



GAVI Alliance Statutory Financial Statements 2022

Global Health Campus
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Geneva, Switzerland

www.gavi.org

Report of the statutory auditor

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of GAVI Alliance (the Foundation), which comprise the statement of financial position as at 31 December 2022, and the statement of activities, statement of changes in capital for the year ended 31 December 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law and the statutes and by-laws of the foundation.

Basis for Opinion

We conducted our audit in accordance with 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 Financial Statements” section of our report. We are independent of the Foundation in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, 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.

GAVI Alliance Board and Secretariat's Responsibilities for the Financial Statements

The GAVI Alliance Board and Secretariat are responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the statutes and by-laws of the foundation, and for such internal controls as the Board of the Foundation determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the GAVI Alliance Board and Secretariat are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the GAVI Alliance Board either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the 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 a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A more detailed description of our responsibilities for the audit of the financial statements can be found on the EXPERTsuisse website: <https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits>. This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements

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

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

Deloitte SA

Fabien Bryois
Licensed Audit Expert
Auditor in Charge

Lisa Watson
Licensed Audit Expert

27 June 2023

Geneva, Switzerland

STATEMENTS OF FINANCIAL POSITION

In Thousands	Note	As of 31 December 2022		As of 31 December 2021	
		US\$	SFr	US\$	SFr
Cash		202,269	187,018	1,343,400	1,225,674
Restricted cash	4	1,956,041	1,808,553	3,190,770	2,911,154
Financial assets	5	4,740,376	4,382,947	2,516,601	2,296,064
Contributions receivable	6	698,919	646,220	1,496,865	1,365,690
Foreign currency forward contracts receivable	7	60,888	56,297	5,117	4,669
Receivable on COVAX Facility arrangements	8	5,675	5,247	13,621	12,427
Receivables, prepaid expenses and other assets	9	629,488	582,024	4,267,037	3,893,104
Total current assets		8,293,656	7,668,306	12,833,411	11,708,782
Financial assets	5	874,470	808,535	1,027,145	937,134
Contributions receivable	6	1,421,394	1,314,219	2,177,375	1,986,566
Foreign currency forward contracts receivable	7	83,519	77,223	32,071	29,261
Receivables, prepaid expenses and other assets	9	602,164	556,760	-	-
Fixed assets	10	18,646	17,240	21,215	19,356
Total non-current assets		3,000,193	2,773,977	3,257,806	2,972,317
Total assets		11,293,849	10,442,283	16,091,217	14,681,099
Accounts payable and other liabilities	11	951,192	879,472	774,506	706,634
Programme grants payable	12	36,793	34,019	59,079	53,902
Procurement accounts payable	4	957,016	884,856	1,836,994	1,676,013
Payable on COVAX Facility arrangements	8	988,571	914,032	1,659,157	1,513,760
Foreign currency forward contracts payable	7	4,108	3,799	45,807	41,793
Operating lease obligation	17	2,818	2,606	2,813	2,567
Total current liabilities		2,940,498	2,718,784	4,378,356	3,994,669
Foreign currency forward contracts payable	7	6,280	5,806	2,081	1,899
Operating lease obligation	17	16,041	14,831	18,841	17,190
Other borrowings	13	-	-	500,280	456,439
Total non-current liabilities		22,321	20,637	521,202	475,528
Total liabilities		2,962,819	2,739,421	4,899,558	4,470,197
Special purpose fund		6,312,398	5,886,731	6,205,799	5,784,028
Total long-term special purpose fund		6,312,398	5,886,731	6,205,799	5,784,028
Foundation capital		31	50	31	50
Unrestricted funds		2,018,601	1,854,490	4,985,829	4,712,098
Currency translation adjustment		-	(38,409)	-	(285,274)
Total organisational capital		2,018,632	1,816,131	4,985,860	4,426,874
Total liabilities, special purpose fund and organisational capital		11,293,849	10,442,283	16,091,217	14,681,099

