	US\$ (USD)	100,000	-	100,000
Japan	US\$ (USD)	800,000	-	800,000
Korea, Republic of	US\$ (USD)	100,000	-	100,000
Kuwait, State of	US\$ (USD)	-	10,000	10,000
Liechtenstein, Principality of	€ (EUR)	400	-	400
Luxembourg, Grand Duchy of	€ (EUR)	1,000	500	1,500
Malta, Republic of	€ (EUR)	40	-	40
Netherlands, State of the	€ (EUR)	30,000	-	30,000
New Zealand	US\$ (USD)	3,434	-	3,434
Portuguese Republic	€ (EUR)	150	-	150
Saudi Arabia, Kingdom of	US\$ (USD)	-	50,000	50,000
Slovenia, Republic of	€ (EUR)	-	150	150
Spain, Kingdom of	€ (EUR)	890	3,500	4,390
Swiss Confederation	SFr (CHF)	60	-	60
United Kingdom	US\$ (USD)	62,547	-	62,547
Vietnam, Socialist Republic of	US\$ (USD)	500	-	500
<u>Corporations, foundations and private individuals</u>				
Anonymous	US\$ (USD)	751	-	751
Bill & Melinda Gates Foundation	US\$ (USD)	1,450	-	1,450
Fondation Marie de la Providence	SFr (CHF)	1,000	-	1,000
King Salman Humanitarian Aid and Relief Centre	SR (SAR)	-	20,000	20,000
King Salman Humanitarian Aid and Relief Centre	US\$ (USD)	-	965	965
National Philanthropic Trust	US\$ (USD)	31,875	-	31,875
Sergey Brin Family Foundation	US\$ (USD)	28,125	-	28,125

Continued on page 77

Continued from page 76

In Thousands, in Currencies of Receipts	Currency of Receipt	Contribution Payments Received in 2022		
		For 2022 Pledges ¹	For Multi-Year Pledges ²	Total Received
Toyota Tsusho Corporation	US\$ (USD)	-	275	275
Vaccine Forward Initiative	kr (SEK)	2,620	-	2,620
WHO Foundation	US\$ (USD)	7,429	-	7,429
Other contributions	C\$ (CAD)	136	-	136
Other contributions	€ (EUR)	457	-	457
Other contributions	£ (GBP)	200	-	200
Other contributions	US\$ (USD)	6,235	-	6,235

¹ Amounts received in 2022 to fulfil pledges for 2022.

² Amounts received in 2022 to fulfil pledges for multi-years.

EXPENSES SCHEDULES

Schedules 2.1 to 2.4 provide details of the following categories of Gavi Group's expenses:

- **Country Programme Expenses:** Gavi directly incurs expenses to procure and distribute vaccines to countries (e.g. the cost of vaccines, freight and insurance) and related to vaccine and cash programmes and investment cases of Gavi - Core and Gavi - Facility.
- **Partner Programme Expenses:** Gavi incurs expenses to provide funding to partners through the Partners' Engagement Framework (PEF). In June 2015, the Board approved the structure for the PEF, which came into force in 2016. Through PEF, Gavi provides funding to partners and allows the partners to support countries' immunisation programmes. Support under PEF is divided into three areas: targeted country assistance, strategic focus areas, and foundational support. Most PEF funding is allocated to targeted country assistance. PEF gives priority to the 22 countries that face the most severe immunisation challenges and aims to meet the specific needs of each country. In 2022, the priority countries were the Islamic Republic of Afghanistan, Republic of Chad, Federal Republic of Nigeria, Republic of Uganda, Islamic Republic of Pakistan, Republic of Indonesia, Democratic Republic of the Congo, Republic of India, Republic of Kenya, Federal Democratic Republic of Ethiopia, Republic of the Niger, Central African Republic, Republic of the Union of Myanmar, Republic of Haiti, Federal Republic of Somalia, Republic of Yemen, Republic of Mozambique, Independent State of Papua New Guinea, Republic of Madagascar, Republic of South Sudan, Republic of the Sudan, and the Republic of Mali.
- **Professional Fees:** The Gavi Group incurs expenses to engage external technical and expert advisers and consultants as needed.

