

8

Financial view Financial year to 31 December 2021

Legal status

MMV is a Swiss foundation, established as a not-for-profit legal entity, registered in Geneva under statutes dated 15 November 1999. The summary consolidated financial statements of MMV also include the accounts of the United

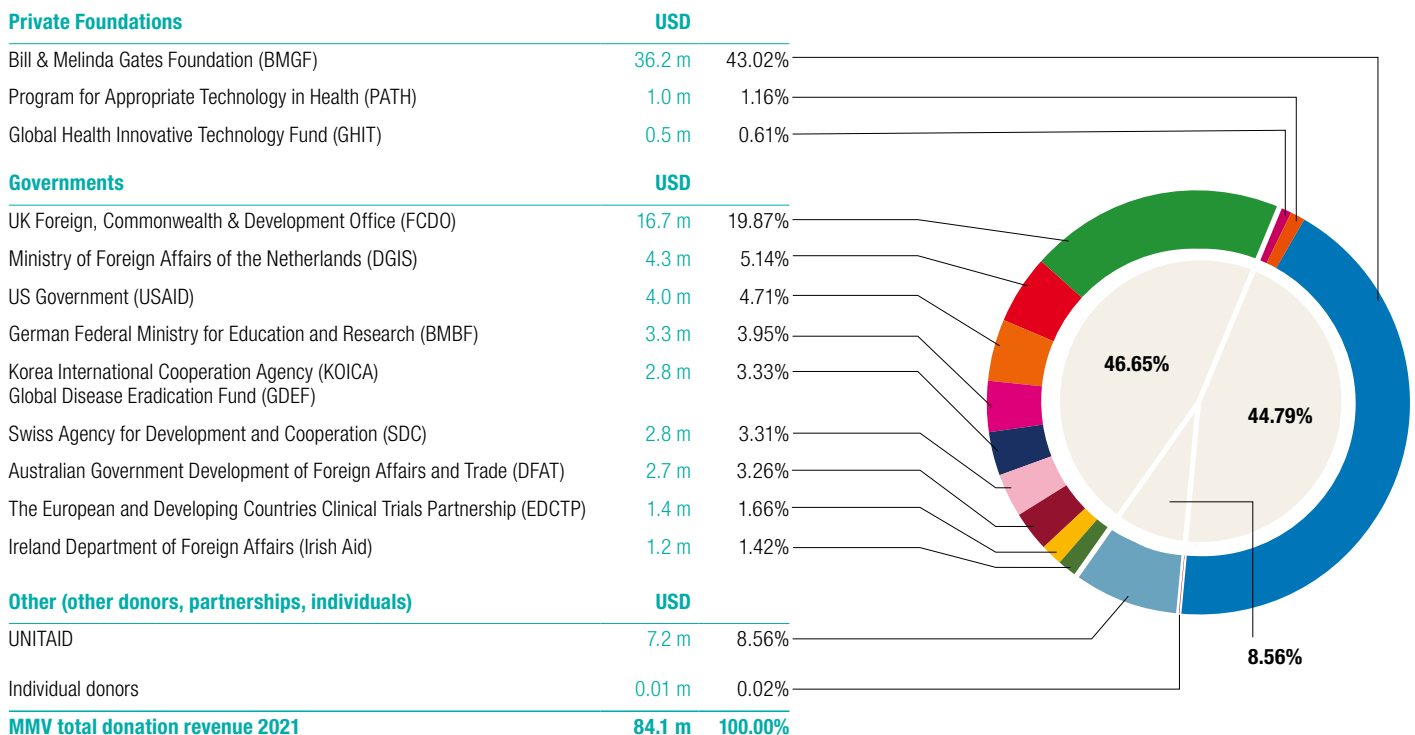
States entity MMV North America Inc., which is registered in the United States as a section 501(c)(3) organization (please refer to note 2.c of the summary consolidated financial statements).

Revenue

Total revenue in 2021 amounted to USD 84.1 million. Every contribution over the years has helped to advance our mission and the ultimate goal of defeating malaria together.

MMV is highly grateful for these and previous commitments from all its donors and partners.

Figure 1: Total donations received in 2021



Expenditure

Total expenditure in 2021 amounted to USD 78.9 million. Research & development (R&D) expenditure amounted to USD 50.5 million. Access & product management (APM)

expenditure amounted to USD 14.8 million. Other portfolio expenditure accounted to USD 0.5 million.

In 2021, corporate affairs, administration & finance and board expenditure amounted to USD 13.2 million.

Figure 2: MMV expenditure 2021

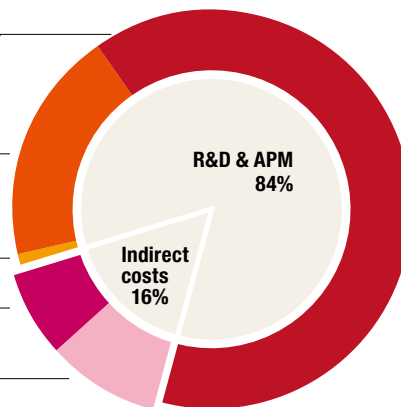
Total: USD 78.9 million

R&D & APM

Research & development	64%
Access & product management	19%
Other portfolio expenditure	1%