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

STATEMENTS OF ACTIVITIES

In Thousands	Note	Year Ended 31 December 2022		Year Ended 31 December 2021	
		US\$	SFr	US\$	SFr
<u>Changes in unrestricted funds</u>					
<u>Revenue</u>					
Contributions from government and private donors		1,084,202	1,044,131	744,750	685,567
Net investment income	14	37,111	35,740	61,129	56,271
Net fair value gains on derivatives		66,556	64,096	63,071	58,059
Foreign currency transaction adjustment on contributions receivable		79,004	76,084	-	-
Other revenue		2,123	2,045	6,436	5,925
Internal transfers		3,095,690	2,981,235	11,238,956	10,345,876
Total revenue		4,364,686	4,203,331	12,114,342	11,151,698
<u>Expenses</u>					
Programme	15	7,179,214	6,913,882	8,512,329	7,835,883
Management and general	15	31,446	30,283	33,934	31,237
Fundraising	15	27,954	26,922	24,141	22,223
Provision for doubtful accounts	6	-	-	1,000	921
Valuation adjustment on non-current assets	9	93,300	89,852	-	-
Foreign currency transaction adjustment on contributions receivable		-	-	4,711	4,337
Total expenses		7,331,914	7,060,939	8,576,115	7,894,601
Change in unrestricted funds		(2,967,228)	(2,857,608)	3,538,227	3,257,097
<u>Changes in special purpose fund</u>					
Contributions from government and private donors		2,026,120	1,951,239	11,247,080	10,353,311
Contributed nonfinancial assets	16	1,309,841	1,261,431	4,411,952	4,061,349
Foreign currency transaction adjustment on contributions receivable		(133,672)	(128,732)	(88,872)	(81,809)
Internal transfers		(3,095,690)	(2,981,235)	(11,238,956)	(10,345,876)
Change in special purpose fund		106,599	102,703	4,331,204	3,986,975
Result for the year		(2,860,629)	(2,754,905)	7,869,431	7,244,072
<u>Beginning of the year</u>					
Unrestricted funds		4,985,829	4,712,098	1,447,602	1,455,001
Special purpose fund		6,205,799	5,784,028	1,874,595	1,797,053
Beginning of the year		11,191,628	10,496,126	3,322,197	3,252,054
<u>End of the year</u>					
Unrestricted funds		2,018,601	1,854,490	4,985,829	4,712,098
Special purpose fund		6,312,398	5,886,731	6,205,799	5,784,028
End of the year		8,330,999	7,741,221	11,191,628	10,496,126

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

STATEMENTS OF CHANGES IN CAPITAL

Year Ended 31 December 2022, in Thousands	Opening Balance		Result for the year		Currency Translation Adjustment		Closing Balance	
	US\$	SFr	US\$	SFr	US\$	SFr	US\$	SFr
Special purpose fund:								
Vaccine and immunisation	6,205,799	5,784,028	106,599	102,703	-	-	6,312,398	5,886,731
Total special purpose fund	6,205,799	5,784,028	106,599	102,703	-	-	6,312,398	5,886,731
Foundation capital	31	50	-	-	-	-	31	50
Unrestricted funds	4,985,829	4,712,098	(2,967,228)	(2,857,608)	-	-	2,018,601	1,854,490
Currency translation adjustment	-	(285,274)	-	-	-	246,865	-	(38,409)
Total special purpose fund and organisational capital	11,191,659	10,210,902	(2,860,629)	(2,754,905)	-	246,865	8,331,030	7,702,862

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

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

NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS

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

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.

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

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

Functional and Presentation Currency: The financial statements are presented in United States dollars, which is the functional and reporting currency of Gavi. The Swiss Code of Obligations requires the disclosure of the

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

Cash, Restricted Cash and Cash Equivalents: Gavi reports all demand deposits as cash and has not experienced any losses in these accounts. Risks are managed in accordance with its cash and liquidity management policy. Gavi does not believe it is exposed to any significant credit risk related to the accounts. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less. Gavi reports all cash equivalents, which includes fiduciary deposits and money market funds, as financial assets.

