

Financial view

Financial year
to 31 December 2022

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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 2022 amounted to USD 74.7 million. This, and every contribution over the years, has helped to advance our mission and the ultimate goal of defeating malaria together.

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

Expenditure

Total expenditure in 2022 amounted to USD 89.1 million. Research & development (R&D) expenditure amounted to USD 56.3 million.

Access & product management (APM) expenditure amounted to USD 16.6 million. Other portfolio expenditure amounted to USD 1.7 million.



Report of the auditor

to the Board of Directors of Medicines for Malaria Ventures

Meyrin

Report of the auditor on the summary consolidated financial statements

Opinion

The summary consolidated financial statements, which comprise the consolidated balance sheet as at 31 December 2022, and the consolidated statement of changes in capital, the consolidated statement of operations, the consolidated cash flow statement, for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with Swiss GAAP FER and the provisions of Swiss law.

Summary Consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by Swiss GAAP FER and the provisions of Swiss law. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Medicines for Malaria Ventures and the auditor's report thereon. Those consolidated financial statements, and the summary consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those consolidated financial statements.

The Audited Consolidated financial statements and Our Report Thereon

We expressed an unmodified audit opinion on those consolidated financial statements in our report dated April 26, 2023.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of Swiss GAAP FER and the provisions of Swiss law.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary financial statements*.

PricewaterhouseCoopers SA

Marc Secrétan

Licensed audit expert

Geneva, May 26, 2023

Enclosure:

- Summary consolidated financial statements (consolidated balance sheet, consolidated statement of changes in capital, consolidated statement of operations, consolidated cash flow statement, notes)

Tarik Bouchama

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MMV CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31 Dec 2022	31 Dec 2021
		USD	USD
ASSETS	Notes		
Current assets			
Cash and cash equivalents	3	26 726 317	35 376 192
Donations receivable	7	4 047 024	4 954 481
Accounts receivable	8	9 474 064	8 869 203
Tax receivable		51 420	8 973
Prepays		735 167	644 143
Prepaid portfolio commitments	10	2 665 158	6 696 570
Total current assets		43 699 149	56 549 562
Long-term assets			
Long-term receivables	8	-	8 309 966
Investment portfolio - Foundation Fund	5	22 146 748	15 592 585
Rental deposits	17	156 814	249 399
Fixed assets, net	4	228 194	126 143
Total long-term assets		22 531 755	24 278 093
TOTAL ASSETS		66 230 904	80 827 655
LIABILITIES, CAPITAL & RESERVES			
Current liabilities			
Accrued portfolio commitments		9 058 747	7 619 406
Other creditors		3 136 532	1 234 129
Accrued expenses		2 758 855	2 657 891
Short-term provisions	6	983 468	1 135 606
Foreign exchange contracts	12	-	88 063
Total current liabilities		15 937 603	12 735 095
Total restricted funds		9 375 164	16 511 914
Unrestricted funds			
Paid-in capital	1	4 000 000	4 000 000
Foundation Fund	5	30 519 199	32 212 537
Unrestricted operating funds		6 398 938	15 368 110
Total unrestricted funds		40 918 137	51 580 647
TOTAL LIABILITIES, CAPITAL & RESERVES		66 230 904	80 827 655

MMV CONSOLIDATED STATEMENT OF CHANGES IN CAPITAL

	Balance at 1 January 2021	Allocation of funds	Use of funds	Internal funds transfers	Gain/(loss) for the period	Balance at 31 December 2021	Allocation of funds	Use of funds	Gain/(loss) for the period	Balance at 31 December 2022
Restricted operating funds	16 936 831	27 948 646	(27 509 621)	(863 943)	439 025	16 511 914	25 860 371	(32 997 121)	(7 136 750)	9 375 164
TOTAL RESTRICTED OPERATING FUNDS	16 936 831	27 948 646	(27 509 621)	(863 943)	439 025	16 511 914	25 860 371	(32 997 121)	(7 136 750)	9 375 164
Paid-in capital	4 000 000	-	-	-	-	4 000 000	-	-	-	4 000 000
Foundation Fund	31 758 024	783 340	(328 828)	-	454 513	32 212 537	62 465	(1 755 803)	(1 693 338)	30 519 199
Unrestricted operating funds	10 781 336	56 806 778	(53 083 947)	863 943	3 722 831	15 368 110	48 741 063	(57 710 234)	(8 969 172)	6 398 938
TOTAL UNRESTRICTED FUNDS	46 539 360	57 590 119	(53 412 775)	863 943	4 177 344	51 580 647	48 803 528	(59 466 038)	(10 662 510)	40 918 137
TOTAL	63 476 192	85 538 764	(80 922 395)	-	4 616 369	68 092 561	74 663 899	(92 463 159)	(17 799 260)	50 293 301

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 request.