Indirect costs

Administration & finance	9%
Corporate affairs	7%

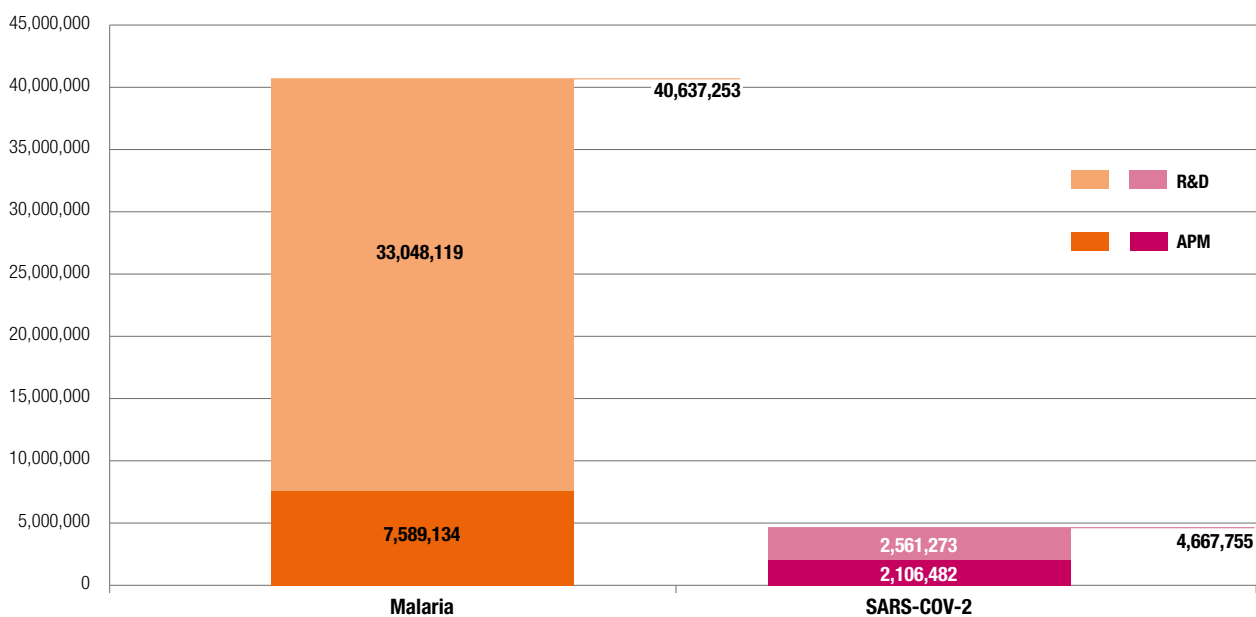


Programmatic spend per disease

MMV advanced its vast portfolio, addressing R&D gaps affecting low-resource settings while engaging in COVID-19-related activities.

Figure 3: Programmatic spend per disease

Total USD 45.3 million





KPMG SA
Esplanade de Pont-Rouge 6
PO Box 1571
CH-1211 Geneva 26

+41 58 249 25 15
kpmg.ch

Independent Auditor Report to the Management on the Summary Consolidated Financial Statements of MMV MEDICINES FOR MALARIA VENTURE, Meyrin

The accompanying summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 December 2021, summary consolidated statement of operations, summary consolidated statement of changes in capital and summary consolidated statement of cash flow for the period ended and related notes, are derived from the audited financial statements of MMV MEDICINES FOR MALARIA VENTURE for the year ended 31 December 2021. We expressed an unmodified audit opinion on those financial statements in our report dated 14 April 2022. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required by Swiss GAAP FER and Swiss law. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of MMV MEDICINES FOR MALARIA VENTURE.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Swiss Auditing Standard (SAS) 810, *Engagement to Report on Summary Financial Statements*.

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of MMV MEDICINES FOR MALARIA VENTURE for the year ended 31 December 2021 are consistent, in all material respects, with those financial statements, in accordance with Swiss GAAP FER and Swiss law.

KPMG SA

Pierre-Henri Pigeon
Licensed Audit Expert

Delphine Brousse Anderson
Licensed Audit Expert

Geneva, 14 June 2022

Enclosure:

- Summary consolidated financial statements (summary consolidated statement of financial position as at 31 December 2021, summary consolidated statement of operations, summary consolidated statement of changes in capital and summary consolidated statement of cash flow for the period ended and related notes)

MMV SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

			31 Dec 2021	31 Dec 2020
			USD	USD
ASSETS				
Current assets				
	Cash and cash equivalents	3	35 376 192	41 857 848
	Donations receivable	7	4 954 481	645 911
	Accounts receivable	8	8 869 203	874 321
	Tax receivable		8 974	7 451
	Prepays		644 143	555 643
	Prepaid portfolio commitments	11	6 696 570	10 646 546
	Total current assets		56 549 563	54 587 720
Long-term assets				
	Long-term receivables	8	8 309 966	16 231 586
	Investment portfolio - Foundation Fund	5	15 592 585	15 526 418
	Guarantees	18	249 399	257 982
	Fixed assets, net	4	126 143	208 067
	Total long-term assets		24 278 093	32 224 053
	TOTAL ASSETS		80 827 656	86 811 773
LIABILITIES, CAPITAL & RESERVES				
Current liabilities				
	Accrued portfolio commitments		7 619 406	13 728 350
	Deferred revenue	9	-	2 800 000
	Other creditors		1 234 129	2 298 771
	Accrued expenses		2 657 891	3 072 030
	Short-term provisions	6	1 135 606	1 377 481
	Foreign exchange contracts	13	88 063	58 950
	Total current liabilities		12 735 095	23 335 582
	Restricted operating funds		16 511 914	16 936 831
	Total restricted funds		16 511 914	16 936 831
Unrestricted funds				
	Paid-in capital	1	4 000 000	4 000 000
	Foundation Fund	5	32 212 537	31 758 024
	Unrestricted operating funds		15 368 110	10 781 336
	Total unrestricted funds		51 580 647	46 539 360
	TOTAL LIABILITIES, CAPITAL & RESERVES		80 827 656	86 811 773