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

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

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

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

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

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

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

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

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

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

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

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

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

Other Borrowings: Other borrowings are recognised at nominal value.

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

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

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

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

Organisational Capital: The organisational capital is initially made available by the founder and also results from income generated. It must be used in line with the purpose of the organisation. The generated funds are designated as generated unrestricted funds (which can be used for all the organisation's purposes, i.e., net assets that are not subject to donor-imposed stipulations as a result of a board decision) and generated restricted capital (which can be used by the organisation itself for a clearly defined and limited purpose). Gavi does not have any restricted capital as of 31 December 2022 and 2021.

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

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

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

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

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

Gavi's major classes of programmes are New and Underused Vaccine Support ("NVS") programmes, Health System Strengthening ("HSS") programmes, COVID-19 vaccine programmes and Investment Cases. NVS programmes provide funding to Gavi 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. Gavi 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 partners such as UNICEF, WHO and CEPI.

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

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

Foreign Currency Transactions: These financial statements are presented in United States dollars, which is the reporting currency of the Gavi. The assets and liabilities held in foreign currency are converted to United States dollars at the prevailing average interbank exchange rate as of 31 December 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 Statements of Activities.

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

Use of Estimates and Judgements: The preparation of the financial statements 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 financial statements include:

- the valuation adjustment on other receivables as described in Note 9 to the financial statements;
- the recoverability of advances to vaccine manufacturers and procurement agents as described in Note 9 to the financial statements, including one agreement currently in arbitration as described in Note 21 to the financial statements;
- the valuation of contributed nonfinancial assets as described in Note 16 to the financial statements;
- the recognition of any loss contingency on Gavi’s commitments under the advance purchase agreements (“APA”) as described in Note 19 to the 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 a 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.

3. RELATED PARTY DISCLOSURE

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

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

Gavi’s related party balances were:

In Thousands	Note	2022		2021	
		US\$	SFr	US\$	SFr
Contributions receivable from IFFIm		57,064	52,761	396,064	361,356
Accounts receivable from IFFIm	9	329	304	284	259

In July 2021, Gavi assigned to IFFIm all its rights, title, benefit and interest to receive grant payments committed by Norway totalling NOK 4 billion (US\$ 398 million; SFr 366 million) to support Gavi programmes.

In August 2021, Gavi assigned to IFFIm all its rights, title, benefit and interest to receive grant payments committed by Sweden totalling SEK 2 billion (US\$ 239 million; SFr 220 million) to support Gavi COVAX AMC programme and SEK 250 million (US\$ 27 million; SFr 25 million) to support Gavi programmes.

In August 2021, Gavi assigned to IFFIm all its rights, title, benefit and interest to receive grant payments committed by Australia totalling AU\$ 86 million (US\$ 56 million; SFr 51 million) to support Gavi COVAX AMC programme.

In June 2022, Gavi assigned to IFFIm all its rights, title, benefit and interest to receive grant payments committed by United Kingdom totalling £461 million (US\$ 460 million, after fair value adjustments; SFr 443 million) to support Gavi programmes.

In November 2022, Gavi assigned to IFFIm all its rights, title, benefit and interest to receive grant payments committed by Spain totalling €100 million (US\$ 81 million; SFr 78 million) to support Gavi programmes.

Gavi recorded contributions from IFFIm of US\$ 490 million (SFr 472 million) and US\$ 1.4 billion (SFr 1.3 billion) during the year ended 31 December 2022 and 2021, respectively. The contribution in 2022 is comprised of Gavi programmes funding of US\$ 634 million (SFr 611 million), partially offset by a reduction in Gavi COVAX AMC funding of US\$ 144 million (SFr 139 million). The contribution in 2021 includes Gavi COVAX AMC funding of US\$ 1.1 billion (SFr 1.0 billion) and CEPI-related funding of US\$ 334 million (SFr 305 million).