MMV CONSOLIDATED STATEMENT OF OPERATIONS FOR THE PERIOD ENDED

		31 Dec 2022	31 Dec 2021
		USD	USD
REVENUE			
	Notes		
Donation revenue			
	Restricted donation revenue	25 880 371	27 948 646
	Unrestricted donation revenue	47 299 733	56 128 805
Total donations revenue	7	73 180 104	84 077 451
	Restricted revenue from partnerships	-	-
	Unrestricted revenue from partnerships	1 236 416	932 622
	Other unrestricted revenue	247 379	133 697
Total other revenue		1 483 795	1 066 319
TOTAL REVENUE	8	74 663 899	85 143 770
EXPENDITURE			
Portfolio expenditure			
	Discovery project expenditure	14 610 150	16 906 596
	Integrated Sciences project expenditure	7 019 667	10 183 875
	Development project expenditure	34 660 998	23 335 117
	Access & Product Management project expenditure	16 555 269	14 774 879
	Other portfolio expenditure	1 664 937	562 556
Total portfolio expenditure		74 511 021	65 763 022
Support of portfolio expenditure			
	Board meetings expenditure	247 870	57 426
	Corporate Affairs expenditure	4 498 808	7 013 255
	Administration & Finance expenditure	9 827 284	6 101 798
Total support of portfolio expenditure		14 573 962	13 172 480
	Other expenditure	9 510	-
Other expenses		9 510	-
TOTAL EXPENDITURE		89 094 493	78 935 502
RESULT FROM OPERATING ACTIVITIES		(14 430 594)	6 208 268
	Financial income	334 800	477 334
	Financial expenses	(3 703 466)	(2 069 232)
	Net financial result	(3 368 666)	(1 591 899)
	<i>Of which are related to the Foundation Fund</i>	<i>(1 755 803)</i>	<i>66 167</i>
NET SURPLUS PRIOR TO ALLOCATIONS TO RESTRICTED FUNDS		(17 799 260)	4 616 369
Transfer (to) donor restricted operating funds		7 136 750	(439 025)
NET SURPLUS/(DEFICIT) PRIOR TO ALLOCATIONS TO UNRESTRICTED FUNDS		(10 662 510)	4 177 344
ALLOCATIONS			
Transfer (to)/from unrestricted operating funds		8 969 172	(3 722 831)
Transfer (to)/from Foundation Fund		1 693 338	(454 513)

MMV CONSOLIDATED CASH FLOW STATEMENT AS OF 31 DECEMBER

	Notes	2022 USD	2021 USD
(LOSS)/SURPLUS FOR THE YEAR		(17 799 260)	4 616 369
Cash flow from operating activities			
Depreciation	4	100 016	81 924
(Increase)/decrease in donations receivable		907 457	(4 315 235)
(Increase)/decrease in accounts receivable	8	(604 862)	(7 994 883)
(Increase)/decrease in tax receivable		(42 447)	(1 522)
(Increase)/decrease in portfolio-related prepaid expenses	10	4 087 751	3 759 986
(Increase)/decrease in prepaid expenses		(89 843)	(87 960)
(Increase)/decrease in long-term receivable	8	8 309 966	7 921 621
Increase/(decrease) in accrued portfolio-related commitments		1 383 453	(6 109 426)
Increase/(decrease) in deferred revenue	7	-	(2 800 000)
Increase/(decrease) in other creditors		1 899 365	(1 090 309)
Increase/(decrease) in accrued expenses		32 907	(409 845)
Increase/(decrease) in provisions	6	(152 138)	(241 875)
Unrealized foreign currency (gain)/loss		(1 095 344)	236 688
Unrealized (gain)/loss on investment portfolio - Foundation Fund	12	-	(399 589)
(Increase)/decrease in investment portfolio - Foundation Fund	5	(6 554 163)	333 422
Cash flow resulting from operating activity		(9 617 141)	(6 500 635)
Cash flow from investment activity			
(Increase)/decrease in guarantees		92 585	8 583
(Increase)/decrease in foreign exchange contracts		(88 063)	29 112
(Increase)/decrease in fixed assets	4	-	-
CASH FLOW RESULTING FROM INVESTMENT ACTIVITY		4 523	37 695
NET INCREASE/(DECREASE) OF CASH AND CASH EQUIVALENTS		(9 612 618)	(6 462 940)
Cash & cash equivalents at beginning of year		35 376 192	41 857 848
Effect of exchange rate fluctuations on cash held		1 164 807	(18 716)
Cash & cash equivalents at end of year		26 928 381	35 376 192

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 seven 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 of 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. The MMV head office is located in Geneva.