MMV SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN CAPITAL

	Balance at 1 January 2020	Prior year adjustments	Allocation of funds	Use of funds	Gain/(loss) for the period	Balance at 31 December 2020	Allocation of funds	Use of funds	Internal funds transfers	Gain/(loss) for the period	Balance at 31 December 2021
Restricted operating funds	1 506 750	-	29 143 260	(13 713 179)	15 430 081	16 936 831	27 948 646	(27 509 621)	(863 943)	439 025	16 511 914
TOTAL RESTRICTED OPERATION FUNDS	1 506 750	-	29 143 260	(13 713 179)	15 430 081	16 936 831	27 948 646	(27 509 621)	(863 943)	439 025	16 511 914
Paid-in capital	4 000 000	-	-	-	-	4 000 000	-	-	-	-	4 000 000
Foundation Fund	29 998 911	-	1 806 167	(47 054)	1 759 113	31 758 024	783 340	(328 828)	-	454 513	32 212 537
Unrestricted operating funds	25 352 131	1 420 653	58 567 149	(74 558 597)	(15 991 448)	10 781 336	56 806 778	(53 083 947)	863 943	3 722 831	15 368 110
TOTAL UNRESTRICTED FUNDS	59 351 042	1 420 653	60 373 316	(74 605 651)	(14 232 335)	46 539 360	57 590 118	(53 412 775)	863 943	4 177 344	51 580 647
TOTAL	60 857 792	1 420 653	89 516 576	(88 318 830)	1 197 747	63 476 192	85 538 764	(80 922 396)	-	4 616 369	68 092 561

The internal funds transfers between restricted and unrestricted funds in fiscal year 2021 concern allocation of 2020 expenditures (originally covered by an unrestricted grant) to a restricted grant based on donor's request.

MMV SUMMARY CONSOLIDATED STATEMENT OF OPERATIONS FOR THE PERIOD ENDED

		31 Dec 2021	31 Dec 2020
		USD	USD
REVENUE			
	Notes		
Donation revenue			
	Restricted donations	27 948 645	29 143 260
	Unrestricted donations	56 128 804	57 709 230
Total donations revenue	7	84 077 449	86 852 490
	Restricted revenue from partnerships	-	-
	Unrestricted revenue from partnerships	932 622	1 362 337
	Other unrestricted revenue	133 697	164 603
Total other revenue		1 066 319	1 526 940
TOTAL REVENUE	8	85 143 768	88 379 430
EXPENDITURE			
Portfolio expenditure			
	Discovery project expenditure	16 906 597	24 144 192
	Translational project expenditure	18 761 946	24 976 098
	Development project expenditure	14 757 047	12 499 688
	Access & product management project expenditure	14 774 878	12 239 427
	Other portfolio expenditure	562 556	2 286 135
Total portfolio expenditure		65 763 024	76 145 540
Support of portfolio expenditure			
	Board meetings expenditure	57 426	219 031
	Corporate affairs expenditure	5 690 513	6 148 532
	Administration & finance expenditure	7 424 540	6 600 129
Total support of portfolio expenditure		13 172 479	12 967 692
	Other expenditure	-	7 000
	Funding reimbursements	-	62 805
Other expenses		-	69 805
TOTAL EXPENDITURE		78 935 503	89 183 037
RESULT FROM OPERATING ACTIVITIES		6 208 265	(803 607)
	Financial Income	477 334	2 520 140
	Financial Expenses	(2 069 233)	(518 786)
	Net financial result	(1 591 899)	2 001 354
	<i>Of which are related to the Foundation Fund</i>	66 167	1 095 092
NET SURPLUS PRIOR TO ALLOCATIONS		4 616 366	1 197 747
Transfer (to) donor restricted operating funds		(439 025)	(15 430 081)
NET SURPLUS/(DEFICIT) PRIOR TO ALLOCATIONS TO UNRESTRICTED FUNDS		4 177 341	(14 232 334)
ALLOCATIONS			
	Transfer (to)/from unrestricted operating funds	(3 722 831)	15 991 448
	Transfer (to)/from Foundation Fund	(454 513)	(1 759 113)

MMV SUMMARY CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED

		2021	2020
	Notes	USD	USD
(LOSS)/SURPLUS FOR THE YEAR		4 616 366	1 197 747
CASH FLOW FROM OPERATING ACTIVITIES			
Depreciation	4	81 924	84 302
(Increase)/decrease in donations receivable		(4 315 235)	(219 737)
(Increase)/decrease in accounts receivable	8	(7 994 883)	(85 601)
(Increase)/decrease in tax receivable		(1 522)	256 541
(Increase)/decrease in portfolio-related prepaid expenses	11	3 759 986	(9 739 389)
(Increase)/decrease in prepaid expenses		(87 961)	179 597
(Increase)/decrease in long-term receivable	8	7 921 620	(664 020)
Increase/(decrease) in accrued portfolio-related commitments		(6 109 428)	(1 311 093)
Increase/(decrease) in deferred revenue	9	(2 800 000)	(6 993 333)
Increase/(decrease) in other creditors		(1 090 309)	681 151
Increase/(decrease) in accrued expenses		(409 844)	304 919
Increase/(decrease) in provisions	6	(241 875)	538 941
Increase/(decrease) in reserves due to reimbursement of prior years expenditures		-	1 420 652
Unrealized foreign currency (gain)/loss		236 691	(616 062)
Unrealized (gain)/loss on investment portfolio - Foundation Fund	13	(399 589)	(1 142 056)
(Increase)/decrease in investment portfolio - Foundation Fund	5	333 422	46 963
CASH FLOW RESULTING FROM OPERATING ACTIVITY		(6 500 637)	(16 060 478)
CASH FLOW FROM INVESTMENT ACTIVITY			
(Increase)/decrease in guarantees		8 583	(16 044)
(Increase)/decrease in foreign exchange contracts		29 113	58 950
(Increase)/decrease in fixed assets	4	-	(35 647)
CASH FLOW RESULTING FROM INVESTMENT ACTIVITY		37 696	7 259
NET INCREASE/(DECREASE) OF CASH AND CASH EQUIVALENTS		(6 462 941)	(16 053 219)
Cash & cash equivalents at beginning of year		41 857 848	57 233 655
Effect of exchange rate fluctuations on cash held		(18 715)	677 412
Cash & cash equivalents at end of year		35 376 192	41 857 848

1. GENERAL INFORMATION

a) Organization

MEDICINES FOR MALARIA VENTURE (MMV) is a Swiss foundation, established as a not-for-profit legal entity, registered in Geneva under statutes dated 15 November 1999. It is managed by a foundation council, a chief executive officer and eight senior managers.