Gavi donated administrative support services to IFFIm of US\$ 986 thousand (SFr 949 thousand) and US\$ 942 thousand (SFr 867 thousand) during the years ended 31 December 2022 and 2021, respectively. The services donated were valued by using a comprehensive cost allocation model to calculate a single administrative support amount.

4. RESTRICTED CASH AND PROCUREMENT ACCOUNTS PAYABLE

Gavi established separate bank accounts into which it transfers cash as needed for the benefit of UNICEF to procure vaccines and other supplies on Gavi's behalf (the "Procurement Accounts"). All cash deposited into the Procurement Accounts is irrevocable and may only be withdrawn by UNICEF, with the exception of investment income, which may be remitted to Gavi. As collateral security for the prompt payment and performance when due of Gavi's obligations, Gavi has granted UNICEF a security interest in all of Gavi's rights, titles, interests in, and proceeds from, the Procurement Accounts and all financial assets credited thereto. As of 31 December 2022 and 2021, US\$ 2.0 billion (SFr 1.8 billion) and US\$ 3.2 billion (SFr 2.9 billion), respectively, were available to UNICEF in the Procurement Accounts.

Amounts committed to UNICEF for the procurement of vaccines were US\$ 957 million (SFr 885 million) and US\$ 1.8 billion (SFr 1.7 billion) as of 31 December 2022 and 2021, respectively. These amounts are presented as procurement accounts payable in the Statements of Financial Position.

5. FINANCIAL ASSETS

Gavi's financial assets consisted of the following:

In Thousands	2022		2021	
	US\$	SFr	US\$	SFr
Money market funds	4,740,376	4,382,947	2,516,601	2,296,064
Registered investment companies	325,742	301,181	367,673	335,453
Limited liability companies and limited partnerships	548,728	507,354	659,472	601,681
Total financial assets	5,614,846	5,191,482	3,543,746	3,233,198

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

Money market funds disclosed in the table above included funds related to Gavi's role as administrator of the Facility of US\$ 4.0 billion (SFr 3.7 billion) and US\$ 2.4 billion (SFr 2.2 billion) as of 31 December 2022 and 2021, respectively.

Gavi had US\$ 22 million (SFr 20 million) and US\$ 0 outstanding capital commitments as of 31 December 2022 and 2021, respectively.

6. NET CONTRIBUTIONS RECEIVABLE

As of 31 December 2022 and 2021, contributions receivable was net of a provision for doubtful accounts of US\$ 1 million (SFr 925 thousand) and US\$ 1 million (SFr 921 thousand), respectively, based on management's evaluation of collectability of contributions receivable.

7. DERIVATIVE FINANCIAL INSTRUMENTS

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

Gavi 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 SFr to pay operating expenses for the Secretariat.

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

As of 31 December 2022, in Thousands	Notional Amount		Fair Value	
	US\$	SFr	US\$	SFr
Foreign currency forward contracts receivable	1,814,191	1,677,399	144,407	133,520
Foreign currency forward contracts payable	(409,650)	(378,762)	(10,388)	(9,605)

As of 31 December 2021, in Thousands	Notional Amount		Fair Value	
	US\$	SFr	US\$	SFr
Foreign currency forward contracts receivable	1,970,204	1,797,549	37,188	33,930
Foreign currency forward contracts payable	(888,778)	(810,892)	(47,888)	(43,692)

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\$ US\$ 7.7 million (SFr 7.0 million) as of 31 December 2021. US\$ 2.0 million (SFr 1.8 million) was held as collateral and included in other receivables in Note 9 to the financial statements.

8. RECEIVABLE/PAYABLE ON COVAX FACILITY ARRANGEMENTS

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

Self-financing countries joining the Facility 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 (SFr 2.4 million), net of interest income of US\$ 10.8 million (SFr 10.4 million). As of 31 December 2021, the pro-rata reimbursement towards the Facility's operating costs totalled US\$ 9.5 million (SFr 8.7 million), net of interest income of US\$ 808 thousand (SFr 744 thousand).