SCHEDULE 2.1: COUNTRY PROGRAMME EXPENSES, BY RECIPIENT COUNTRY

The following schedule details country programme expenses, by recipient country, incurred by the Gavi Group during the years ended 31 December 2022 and 2021:

In Thousands of US\$	2022					2021		
	Gavi-Core Vaccine Support ¹	Gavi-Facility Vaccine Support ²	Gavi-Core Cash Grants	Gavi-Facility Cash Grants	Total	Vaccine Support ¹	Cash Grants	Total
Afghanistan, Islamic Republic of	37,146	52,593	14,360	12,349	116,448	80,806	12,907	93,713
Algeria, People's Democratic Republic of	-	143	-	-	143	100,868	1,725	102,593
Angola, Republic of	1,264	14,606	-	-	15,870	114,814	4,299	119,113
Azerbaijan, Republic of	589	-	-	-	589	525	-	525
Bangladesh, People's Republic of	68,259	631,458	12,061	947	712,725	350,188	14,733	364,921
Benin, Republic of	7,632	13,914	579	228	22,353	40,733	3,075	43,808
Bhutan, Kingdom of	5	3,524	-	-	3,529	5,393	460	5,853
Bolivia, Plurinational State of	1,012	5,099	-	-	6,111	46,293	2,200	48,493
Botswana, Republic of	-	-	-	-	-	25	-	25
Burkina Faso	18,857	23,884	205	10,092	53,038	183,607	4,791	188,398
Burundi, Republic of	7,232	-	5,060	-	12,292	9,471	5,945	15,416
Cabo Verde, Republic of	-	1,291	-	-	1,291	1,670	306	1,976
Cambodia, Kingdom of	5,285	13,454	1,568	527	20,834	29,065	1,292	30,357
Cameroon, Republic of	20,649	1,211	5,415	208	27,483	26,842	6,031	32,873
Central African Republic	5,728	12,464	-	1,433	19,625	53,018	5,701	58,719
Chad, Republic of	9,001	53,817	4,467	6,525	73,810	19,620	10,442	30,062
Comoros, Union of the	60	1,823	421	139	2,443	201	657	858
Congo, Republic of the	85,724	98,873	36,929	18,826	240,352	84,526	17,657	102,183
Congo, Democratic Republic of the	210	-	2,850	-	3,060	40,681	17,876	58,557
Côte d'Ivoire, Republic of	11,587	41,810	3,660	602	57,659	65,098	3,815	68,913