The aim of MMV is to bring public and private sector partners together to fund, and provide managerial and logistical support, for the discovery and development and access to new medicines for the treatment and prevention of malaria. The products should be affordable and appropriate for use by populations in developing countries. Its head office is located in Geneva.

As all Swiss foundations, Medicines for Malaria Venture is monitored by the Swiss Federal Supervisory Board for Foundations.

The summary consolidated financial statements for the year ended 31 December 2021 were approved for issue by the MMV Board on 13 April 2022.

b) Paid-in capital

The paid-in capital is fully subscribed at USD 4,000,000 as stipulated under the original legal statutes. Under normal circumstances, paid-in capital may be used during the year to meet cash flow shortfalls, but should be replenished before closing at year end. Paid-in capital together with the residual operating funds serve to maintain the viability of the organization, for six months, until other funding sources can be found.

c) Operation funds

The accumulated restricted and unrestricted operation funds represent the excess of donor grants over expenditure since the inception of MMV. These funds are available to be utilized for future operations and project funding costs in accordance with the donors' requirements.

d) Foundation Fund

In 2019, the MMV Board of Directors approved the establishment of a directly controlled quasi-endowment structure (the Foundation Fund, described in Note 5 below) to invest the revenues from the GlaxoSmithKline (GSK) *Krintafel* (tafenoquine) partnership described in Note 8 below, as well as any possible and similar future extraordinary revenue.

2. ACCOUNTING PRINCIPLES APPLIED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

a) Basis of preparation

The summary consolidated financial statements have been prepared in accordance with the articles of incorporation of MMV and the Swiss Generally Accepted Accounting Principles (Swiss GAAP FER/RPC), in particular RPC 21.

The summary consolidated financial statements have been prepared on a historical cost basis, except where a standard requires a different measurement basis.

Fair value is the amount for which a financial asset, liability or instrument could be exchanged between knowledgeable and willing parties in an arm's length transaction.

The summary consolidated financial statements give a true and fair view of the organization's financial position, the result of operations and cash flows.

Certain prior-year amounts have been reclassified to conform with the current year's presentation.

These summary consolidated financial statements have been extracted from the full consolidated financial statements with the exception of:

- prior year information (note 4 and 7),
- portfolio expenditures table (note 10),
- salaries and related charges tables (note 12),
- management compensation (note 16).

b) Foreign currency translation

The summary consolidated financial statements are presented in US dollars (USD), since the majority of MMV's activities are conducted in this currency (group functional and presentation currency).

Transactions in foreign currencies are translated at the foreign exchange rate in effect on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate in effect on the

date of the balance sheet. Foreign exchange differences arising on translation are recognized in the summary consolidated statement of operations. Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated using the exchange rate on the date of the transaction.

The following exchange rates were used at year end:

2021

→ CHF 1	=	USD	1.095356
→ EUR 1	=	USD	1.134199
→ GBP 1	=	USD	1.351043
→ AUD 1	=	USD	0.726113

2020

→ CHF 1	=	USD	1.133052
→ EUR 1	=	USD	1.226373
→ GBP 1	=	USD	1.364900
→ AUD 1	=	USD	0.770745

2021

→ USD 1	=	CHF	0.912945
→ USD 1	=	EUR	0.881679
→ USD 1	=	GBP	0.740169
→ USD 1	=	AUD	1.377196

2020

→ USD 1	=	CHF	0.882572
→ USD 1	=	EUR	0.815413
→ USD 1	=	GBP	0.732654
→ USD 1	=	AUD	1.297446

c) Basis of consolidation

MMV has established a special purpose entity (SPE) for fundraising in North America (MMV, North America Inc.). MMV does not have any direct or indirect shareholdings in this entity. An SPE is consolidated if, based on an evaluation of the substance of its relationship with MMV and the SPE's risks and rewards, MMV concludes it controls the SPE. The SPE was established under such terms and conditions that it imposes strict limitations on the decision-making powers of the SPE's management, with the result that MMV receives the majority of the benefits related to the SPE's operations and net assets while being exposed to the majority of risks

incident to the SPE's activities, and retaining the majority of the residual or ownership risks related to the SPE or its assets. MMV appoints the board members of the SPE.

On this basis and in accordance with Swiss GAAP FER 30, MMV North America Inc. has been fully consolidated on a line-by-line basis into the summary consolidated financial statements since 2011.

Organizations consolidated in 2021 and 2020:

Country	United States of America
Name and domicile	MMV North America, Inc. Delaware
Functional currency	USD
% controlled by MMV	N/A
Direct/Indirect	N/A

All intra-group balances and transactions, and any unrealized gains and losses arising from intra-group transactions, are eliminated in preparing the summary consolidated financial statements.

d) Accounting estimates and judgements

The preparation of summary consolidated financial statements in conformity with Swiss GAAP FER requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. If, in the future, such estimates and assumptions, which are based on management's best judgement on the date of the summary consolidated financial statements, deviate from

the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

Critical accounting judgements in applying MMV accounting policies pertain to:

Revenue recognition

MMV enters into complex grant contracts that contain numerous provisions related to performance, reporting and spending. These criteria are monitored by both the scientific programme and finance teams to assess progress

according to grant milestones and objectives. The evaluation of progress requires judgement, as it is based on subjective evaluations and discussions with programme participants and sponsors. When a donor has validated a report and associated expenditures, the associated donation is considered as a revenue of the year and as receivable as of year-end.