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 (SFr 465 million) were donated by SFPs to Gavi COVAX AMC, repayments of US\$ 59 million (SFr 57 million) were disbursed to the participants, procurement agents or private fund and termination payments of US\$ 64 million (SFr 62 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, 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.

Gavi's receivable on COVAX Facility arrangements were:

In Thousands	2022		2021	
	US\$	SFr	US\$	SFr
Optional purchase arrangements	4,349	4,021	4,350	3,968
Cost-sharing approach	756	699	9,271	8,459
Self-financing participant 2.0 arrangements	570	527	-	-
Total receivable on COVAX Facility arrangements	5,675	5,247	13,621	12,427

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

In Thousands	2022		2021	
	US\$	SFr	US\$	SFr
Committed purchase arrangements	180,854	167,218	194,826	177,753
Optional purchase arrangements	799,546	739,259	1,457,869	1,330,111
Cost-sharing approach	7,601	7,028	6,462	5,896
Self-financing participant 2.0 arrangements	570	527	-	-
Total payable on COVAX Facility arrangements	988,571	914,032	1,659,157	1,513,760

9. RECEIVABLES, PREPAID EXPENSES AND OTHER ASSETS

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

In Thousands	Note	2022		2021	
		US\$	SFr	US\$	SFr
Advances to vaccine manufacturers and procurement agents	11	1,174,664	1,086,093	4,170,002	3,804,573
Prepaid expenses		83,887	77,562	93,397	85,212
Accounts receivable from IFFIm	3	329	304	284	259
Other receivables		713,072	659,306	3,354	3,060
Total receivables, prepaid expenses and other assets before provision and valuation adjustment		1,971,952	1,823,265	4,267,037	3,893,104
Provision on advances to vaccine manufacturers and procurement agents		(647,000)	(598,216)	-	-
Valuation adjustment on other receivables		(93,300)	(86,265)	-	-
Total net receivables, prepaid expenses and other assets		1,231,652	1,138,784	4,267,037	3,893,104

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 (SFr 425 million) and cost of expired

doses and raw materials of US\$ 308 million (SFr 297 million). These costs are reported as direct programme expenses in Note 15 to the financial statements.

In 2022, other receivables include advance payment due from Novavax of US\$ 695 million (SFr 643 million) as described in Note 21 to the financial statements. As of 31 December 2022, a valuation adjustment of US\$ 93 million (SFr 90 million) was recognised and reported as valuation adjustment on non-current assets in the statements of activities. In 2021, the advance payment to Novavax of US\$ 350 million (SFr 319 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 reported as direct programme expenses in Note 15 to the financial statements.

10. FIXED ASSETS

Gavi's fixed assets consisted of the following:

In Thousands	Note	2022		2021	
		US\$	SFr	US\$	SFr
Cost:					
Furniture and fixtures		2,642	2,443	2,482	2,265
Office equipment		1,203	1,112	1,036	945
Leasehold improvements		1,335	1,234	1,185	1,081
Computer software and licenses		3,936	3,639	3,936	3,591
Operating lease right-of-use asset	17	26,984	24,949	26,785	24,438
Total cost		36,100	33,377	35,424	32,320
Less accumulated depreciation and amortisation:					
Furniture and fixtures		(1,785)	(1,650)	(1,272)	(1,161)
Office equipment		(593)	(548)	(683)	(623)
Leasehold improvements		(608)	(562)	(474)	(432)
Computer software and licenses		(3,918)	(3,623)	(3,862)	(3,524)
Operating lease right-of-use asset		(10,550)	(9,754)	(7,918)	(7,224)
Total accumulated depreciation and amortisation		(17,454)	(16,137)	(14,209)	(12,964)
Total fixed assets		18,646	17,240	21,215	19,356

Depreciation and amortisation expense was US\$ 3.5 million (SFr 3.4 million) and US\$ 3.5 million (SFr 3.2 million) for the years ended 31 December 2022 and 2021, respectively, and reported as facility and office costs in Note 15 to the financial statements.