Continued on page 79

Continued from page 78

In Thousands of US\$	2022					2021		
	Gavi-Core Vaccine Support ¹	Gavi-Facility Vaccine Support ²	Gavi-Core Cash Grants	Gavi-Facility Cash Grants	Total	Vaccine Support ¹	Cash Grants	Total
Cuba, Republic of	117	-	-	-	117	-	-	-
Djibouti, Republic of	76	2,042	1,562	-	3,680	124,812	1,129	125,941
Dominica, Commonwealth of	-	-	-	-	-	908	430	1,338
Egypt, Arab Republic of	-	63,779	-	-	63,779	276,964	8,281	285,245
El Salvador, Republic of	-	3,145	-	-	3,145	32,810	1,606	34,416
Eritrea, State of	5,967	-	3,710	-	9,677	2,155	354	2,509
Eswatini, Kingdom of	-	1,010	-	-	1,010	4,129	466	4,595
Ethiopia, Federal Democratic Republic of	80,013	200,561	9,082	8,709	298,365	279,528	24,273	303,801
Fiji, Republic of	-	96	-	-	96	4,289	495	4,784
Gabon, Republic of	-	-	-	-	-	77	-	77
Gambia, Republic of the	552	2,704	264	284	3,804	5,056	977	6,033
Ghana, Republic of	14,369	40,761	52	12,273	67,455	86,063	3,904	89,967
Grenada	-	64	-	-	64	1,189	430	1,619
Guinea, Republic of	1,945	32,769	2,771	2,904	40,389	159,028	3,048	162,076
Guinea Bissau, Republic of	1,060	1,867	-	312	3,239	4,305	1,992	6,297
Guyana, Co-operative Republic of	57	917	-	-	974	3,314	1,011	4,325
Haiti, Republic of	3,908	8,195	2,270	30	14,403	6,104	3,264	9,368
Honduras, Republic of	389	23,202	-	-	23,591	40,479	1,535	42,014
India, Republic of	250	690,786	-	15,378	706,414	43,767	22,317	66,084
Indonesia, Republic of	9,832	100,419	1,144	3,467	114,862	509,433	187	509,620
Iran, Islamic Republic of	-	80	-	-	80	10,216	-	10,216
Kenya, Republic of	17,299	33,315	4,326	8,374	63,314	129,432	7,638	137,070
Kiribati, Republic of	29	584	-	-	613	458	230	688
Korea, Democratic People's Republic of	1,617	-	-	-	1,617	6,948	232	7,180
Kosovo, Republic of	-	5,033	-	-	5,033	5,458	460	5,918
Kyrgyz, Republic of	4,276	30	2,865	975	8,146	22,115	1,380	23,495
Lao People's Democratic Republic	677	1,336	1,229	1,057	4,299	30,218	3,859	34,077
Lesotho, Kingdom of	445	3,273	271	331	4,320	23,717	396	24,113
Liberia	1,839	21,576	545	2,082	26,042	21,989	2,602	24,591
Libya (Socialist People's Libyan Arab Jamahiriya)	-	-	-	-	-	354	-	354
Madagascar, Republic of	18,788	14,548	3,287	413	37,036	33,004	9,554	42,558
Malawi, Republic of	32,511	34,665	11,959	2,881	82,016	27,047	2,444	29,491
Maldives, Republic of	-	3,583	-	-	3,583	9,092	460	9,552
Mali, Republic of	14,159	13,682	4,467	3,703	36,011	31,039	1,850	32,889
Marshall Islands, Republic of	-	-	-	-	-	4	-	4
Mauritania, Islamic Republic of	1,272	11,332	-	4,366	16,970	15,853	1,119	16,972
Mauritius, Republic of	-	-	-	-	-	97	-	97
Moldova, Republic of	142	1,812	-	-	1,954	6,793	738	7,531
Mongolia	3	2,073	-	-	2,076	4,670	460	5,130
Mozambique, Republic of	31,273	71,611	9,245	7,872	120,001	95,459	9,478	104,937
Morocco, Kingdom of	-	653	-	-	653	20,202	122	20,324
Micronesia, Federated States of	-	9	-	-	9	6	230	236