Research and development expenditure

MMV's research and development expenditure is generally not direct expenditure, but is in the form of grants and contracts with external parties

who perform certain tasks at their request. These requests are formalized by contracts and agreements that outline the requested services and development effort. Progress against expectations is difficult to measure, and measurement criteria are generally not defined in grant agreements. We review research plans and activities regularly to adjust annual funding levels prospectively. Additionally, actual research and development timing and execution are often different to that of the original plans. These factors lead to subjectivity in the timing and recognition of research and development expenditure.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances and short-term deposits with maturity of one month after the closing date.

	2021 USD	2020 USD
Petty cash	7 065	6 475
Bank balances	27 831 094	33 689 235
Time deposits	7 538 033	8 162 138
Total cash and cash equivalents	35 376 192	41 857 848

4. FIXED ASSETS

Fixed assets are stated at cost net of accumulated depreciation. Depreciation is charged to the summary consolidated statement of operations on a straight line basis over the estimated useful life of the assets.

The following depreciation rates are used depending on the fixed asset category:

- office furniture 20%
- fixtures and installations 33%
- computers and equipment 33%

2021	Fixtures & installations USD	Office furnitures USD	Computers & equipment USD	Total USD
Costs at 1 January	1 039 637	392 363	302 346	1 734 345
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 December	1 039 637	392 363	302 346	1 734 345
Accumulated depreciation at 1 January	876 315	390 886	259 077	1 526 278
Charge for the year	52 080	1 079	28 765	81 924
Disposals	-	-	-	-
At 31 December	928 395	391 965	287 842	1 608 202
Net book value at 31 December	111 242	398	14 504	126 143

5. INVESTMENT PORTFOLIO – FOUNDATION FUND

In 2019, the MMV Board of Directors approved the establishment of a directly controlled quasi-endowment structure (the Foundation Fund) to invest the revenues from the GSK *Krintafel* (tafenoquine) partnership described in Note 8 below, as well as any possible and similar future extraordinary revenue. The long-term strategic objective of the Foundation Fund is to improve the conditions for MMV business sustainability, and/or to pursue possible future opportunities, which are consistent with its humanitarian mission, but may be restricted by the

current business model of the foundation. In 2019, the Board also approved the related investment policy and appointed an investment manager for the Foundation Fund, following a competitive selection process, and approved the transfer to the investment manager of the initial 50% received from GSK (described in Note 8). The investment is classified as a long-term asset, as the intention of MMV is to keep these investments in the foreseeable future. In compliance with the investment policy approved by the Board, the above-mentioned assets were invested in:

- a discretionary fixed interest portfolio (USD-denominated, investment-grade bonds, 87.5% of total at inception, 84% as of Dec 31, 2021);
- a well-known exchange-traded fund, or ETF, (the MSCI World ESG Index) reflecting the performance of the global equity markets (10% of total at inception, 14% as of Dec 31, 2021); and
- a money market fund (2.5% of total at inception, 2% as of Dec 31, 2021).

The market value of this investment portfolio as of 31 December was the following:

	2021 USD	2020 USD	2021 performance USD	2020 performance USD
Money market funds	356 019	357 577	-0,44%	0,03%
MSCI World ESG index	2 132 820	1 737 825	22,73%	17,42%
Fixed interest portfolio (discretionary mandate)	13 103 746	13 431 016	-2,44%	6,65%
Total	15 592 585	15 526 418	0,43%	7,59%

6. SHORT-TERM PROVISIONS

A provision is recognized in the balance sheet when MMV has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

	Unused vacation provision USD	Total provisions USD
Balance at 1 January 2020	838 540	838 540
Use/release	(838 540)	(838 540)
Allocation for the year	1 377 481	1 377 481
Balance at 31 December 2020	1 377 481	1 377 481
Use/release	(1 377 481)	(1 377 481)
Allocation for the year	1 135 606	1 135 606
Balance at 31 December 2021	1 135 606	1 135 606

7. REVENUE AND DONATIONS RECEIVABLE

Revenue recognition

Unrestricted grants

An unrestricted grant is recognized as revenue in the summary consolidated statement of operations when the grant becomes receivable. Any other grant which has performance, timing or other conditions is recognized in the balance sheet as revenue once the foundation has complied with the stipulated conditions. If the conditions have not yet been fully complied with, then this grant component is reported as a contingent asset as disclosed in Note 15. At year end, if the unrestricted grants have

not been fully used, they are presented as unrestricted operating funds in the balance sheet.

Restricted grants

When the donor wishes to see a donation allocated to a specific cause, the donation is considered to be a restricted grant. Restricted grants that have not been used at the end of the year are presented in the restricted operating funds in the balance sheet.

Deferred revenue

When a grant associated to a specific project

is paid to MMV prior to the start of this project, this revenue is considered as deferred and will be recognized only during the fiscal year in which the project starts.

Contributions in kind

Occasionally, MMV receives donations in kind, primarily in the form of free use of goods or services or preferential discounts. These in-kind contributions are not stated in the statement of operations as this type of contribution is difficult to valorize.

Summary of donations received or committed during 2021:

	Cash received 2021	Revenue recognized during previous year	Donations receivable	Revenue deferred from previous year	Revenue deferred to following year	Unrealized foreign exchange (gain)/loss	Total revenue as per statement of operations
Australian Government Department of Foreign Affairs and Trade (DFAT)	2 745 116	-	-	-	-	-	2 745 116
Bill & Melinda Gates Foundation (Core grant)	36 170 000	-	-	-	-	-	36 170 000
Individual donors	13 648	-	-	-	-	-	13 648
Irish Government Department of Foreign Affairs and Trade (Irish Aid)	1 195 321	-	-	-	-	-	1 195 321
UK Foreign, Commonwealth & Development Office (FCDO)	13 656 725	-	-	-	-	-	13 656 725
Swiss Agency for Development and Cooperation (DEZA/SDC)	2 347 994	-	-	-	-	-	2 347 994
Total unrestricted donations	56 128 804	-	-	-	-	-	56 128 804
European and Developing Countries Clinical Trials Partnership (EDCTP, PAMAfrica grant)	-	-	1 145 690	-	-	6 666	1 152 356
European and Developing Countries Clinical Trials Partnership (EDCTP, Sindofa grant)	243 436	-	-	-	-	-	243 436
German Federal Ministry of Education and Research (BMBF)	3 317 409	-	-	-	-	-	3 317 409
Global Health Innovative Technology Fund (GHIT)	667 211	(154 905)	-	-	-	3 935	516 241
Korea International Cooperation Agency (KOICA) Global Disease Eradication Fund (GDEF)	-	-	-	2 800 000	-	-	2 800 000
Netherlands Ministry of Foreign Affairs (DGIS)	4 321 722	-	-	-	-	-	4 321 722
Principality of Monaco Direction de la Coopération Internationale (DCI)	121 701	(122 637)	-	-	-	936	-
Program for Appropriate Technology in Health (PATH, VivAccess grant)	722 413	-	248 692	-	-	-	971 105
Swiss Agency for Development and Cooperation (DEZA/SDC, Antimalarial Treatment Options for Pregnant Women)	433 859	-	-	-	-	-	433 859
UK Foreign, Commonwealth & Development Office (FCDO, South Africa ReAct study)	3 053 038	-	-	-	-	-	3 053 038
UNITAID (Supply grant)	1 015 796	-	-	-	-	-	1 015 796
UNITAID (Vivaction Plan grant)	6 162 453	-	-	-	-	-	6 162 453
United States Agency for International Development (USAID)	769 501	(368 369)	3 560 098	-	-	-	3 961 230
Total restricted donations received	20 828 539	(645 911)	4 954 480	2 800 000	-	11 537	27 948 645
TOTAL DONATIONS	76 957 343	(645 911)	4 954 480	2 800 000	-	11 537	84 077 449

Of the total donations recognized in the summary consolidated statement of operations, USD 13,648 were received through MMV North America Inc.

8. LONG-TERM RECEIVABLES & TOTAL OTHER REVENUE

Revenues from partnerships

GlaxoSmithKline

MMV has been collaborating with pharmaceutical partner GSK on the co-development of *Krintafel* (tafenoquine) since 2008. On 20 July 2018, the United States Food and Drug Administration (FDA) granted regulatory approval, under priority review, of single-dose *Krintafel* for the radical cure (prevention of relapse) of *Plasmodium vivax* malaria, in patients aged 16 years and older, who are receiving appropriate antimalarial therapy for acute *P. vivax* infection.

Under US law, following approval by the FDA of a treatment for a neglected or rare paediatric disease, the developer may receive a Priority Review Voucher (PRV) that entitles the recipient to a priority review by the FDA for a different drug. This voucher can either be used by the developer, or sold to a third party. Upon approval of *Krintafel*, the FDA granted a PRV to GSK. In October 2018, GSK used this PRV for a new drug application to the FDA by ViiV Healthcare, an affiliate of GSK.

GSK and MMV have both contributed to the cost of development of *Krintafel* during the period 2008–2018. Under the terms of the co-development agreement, as GSK has used the PRV, MMV is entitled to the refund of its share of the co-development costs from GSK. GSK

agreed to reimburse 50% of MMV's cumulative costs for the period from 2008 to 31 December 2018 in Q1 2019, 25% in July 2022 and the residual 25% in July 2023. The two latter payments are subject to amendments to reflect any additional *Krintafel* development costs incurred by MMV after 1 January 2019.

The cumulative costs incurred by MMV on the development of *Krintafel* from 2008 to 31 December 2018, amounted to USD 28,426,969. Therefore, MMV recognized this amount as revenue from the GSK partnership during fiscal year 2018. MMV also booked in its summary consolidated statement of financial position as of 31 December 2018, 50% of the above amount, i.e. USD 14,213,484, as a short-term account receivable due in March 2019; and USD 14,213,484 as a long-term account receivable (to account for two residual payments of USD 7,106,742 each, due in July 2022 and July 2023).

In March 2019 MMV received the first payment from GSK in full. In 2020 MMV incurred additional net expenditure of USD 664,021 (2019: USD 1,354,081) in the co-development of *Krintafel*. As the two parties had agreed that GSK would refund any additional expenditure incurred by MMV after 1 January 2019, by increasing the two residual payment amounts, MMV recognized USD 388,345 in 2021,

USD 664,020 in 2020 and USD 1,354,081 in 2019 as revenue from the GSK partnership. MMV also increased the receivable by the same amount, so that the total of the two residual payments due in July 2022 and July 2023 increased to USD 16,619,932 (2020: USD 16,231,587). Therefore, MMV is due a first payment of USD 8,309,966 at the end of July 2022 and a second payment of USD 8,309,966 at the end of July 2023.

In 2021 and 2020, MMV also recognized another revenue for USD 385,900 and USD 264,378 respectively from GSK in respect of the co-development of co-development of the project GSK701 (or MMV 367).

Others

In 2021, in addition to the above-mentioned revenues from GSK, MMV booked the following revenues from partnerships: USD 91,500 (2020: USD 140,970) from Janssen in respect of the co-development of P218 and IM-atovaquone, and USD 66,878 (2020: USD 292,968) from Shin Poong.

MMV plans to use the above-mentioned revenues from partnerships in support of its charitable mission.

Other unrestricted revenue includes:

	2021	2020
	USD	USD
Tax at source commission	37 899	41 520
Honorarium	16 044	35 373
Consulting fees	-	12 908
Reimbursement from grantees	70 062	30 370
Other	9 692	44 432
OTHER REVENUE	133 697	164 603

9. DEFERRED REVENUE

In late December 2020, MMV received the first payment from Korea International Cooperation Agency (KOICA) as a pre-financing grant

of USD 2,800,000. Considering the project financed by this grant will start in 2021, this payment was recognized as deferred revenue

in 2020 and as revenue in 2021.