11. ACCOUNTS PAYABLE AND OTHER LIABILITIES

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

In Thousands	Note	2022		2021	
		US\$	SFr	US\$	SFr
Refundable advance	9	161,420	149,249	300,000	273,710
Deferred revenue		739,385	683,635	416,513	380,013
Trade creditors		8,638	7,987	8,509	7,763
Accrued expenses		41,483	38,355	49,196	44,885
Other liabilities		266	246	288	263
Total accounts payable and other liabilities		951,192	879,472	774,506	706,634

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

Gavi and the Gates Foundation agreed that the repayment of the US\$ 300 million funding under the 2020 agreement would be solely governed pursuant to a funding agreement signed on 29 April 2021, whereby the Gates Foundation funding is subject to repayment by Gavi on a quarterly basis, starting with the quarter in which the first SII procurement credit is applied, reduced or offset by SII. For each quarter, Gavi will repay to the Gates Foundation (within 60 days after quarter-end) an amount equal to one-third of such SII procurement credit, representing the proportion of the 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.

12. PROGRAMME GRANTS PAYABLE

Gavi's programme grants payable consisted of the following:

In Thousands	2022		2021	
	US\$	SFr	US\$	SFr
Country programme grants	36,793	34,019	59,079	53,902
Total programme grants payable	36,793	34,019	59,079	53,902

13. OTHER BORROWINGS

In December 2020, the European Commission ("EC") committed support to the Facility with €400 million in guarantees, representing an SFP upfront payment, a risk-sharing guarantee and a loan for vaccine purchases, provided through the European Investment Bank ("EIB"), as part of its Global Coronavirus Response. This amount was received on 31 March 2021. It consists of an SFP upfront payment of US\$ 150 million (SFr 137 million; €130 million), a risk-sharing guarantee of US\$ 35 million (SFr 32 million; €30 million), and loan proceeds of US\$ 283 million (SFr 258 million; €240 million). For the year ended 31 December 2022 and 2021, US\$ 69 million (SFr 66 million; €58 million) and US\$ 86 million (SFr 78 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 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 (SFr 206 million; €200 million).

In June 2022, the risk-sharing guarantee of US\$ 35 million (SFr 32 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 (SFr 461 million; €470 million) in December 2022. The outstanding borrowings to the EIB were US\$ 0 million as of 31 December 2022 and US\$ 500 million (SFr 456 million; €440 million) as of 31 December 2021. This balance is net of the SFP upfront payment of US\$ 139 million (SFr 128 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 million 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 (SFr 925 million) 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 (SFr 491 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 (SFr 308 million) in order to support Gavi's obligations to pay amounts for multi-year vaccine procurement contracts entered into by UNICEF.

14. NET INVESTMENT INCOME

Net investment income was as follows:

In Thousands	2022		2021	
	US\$	SFr	US\$	SFr
Investment income on investments	41,163	39,643	63,307	58,276
Investment fees on investments held	(3,178)	(3,061)	(1,389)	(1,279)
Direct internal investment expenses	(874)	(842)	(789)	(726)
Net investment income	37,111	35,740	61,129	56,271

15. FUNCTIONAL EXPENSES

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

Year Ended 31 December 2022, in Thousands	Programme Expenses		Management and General Expenses		Fundraising Expenses		Total Expenses	
	US\$	SFr	US\$	SFr	US\$	SFr	US\$	SFr
Direct programme expenses	6,909,559	6,654,193	-	-	-	-	6,909,559	6,654,193
Programme implementation	186,103	179,225	-	-	-	-	186,103	179,225
Total programme expenses	7,095,662	6,833,418	-	-	-	-	7,095,662	6,833,418
Payroll and benefits	45,617	43,931	11,785	11,349	12,651	12,183	70,053	67,463
Training and recruitment	-	-	1,038	1,000	-	-	1,038	1,000
Professional fees	25,371	24,433	11,795	11,359	11,588	11,160	48,754	46,952
Media production and distribution	175	169	17	16	367	353	559	538
Events and meetings	725	698	1,247	1,201	578	557	2,550	2,456
Travel and representation	2,573	2,478	367	353	545	525	3,485	3,356
Facility and office costs	6,462	6,223	4,421	4,258	1,592	1,533	12,475	12,014
Supplies and minor equipment	2,629	2,532	776	747	633	611	4,038	3,890
Other operating expenses	83,552	80,464	31,446	30,283	27,954	26,922	142,952	137,669
Total functional expenses	7,179,214	6,913,882	31,446	30,283	27,954	26,922	7,238,614	6,971,087