Continued on page 80

Continued from page 79

In Thousands of US\$	2022					2021		
	Gavi-Core Vaccine Support ¹	Gavi-Facility Vaccine Support ²	Gavi-Core Cash Grants	Gavi-Facility Cash Grants	Total	Vaccine Support ¹	Cash Grants	Total
Myanmar, Republic of the Union of	12,130	-	-	-	12,130	41,731	315	42,046
Namibia, Republic of	-	-	-	-	-	56	-	56
Nepal, Federal Democratic Republic of	14,616	105,912	7,782	60	128,370	373,305	10,083	383,388
Nicaragua, Republic of	519	10,697	40	978	12,234	31,080	350	31,430
Niger, Republic of the	36,576	35,659	11,390	3,125	86,750	134,070	15,067	149,137
Nigeria, Federal Republic of	98,709	61,750	37,998	25,148	223,605	588,721	65,625	654,346
Pakistan, Islamic Republic of	109,646	304,400	7,002	17,353	438,401	678,855	79,414	758,269
Palestine, State of	-	4,228	-	-	4,228	38,053	1,230	39,283
Papua New Guinea, Independent State of	2,675	1,675	2,708	2,924	9,982	6,237	1,017	7,254
Philippines, Republic of the	-	30,272	-	-	30,272	386,201	9,420	395,621
Rwanda, Republic of	5,830	27,580	2,401	85	35,896	85,428	3,999	89,427
Saint Lucia	-	-	-	-	-	47,944	430	48,374
Saint Vincent and the Grenadines	-	165	-	-	165	171	430	601
Samoa, Independent State of	-	219	-	-	219	974	-	974
Sao Tome and Principe	-	117	140	-	257	990	1,380	2,370
Senegal, Republic of	7,644	10,857	1,881	-	20,382	24,613	2,855	27,468
Serbia, Republic of	-	6	-	-	6	-	-	-
Seychelles, Republic of	-	-	-	-	-	11	-	11
Sierra Leone, Republic of	6,470	25,169	229	2,294	34,162	17,832	2,060	19,892
Solomon Island	282	1,473	64	-	1,819	3,587	588	4,175
Somalia, Federal Republic of	13,681	41,118	13,268	6,159	74,226	38,599	12,248	50,847
Sri Lanka, Democratic Socialist Republic of	186	30	-	-	216	26,459	1,967	28,426
South Sudan, Republic of	5,471	20,868	4,000	3,193	33,532	8,422	9,819	18,241
Sudan, Republic of the	53,752	122,361	6,311	23,174	205,598	85,689	21,367	107,056
Syria	11,555	44	7,862	7,993	27,454	87,607	2,928	90,535
Tajikistan, Republic of	4,913	18,332	3,041	500	26,786	33,030	2,728	35,758
Tanzania, United Republic of	30,212	258,045	130	15,026	303,413	136,435	7,181	143,616
Timor-Leste, Democratic Republic of	75	1,381	-	-	1,456	8,398	267	8,665
Togolese Republic	6,343	3,129	2,047	872	12,391	34,183	4,237	38,420
Tonga, Kingdom of	-	-	-	-	-	409	460	869
Tunisia, Republic of	-	7,265	-	-	7,265	52,249	1,047	53,296
Tuvalu	-	62	-	-	62	54	460	514
Uganda, Republic of	71,221	68,739	19,271	3,614	162,845	226,183	9,688	235,871
Ukraine	-	257	-	-	257	113,632	4,033	117,665
Uzbekistan, Republic of	9,558	110,321	1,636	4,156	125,671	200,524	4,648	205,172
Vanuatu, Republic of	-	341	-	-	341	555	460	1,015
Vietnam, Socialist Republic of	4,827	108,503	448	1,828	115,606	261,304	1,217	262,521
Yemen, Republic of	17,593	1,730	2,470	1,254	23,047	33,500	10,539	44,039
Zambia, Republic of	8,087	93,820	-	3,497	105,404	67,335	4,590	71,925
Zimbabwe, Republic of	12,332	667	1,044	-	14,043	34,921	2,159	37,080
Total country programme expenses	1,068,008	3,838,668	279,787	250,520	5,436,983	7,241,372	529,169	7,770,541

¹ Vaccine support includes support for new vaccine, excluding COVID-19 vaccines, and cold chain equipment.

² Vaccine support includes support for COVID-19 vaccines.

SCHEDULE 2.2: PARTNER PROGRAMME EXPENSES

The following schedule details partner programme expenses during the years ended 31 December 2022 and 2021:

In Thousands of US\$	2022	2021
United Nations Children's Fund	105,635	90,008
World Health Organization	66,437	64,325
The World Bank	7,995	4,119
University of Oslo	4,598	4,055
Centre for Infectious Disease Research in Zambia	3,098	705
Centers for Disease Control and Prevention	2,908	1,339
JSI Research & Training Institute	2,757	4,346
Clinton Health Access Initiative	2,690	4,018
Acasus	2,429	4,415
Johns Hopkins University	1,831	888
Dalberg Global Development Advisors	1,751	2,938
Mott McDonald	1,676	311
GroupM Media India	1,530	693
Parsyl	1,500	50
PATH	1,493	3,506
Nexleaf Analytics	1,174	649
Itad	1,166	314
Simprints Technology	1,103	1,382
VillageReach	1,087	1,163
Zenysis Technologies	1,044	1,504
Save The Children Korea	1,000	1,000
Pan American Sanitary Bureau	949	7,009
Imperial College of Science Technology and Medicine	926	1,300
Results for Development Institute	925	407
The Aga Khan University	885	1,234
Jhpiego	843	299
Euro Health Group	819	-
GiftedMom	675	174
Crown Agents	668	415
Girl Effect	500	-
Premise Data Corporation	498	658
Karna	491	-
Mastercard International	486	565
mHealth and eHealth Expert Learning Program	475	554
Zipline International	450	-
AMP Burkina	450	308
Foundation for Innovative Diagnosis	449	-
Orange Côte d'Ivoire	446	261
GaneshAID	443	-
Albert B Sabin Vaccine Institute	390	234
PricewaterhouseCoopers	342	403
London School of Hygiene & Tropical Medicine	327	1,080
IPSOS (Market research)	306	-
Common Thread Communications	304	-
AMREF Health Africa	286	-
Bull City Learning	285	-
Mannion Daniels Africa	282	234
Kati Collective	271	223
OASYS SARL	269	513
Captiva Africa	262	177
Agence Européenne pour le Développement et la Santé	258	672
Precision Health Consultants Global	249	27