10. PORTFOLIO EXPENDITURES

Expenditure and grants allocated for research and development activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recorded on the basis of contracts with grantees. In the event that a portion of a grant is unpaid at the year end, it is included under current liabilities. Expenses paid before year end for the following period are recorded as prepaid portfolio commitments.

Regulatory and other uncertainties inherent in the development of new products in this sector preclude MMV from capitalizing on development costs.

Project-related variable expenditure includes all legal advice/services for contract negotiations (IPR), organization and travel for project meetings/reviews, MMV scientific personnel compensation. Expenditure for this MMV support totalled USD 19,951,735 in 2021 and USD 19,422,922 in 2020.

Project reimbursements receivable

These refer to unused balances of project grants previously committed, which are returned to MMV by the project partners as stipulated in the individual contractual agreements on termination or reorganization of R&D projects.

11. PREPAID PORTFOLIO COMMITMENTS

Prepaid portfolio commitments are payments made to grantees or suppliers for goods or services which will be only delivered during the next fiscal years.

As of 31 December 2021, there are the following major categories of prepayments in relation with MMV portfolio projects:

	2021 USD	2020 USD
Chloroquine prepayment	2 575 125	4 500 000
EDCTP Pamafrica prepayments to subgrantees	2 850 763	4 199 643
Vivaction project prepayment	630 586	-
Product development related	206 249	662 163
Discovery related	146 755	453 167
Translational related	130 080	214 236
Access and Product Management related	101 810	561 395
Other prepaid portfolio commitments	55 202	55 942
Total prepaid portfolio commitments	6 696 570	10 646 546

The significant decrease in prepaid portfolio commitments is mainly due to the two following items:

a) Use of a restricted donation of USD 4,984,000 received from the Bill & Melinda Gates Foundation in 2020 aimed at the procurement and distribution of 120 million tablets of Chloroquine Phosphate 250mg, with an expiry date of April 2023. Chloroquine is a generic oral medication initially used in the treatment and prevention of all malaria species (*Plasmodium falciparum*, *P. vivax*, *P. ovale*, and *P. malariae*). It is no longer used for *P. falciparum*, as there is widespread resistance to it and ACTs are now the standard of care, but it is still the main treatment against the blood stage of *P. vivax* malaria. This restricted grant from the Bill & Melinda Gates Foundation was accounted for as

“revenue” in 2020. As pharmaceutical products to be donated in the context of MMV’s mission can only be accounted for as “expenditure” upon physical and legal transfer of ownership to the final beneficiaries (in the specific case, the Ministries of Health of India and Ethiopia and other similar entities), In 2020 MMV accounted for the entire stock of 120 million tablets as “prepaids”. In 2021 MMV transferred ownership of 50 million tablets to the Ethiopian Ministry of Health / Ethiopian Pharmaceuticals Supply Agency and book as “expenditure” the value of this part of the stock. As a result, the value of the “prepaid” commitment was reduced from USD 4,500,000 to USD 2,575,125. The residual value of the 70 million tablets will be booked as “expenditure” as soon as the organization will either partly or wholly transfer its ownership.

b) Use of a restricted donation from the European and Developing Countries Clinical Trials Partnership (EDCTP) as a pre-financing grant equivalent to USD 9,698,419, which was recognized as a revenue in fiscal year 2020. In 2020 MMV (as leader of the consortium) released advance payments to other consortium members for a total amount equivalent to USD 5,848,430 to cover the costs of activities supported by the EDCTP grant over the period 2020-21. As of December 31, 2020, the total amount of outstanding prepaid portfolio commitments related to 2021 activities funded by the EDCTP grant was equivalent to USD 4,199,643. As a result, as of December 31, 2021, the outstanding prepaid portfolio commitment related to 2022 activities funded by the EDCTP grant was equivalent to USD 2,850,763.

c) Use of a USD 6,131,253 restricted donation from Unitaid in respect of the VivAction project, which was recognized as a revenue in fiscal year 2021. In 2021 MMV (as leader of the consortium) released advance payments to other consortium members for a total amount equivalent to USD 1,303,178 to cover the costs of activities supported by the Unitaid grant. As a result, as of December 31, 2021, the outstanding prepaid portfolio commitment related to 2022 activities funded by the Unitaid grant was equivalent to USD 630,586.

12. PERSONNEL EXPENSES

Salaries and related charges were as follows:

As of 31 December 2021, there were 71.5 full-time equivalent employees with permanent contract (2020: 67.8), as well as 31.8 full-time equivalent temporary staff members with fixed-term contract ranging between one and three years (2020: 37.6).

The pension plan covers all employees for death and disability benefits. Cover for retirement benefits begins in the year following each employee’s 24th birthday. The retirement pension is based on the level of the retirement credits, the interest rate to be credited and the conversion rate to be applied at retirement age. Risk benefits are related to pensionable salary.

The occupational benefits are provided by a collective foundation, Profond, according to a defined contribution benefit plan: investment yield has no impact on premiums; the employer does not guarantee the benefit amount. The plan is funded by the contribution of MMV and the employees.

	2021	2020
Capital ratio	117,0%	109,8%
Amount payable to pension fund	4 596	684

13. FINANCIAL RESULT

Financial income	2021 USD	2020 USD
Unrealized gain on portfolio investments	399 589	1 142 056
Bank interests	11 757	194 735
Exchange gain from CHF	-	626 178
Exchange gain from EUR	-	375 088
Exchange gain from AUD	-	182 083
Exchange gain from GBP	65 988	-
Total	477 334	2 520 140

Financial expenses	2021 USD	2020 USD
Loss on foreign exchange forward contracts	88 063	58 951
Bank charges	62 908	111 563
Exchange loss from GBP	-	280 668
Exchange loss from CHF	1 304 538	-
Exchange loss from EUR	327 612	-
Exchange loss from AUD	38 377	-
Exchange loss from JPY	8 528	-
Unrealized loss on money market deposit	239 207	67 604
Total	2 069 233	518 786

In order to minimize the potential adverse effect of foreign exchange fluctuations, the MMV liquidity is deposited in bank accounts denominated in foreign currencies in proportion to the breakdown of total expenditure by currency (natural hedging).