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

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	2022		2021		Usage in programmes/ activities	Donor imposed restrictions	Fair value technique and inputs
	US\$	SFr	US\$	SFr			
COVID-19 vaccine doses	1,308,272	1,259,921	4,406,448	4,056,283	Gavi COVAX AMC	Use for AMC-eligible economies	Estimates based on price per dose in the APA with vaccine manufacturers
Consultant services	1,569	1,510	5,229	4,813	Vaccine and immunisation	None	Estimates based on current rates for similar consultant services
Vehicles	-	-	275	253	Cold Chain Equipment	Use for AMC-eligible economies	Estimates based on current rates for similar vehicles
Total contributed nonfinancial assets	1,309,841	1,261,431	4,411,952	4,061,349			

Gavi received pledges from Gavi COVAX AMC donors in the form of COVID-19 vaccine doses under a dose-sharing arrangement. 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 statement of financial position.

17. LEASES

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

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

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

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

In Thousands of US\$	Principal	Interest	Total
Year Ending 31 December 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

In Thousands of SFr	Principal	Interest	Total
Year Ending 31 December 2023	2,754	100	2,854
Year Ending 31 December 2024	2,705	123	2,828
Year Ending 31 December 2025	2,650	147	2,797
Year Ending 31 December 2026	2,632	171	2,803
Year Ending 31 December 2027	2,631	196	2,827
Thereafter	3,723	1,232	4,955
Total	17,095	1,969	19,064

Rent expense for these leases is recognised on a straight-line basis over the term of the leases. Rental expense was US\$ 3.1 million (SFr 3.0 million) and US\$ 3.1 million (SFr 2.8 million) for the years ended 31 December 2022 and 2021, respectively, and reported as facility and office costs in Note 15 to the financial statements.

18. RETIREMENT PLANS

The Gavi sponsors the following retirement plans:

Employees Based in Geneva, Switzerland: Gavi sponsors a defined contribution term savings plan with Zurich International Life Limited ("the Geneva Plan"). Membership in the Geneva Plan is for all employees with Gavi employment contracts of four or more months. The Geneva Plan is funded by both Gavi and employees' contributions, based on the employees' gross annual salaries. Gavi makes monthly employer contributions to the Geneva Plan at 16% of the employee gross salary. Each employee has a compulsory 5% contribution. The total amount expensed for Gavi's contributions was US\$ 9.9 million (SFr 9.6 million) and US\$ 8.6 million (SFr 7.9 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 expensed for Gavi's contributions were US\$ 320 thousand (SFr 308 thousand) and US\$ 320 thousand (SFr 294 thousand) for the years ended 31 December 2022 and 2021, respectively.

19. COMMITMENTS

Gavi entered into APAs 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 21 to the financial statements.

Outstanding commitments on these APAs amounted to approximately US\$ 962 million (SFr 889 million) and US\$ 4.3 billion (SFr 4.0 billion) as of 31 December 2022 and 31 December 2021, respectively. Gavi expects to fulfil its outstanding APA commitments by end of 2024.

20. OTHER DISCLOSURE

Full-time equivalent: The average number of full-time equivalent employees was 375 and 311 for the years ended 31 December 2022 and 2021, respectively.

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

	2022	2021
Spot rate	0.92460	0.91237
Average rate	0.96304	0.92053

21. SUBSEQUENT EVENTS

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

- 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 9 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.
- 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. Gavi 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 Gavi's overall financial position and performance will be significantly impacted by the adverse effects of the stress in the banking system. Gavi 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.