Continued on page 82

Continued from page 81

In Thousands of US\$	2022	2021
University of Oxford	236	353
Ministry of Health Timor-Leste	230	-
The Trustees of Columbia University in the City of New York	216	812
Others	2,727	20,399
Total partner programme expenses	233,520	230,039

SCHEDULE 2.3: RECONCILIATION OF COUNTRY AND PARTNER PROGRAMME EXPENSES TO PROGRAMME EXPENSES

The following table reconciles country programme expenses, per Schedule 2.1 above, and partner programme expenses, per Schedule 2.2 above, to programme expenses reported in the Consolidated Statements of Activities on page 34 of the consolidated financial statements:

In Thousands of US\$	2022	2021
Total country programme expenses	5,436,983	7,770,541
Total partner programme expenses	233,520	230,039
Provision for country programme expenses	1,536,122	449,245
Recovery of prior year grants	(113,214)	(8,623)
Allocated operating expenses	88,542	73,562
Total recorded programme expenses	7,181,953	8,514,764

SCHEDULE 2.4: PROFESSIONAL FEES

The following schedule details professional fees incurred by the Gavi Group during the years ended 31 December 2022 and 2021:

In Thousands of US\$	2022	2021
Consulting services	31,281	26,721
Information technology	8,680	9,338
Temporary staffing	4,832	2,003
IFFIm's treasury management fees	2,893	2,255
Legal services	2,303	3,461
In-kind services	1,568	5,228
Audit and accounting	1,401	1,510
Total professional fees	52,958	50,516

PORTFOLIO WEIGHTED AVERAGE COST (VACCINE PROCUREMENT COST) PER DOSE

The Facility procures doses of COVID-19 vaccines on behalf of AMC-eligible economies and also facilitates the donation of doses between donors and AMC-eligible economies and SFPs. These doses are sourced from multiple manufacturers across all four major COVID-19 vaccine platform technologies. While the prices that Gavi negotiates with manufacturers are commercially sensitive, the portfolio weighted average cost (vaccine procurement cost) per dose provides donors with an indication of the value for money that the Facility is providing to AMC-eligible economies and information for donors on the cost of doses donated to the Facility.

The portfolio weighted average cost (vaccine procurement cost) of the Gavi COVAX AMC committed portfolio [all doses where APAs have been signed as of 31 December 2022, excluding one agreement currently in arbitration and including post balance sheet events (agreements signed up until 26 April 2023)] is US\$ 6.12 per dose (2021: US\$ 5.01 per dose).

The portfolio weighted average cost (vaccine procurement cost) of the Gavi COVAX AMC doses donated and received (by countries) during 2022 was US\$ 6.78 per dose (2021: US\$ 6.64 per dose).

Independent Auditors' Report on Supplementary Information

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

We have audited the consolidated financial statements of GAVI Alliance as of and for the year ended 31 December 2022 and have issued our report thereon dated 27 June 2023 which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included in Pledges and Contributions Schedules 1.1 to 1.9 and Expenses Schedules 2.1 to 2.4 is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of the Secretariat and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

Opinion

In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Deloitte SA

Fabien Bryois
Partner

Lisa Watson
Director

Geneva, Switzerland, 27 June 2023