Medicines for Malaria Venture is monitored by the Swiss Federal Supervisory Board for Foundations.

The consolidated financial statements for the year ended 31 December 2022 were approved for issue by the MMV Board on 26 April 2023.

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, serves to maintain the viability of the organization 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 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 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 FER 21.

The 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 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.

The following exchange rates were used at year end:

2022				
→ CHF 1	=	USD	1.08135	
→ EUR 1	=	USD	1.06985	
→ GBP 1	=	USD	1.20897	
→ AUD 1	=	USD	0.68164	

2021				
→ CHF 1	=	USD	1.095356	
→ EUR 1	=	USD	1.134199	
→ GBP 1	=	USD	1.351043	
→ AUD 1	=	USD	0.726113	

2022				
→ USD 1	=	CHF	0.924769	
→ USD 1	=	EUR	0.934710	
→ USD 1	=	GBP	0.827150	
→ USD 1	=	AUD	1.467050	

2021				
→ USD 1	=	CHF	0.912945	
→ USD 1	=	EUR	0.881679	
→ USD 1	=	GBP	0.740169	
→ USD 1	=	AUD	1.377196	

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 consolidated financial statements since 2011.

Organizations consolidated in 2022 and 2021:

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 consolidated financial statements.

d) Accounting estimates and judgements

The preparation of 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 the judgements made 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 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.

b) Foreign currency translation

The 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 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.

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.

Significant 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 MMV has submitted the 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 from those 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 3 months after the closing date.

	2022 USD	2021 USD
Petty cash	14 339	7 065
Bank balances	22 220 622	27 831 094
Money market deposits	491 355	-
Time deposits	4 000 000	7 538 033
Total cash and cash equivalents	26 726 317	35 376 192

4. FIXED ASSETS

Fixed assets are stated at cost net of accumulated depreciation. Depreciation is charged to the 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%

2022	Fixtures & installations USD	Office furniture USD	Computers & equipment USD	Total USD
Costs at 1 January	1 039 637	392 363	302 346	1 734 345
Additions	39 776	6 778	155 513	202 067
Disposals	-	-	-	-
At 31 December	1 079 413	399 141	457 859	1 936 412
Accumulated depreciation at 1 January	928 395	391 965	287 842	1 608 202
Charge for the year	69 104	736	30 176	100 016
Disposals	-	-	-	-
At 31 December	997 499	392 701	318 018	1 708 218
Net book value at 31 December	81 914	6 440	139 841	228 194

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 that 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. The investment is classified as a long-term

asset, as the intention of MMV is to keep these investments in the foreseeable future. Originally, this deposit was invested in a varied portfolio (shares, bonds and money market funds). This investment was liquidated on 2 November 2022 following the important hike in interest rates on the markets, and the subsidies were reinvested in fiduciary deposits.

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

	2022 USD	2021 USD
Money market funds	-	356 019
MSCI World ESG index	-	2 132 820
Fixed interest portfolio (discretionary mandate)	-	13 103 746
Fiduciary deposits	22 146 748	-
Total	22 146 748	15 592 585

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 2021	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
Use/release	(1 135 606)	(1 135 606)
Allocation for the year	983 468	983 468
Balance at 31 December 2022	983 468	983 468

7. REVENUE AND DONATIONS RECEIVABLE

Revenue recognition

Unrestricted grants

An unrestricted grant is recognized as revenue in the 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 14. 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 quantify.