On August 24, 2021, MMV entered into twelve foreign exchange “forward” contracts with one of its banks to buy on twelve pre-fixed dates in 2022 (once every month) an amount of CHF 2,000,000 (total CHF 24m), and to sell on the same dates the equivalent USD-denominated amounts at pre-agreed USD CHF exchange rates (USD CHF range: 0.901 – 0.911, average 0.906). Such “forward” contracts are used for hedging purposes (as most of MMV’s revenues are USD-denominated and only a small portion are expressed in CHF, while a significant portion of its operating expenditure are CHF-denominated); they are recognized at fair value on the day when they are entered; and they are recorded as either receivables or liabilities.

	2021		Purpose	2020		Purpose
	Positive value	Negative value		Positive value	Negative value	
Foreign exchange forward contracts	-	(88 063)	Hedging	-	(58 950)	Hedging
Total financial instruments	-	(88 063)	-	-	(58 950)	-

14. LEASES

Non-cancellable operating lease rentals are payable as follows:

	2021 USD	2020 USD
Less than one year	733 044	1 028 830
Between one and five years	76 359	2 732 081
Total	809 403	3 760 911

MMV has several operating leases. These leases generally run for a period of six years, with an option to renew the lease after that date. During the year ended 31 December 2021, USD 1,012,399 was recognized as an expense in the summary consolidated statement of operations in respect of operating leases (2020: USD 1,075,537).

In September 2017 MMV renewed the rental agreement in respect of its Geneva headquarter (approximately 1,850 m²) for the six-year period running from 1 September 2018 to 31 August 2024. In 2018 an amendment was signed with the landlord to increase the size of the MMV office to approximately 2,000 m². Under the terms of the rental agreement, MMV can unilaterally terminate the lease every

two years (with value date 31 August 2020, 31 August 2022, and 31 August 2024) with one-year notice (by 31 August 2019, 31 August 2021, and 31 August 2023 respectively). In consideration of the implementation of a new “hybrid” work model at MMV (which calls for increased balance between office and home-office flexibility) and the subsequent expected reduction in the size of the office space needed, in August 2021 MMV gave notice to the landlord for value date 31 August 2022, and initiated a negotiation on the future size of the office space and its rental costs.

15. CONTINGENT ASSETS

As per current contractual agreements, and depending on satisfactory reporting to donors, contingent assets related to donations are as follows:

	2021 USD	2020 USD
Less than one year	78 827 294	73 957 503
Between one and five years	90 055 460	130 715 668
Total	168 882 754	204 673 171

16. RELATED PARTIES

MMV has related-party relationships with its Board members, executive officers and MMV North America Inc.

Board members serve on a voluntary basis and receive no remuneration. They are compensated for travel and accommodation for participation in Board meetings and receive a per diem allowance to cover incidental expenses during these events.

	2021 USD	2020 USD
Board members & meetings	57 426	219 031

There were no loans to Directors or executive officers for the years ended 31 December 2021 and 31 December 2020.

Some donors are represented in the foundation council. MMV management considers that their presence on the foundation council

does not affect the nature of the relationship between MMV and these donors. These donors are therefore not considered related parties. Therefore, all MMV donors have been considered third parties.

MMV runs an annual evaluation of identification of potential related parties, this is done at the Senior Management level and as well with Board members. The nature and volume of transactions with the identified related parties are summarized in the following table.

	2021		2020	
	Transactions during the year	Receivable/(payable) at year-end	Transactions during the year	Receivable/(payable) at year-end
Strategic partnership	270 577	-	77 799	-
Schooling fees	84 373	-	128 665	16 639
Total	354 950	-	206 464	16 639

17. RISK MANAGEMENT

The foundation council has overall responsibility for organizing and supervising risk management. The audit committee monitors management's approach to risk management in compliance with the organization's principles and procedures and verifies that risks are managed appropriately in light of the current risks faced by the organization. Based on

a risk identification carried out periodically, MMV's essential risks are assessed in respect of likelihood and impact and documented in a risk analysis report. Management is responsible for monitoring and supervising the substantial risks.

For risks related to accounting principles and financial reporting, an annual risk analysis was carried out. Controls in line with the internal control system have been defined and measures resulting from this have been implemented in order to minimize risks related to accounting principles and financial reporting.

18. GUARANTEES

Guarantees concern office rental only and are recoverable on vacating the premises subject to the prevailing contracts.

19. CAPITAL COMMITMENTS AND CONTINGENCIES

MMV encounters certain risks and uncertainties in conducting its affairs. These risks and uncertainties have financial statement implications. In all instances, these have been

considered in the summary consolidated financial statements, despite the fact that the outcomes of these uncertainties cannot be predicted with absolute certainty. Management

has concluded that provisions for these risks are appropriate, and any adverse resolution of these uncertainties will not have a material impact on the financial position or results of the foundation.

20. AUDITORS

KPMG SA, Geneva, have been MMV's statutory auditors since the fiscal year 2003. Following a competitive bid in 2017, KPMG were reappointed as the statutory auditors. The current lead auditor, Pierre-Henri PINGEON,

has acted in this capacity since 2021.

During fiscal year 2021, MMV incurred the following expenses:

→ Statutory audits: USD 67,546 (2020: USD 81,588)

→ Special audit reports to donors: USD 56,532

(2020: USD 62,445) - These audit reports to donors are not all performed by MMV statutory auditors.

→ Other services: USD 36,040 (2020: 25,759)

21. SUBSEQUENT EVENTS

No events have occurred between the balance sheet date and the date of this report that require adjustment to, or disclosure in, these financial statements.