Summary of donations received or committed during 2022:

	Cash received 2022	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
Bill & Melinda Gates Foundation (BMGF; Core grant)	36 020 000	-	-	-	-	-	36 020 000
UK Foreign, Commonwealth & Development Office (UK FCDO)	8 615 655	-	-	-	-	-	8 615 655
Swiss Agency for Development and Cooperation (SDC)	1 626 606	-	-	-	-	-	1 626 606
Irish Government Department of Foreign Affairs and Trade (Irish Aid)	1 056 959	-	-	-	-	-	1 056 959
Individual donors	514	-	-	-	-	-	514
Total unrestricted donations	47 299 733	-	-	-	-	-	47 299 733
Unitaid (Vivaction Plan grant)	2 290 977	-	-	-	-	-	2 290 977
Unitaid (Supply grant)	776 752	-	-	-	-	-	776 752
Bill & Melinda Gates Foundation (BMGF; Antimalaria drugs novel formulation evaluation grant)	239 775	-	-	-	-	-	239 775
European and Developing Countries Clinical Trials Partnership (EDCTP; PAMAfrica grant)	1 067 648	(1 145 690)	3 453 555	-	-	78 042	3 453 555
European and Developing Countries Clinical Trials Partnership (EDCTP; Sindofo grant)	-	-	94 642	-	-	-	94 642
UK Foreign, Commonwealth & Development Office (UK FCDO; Pyramax Phase III)	12 812 290	-	-	-	-	-	12 812 290
Ministry of Foreign Affairs of the Netherlands – Directorate-General for International Cooperation (DGIS)	148 054	-	-	-	-	-	148 054
German Federal Ministry of Education and Research (BMBF)	2 664 289	-	-	-	-	-	2 664 289
Global Health Innovative Technology Fund (GHIT)	544 630	-	-	-	-	-	544 630
United States Agency for International Development (USAID)	4 248 277	(3 560 098)	-	-	-	-	688 179
Swiss Agency for Development and Cooperation (SDC; Pregnancy registry)	273 471	-	-	-	-	-	273 471
PATH (VivAccess grant)	641 529	(248 692)	498 827	-	-	-	891 664
European and Developing Countries Clinical Trials Partnership (EDCTP; SMC grant)	12 175	-	-	-	-	-	12 175
The RIGHT Foundation	43 636	-	-	-	-	-	43 636
Newcrest Mining	176 282	-	-	-	-	-	176 282
Korea International Cooperation Agency Global Disease Eradication Fund (KOICA-GDEF)	750 000	-	-	-	-	-	750 000
Total restricted donations	26 689 786	(4 954 481)	4 047 024	-	-	78 042	25 860 371
TOTAL DONATIONS	74 009 520	(4 954 481)	4 047 024	-	-	78 042	73 180 104

Of the total donations recognized in the consolidated statement of operations, USD 514 were received through MMV North America, Inc.

8. ACCOUNTS RECEIVABLE & TOTAL OTHER REVENUE

Revenues from partnerships

GSK

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 2008–2022. 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, of which USD 62,465 in 2022 (2021: USD 388,345). The last payment, in the amount of USD 9,357,290, is due at the end of July 2023.

The *Krintafel* trademark is owned by or licensed to the GSK group of companies.

In 2022 and 2021, MMV also recognized revenues of USD 984,959 and USD 385,900 respectively from GSK in relation to the co-development of the project GSK701 (or MMV367).

Others

In 2022, in addition to the above-mentioned revenues from GSK, MMV booked the following revenue from partnerships: USD 189,092 (2021: USD 91,500) from Janssen in relation to the co-development of P218 and IM-atovaquone.

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

	2022	2021
	USD	USD
GSK receivables	9 357 290	8 695 866
Other receivables	116 775	173 337
OTHER REVENUE	9 474 064	8 869 203

Other unrestricted revenue includes:

	2022	2021
	USD	USD
Tax at source commission	32 977	37 899
Honorarium	7 094	16 044
Reimbursement from grantees	52 626	70 062
Intellectual property cost sharing	126 151	-
Carbon tax reimbursement	17 872	-
Other	10 659	9 692
OTHER REVENUE	247 379	133 697

9. 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 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, and MMV scientific personnel compensation. Expenditure for this MMV support totalled USD 17,547,894 in 2022 and USD 19,951,735 in 2021.

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.

10. PREPAID PORTFOLIO COMMITMENTS

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

As of 31 December 2022, there are the following major categories of prepayments in relation to MMV portfolio projects:

	2022 USD	2021 USD
Chloroquine prepayment	-	2 575 125
EDCTP PAMAfrica prepayments to subgrantees	91 230	2 850 763
VivAction project prepayment	1 029 108	630 586
KOICA-GDEF SMC project prepayment	43 085	-
Discovery related	155 016	146 755
Translational related	280 941	130 080
Product Development related	1 044 528	206 249
Access and Product Management related	21 250	101 810
Other prepaid portfolio commitments	-	55 202
Total prepaid portfolio commitments	2 665 158	6 696 570

11. PERSONNEL EXPENSES

As of 31 December 2022, there were 88 full-time equivalent employees with a permanent contract (2021: 71.5), as well as 13.2 full-time equivalent temporary staff members with a fixed-term contract ranging between 1 and 3 years (2021: 31.8).

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 amount 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.

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 contributions of MMV and the employees.

	2022	2021
Capital ratio	104.4%	116.1%
Amount (receivable)/payable to pension fund	(1 110)	4 596

12. FINANCIAL RESULT

Financial income	2022 USD	2021 USD
Unrealized gain on portfolio investments	-	399 589
Bank interest	324 507	11 757
Exchange gain from CHF	-	-
Exchange gain from EUR	-	-
Exchange gain from AUD	10 294	-
Exchange gain from GBP	-	65 988
Total	334 800	477 334

Financial expenses	2022 USD	2021 USD
Loss on foreign exchange forward contracts	-	88 063
Bank charges	43 283	62 908
Exchange loss from GBP	700 000	-
Exchange loss from CHF	666 519	1 304 538
Exchange loss from EUR	301 184	327 612
Exchange loss from AUD	-	38 377
Exchange loss from JPY	29 163	8 528
Exchange loss from KRW	3 545	-
Unrealized loss on money market deposit	1 917	239 207
Realized loss on portfolio investment	1 957 856	-
Total	3 703 467	2 069 233

In order to minimize the potential adverse effect of foreign exchange fluctuations, MMV liquidity is regularly deposited in bank accounts denominated

in foreign currencies in proportion to the breakdown of total expenditure by currency (natural hedging). At the end of fiscal year 2021, MMV had some

foreign exchange forwards opened which took place in 2022. There were no foreign exchange forwards opened at the end of fiscal year 2022.

	Positive value	2022 Negative value	Purpose	Positive value	2021 Negative value	Purpose
Foreign exchange forward contracts	-	-	N/A	-	(88 063)	Hedging
Total financial instruments	-	-	-	-	(88 063)	-

13. LEASES

Non-cancellable operating lease rentals are payable as follows:

	2022 USD	2021 USD
Less than 1 year	580 068	733 044
Between 1 and 5 years	2 320 272	76 359
More than 5 years	386 712	-
Total	3 287 052	809 403

MMV has several operating leases. These leases generally run for a period of 6 years, with an option to renew the lease after that date.

During the year ending 31 December 2022, USD 951,769 was recognized as an expense in the consolidated statement of operations

in respect of operating leases (2021: USD 1,012,399).

14. CONTINGENT ASSETS

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

	2022 USD	2021 USD
Less than 1 year	64 787 465	78 827 294
Between 1 and 5 years	34 886 347	90 055 460
Total	99 673 812	168 882 754

15. 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.

	2022 USD	2021 USD
Board members & meetings	247 870	57 426

There were no loans to directors or executive officers for the years ending 31 December 2022 and 31 December 2021.

Some donors are represented in the foundation council. MMV management considers that their presence in 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 as third parties.

MMV performs an annual evaluation to identify potential related parties, which is done at senior management level and with Board members. The nature and volume of transactions with the identified related parties are summarized in the following table.

	2022		2021	
	Transactions during the year	Receivable/(payable) at year end	Transactions during the year	Receivable/(payable) at year end
Strategic partnership	57 121	(20 654)	270 577	-
Schooling fees	-	-	84 373	-
Total	57 121	(20 654)	354 950	-

16. 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 with respect to 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 is carried out. Controls in line with the internal control system have been defined, and resulting measures have been implemented in order to minimize risks related to accounting principles and financial reporting.

17. RENTAL DEPOSITS

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

18. 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 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 that any adverse resolution

of these uncertainties will not have a material impact on the financial position or results of the foundation.

19. AUDITORS

PWC SA, Geneva, have been appointed as MMV's statutory auditors since the fiscal year 2022, following a competitive bid in 2022. The current lead auditor, Marc Secretan, has acted in this capacity since 2022.

During fiscal year 2022, MMV incurred the following expenses:

- Statutory audits: USD 85,758 (2021: USD 67,546)
- Special audit reports to donors: USD 149,898

(2021: USD 75,996) - not all of these audit reports are performed by MMV statutory auditors.

- Other services: nil (2021: USD 36,040)

20. 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.