

Financial view

Financial year to 31 December 2017

As a not-for-profit Swiss foundation set up under statutes dated 15 November 1999, Medicines for Malaria Venture (MMV) is exempt from cantonal and federal taxes and is the equivalent of an exempt organization within the meaning of Section 501(c) (3) of the United States Internal Revenue Code. Furthermore, from 1 January 2011, the Swiss Federal Council granted MMV the status of 'Other International Organization' conferring certain privileges and immunities including exemption from VAT in Switzerland – representing an estimated additional contribution from Switzerland to MMV of up to 1 million Swiss Francs (CHF) per annum.

Portfolio funding

MMV receives funding and support from government agencies, private foundations, international organizations, corporate foundations and private individuals (Figure 6). These funds

are used to finance MMV's portfolio of research and development (R&D) projects to develop new, effective and affordable medicines for the treatment and prevention of malaria. They also support specific, targeted access and product management (APM) interventions to help ensure that vulnerable populations in malaria-endemic countries can access new malaria medicines.

Since its foundation in 1999, MMV has invested a total of 852 million United States dollars (USD) to build the world's largest R&D portfolio of new and innovative antimalarial medicines. In 2017, MMV's total expenditure was USD 74.5 million (up 9% compared to USD 68.5 million expenditure in 2016), of which R&D expenditure amounted to USD 53.9 million (up 9% compared to USD 49.6 million in 2016).

MMV's private sector partners support joint projects through co-investment and by contributing

expertise and facilities. We estimate that for every United States dollar invested, MMV leverages approximately USD 1 in matched funds for external costs, plus USD 1.5 of in-kind contributions through its partners, resulting in a total investment impact of USD 3.5.

With its partners, MMV has brought forward seven new antimalarial products, some of which are already being used to treat patients in malaria-endemic countries and have saved over 1.5 million lives. In addition, in 2015 Drugs for Neglected Diseases *initiative* transferred its malaria portfolio to MMV, which took on responsibility for the lifecycle management of two additional launched products.

Our 2017–2021 business plan estimates that a minimum of USD 340 million will be required over the period 2018–2021 to sustain our work. With approximately USD 190 million available at the end

Figure 6: Total donations received/pledged 1999–2021: USD 1.019 billion as at December 2017

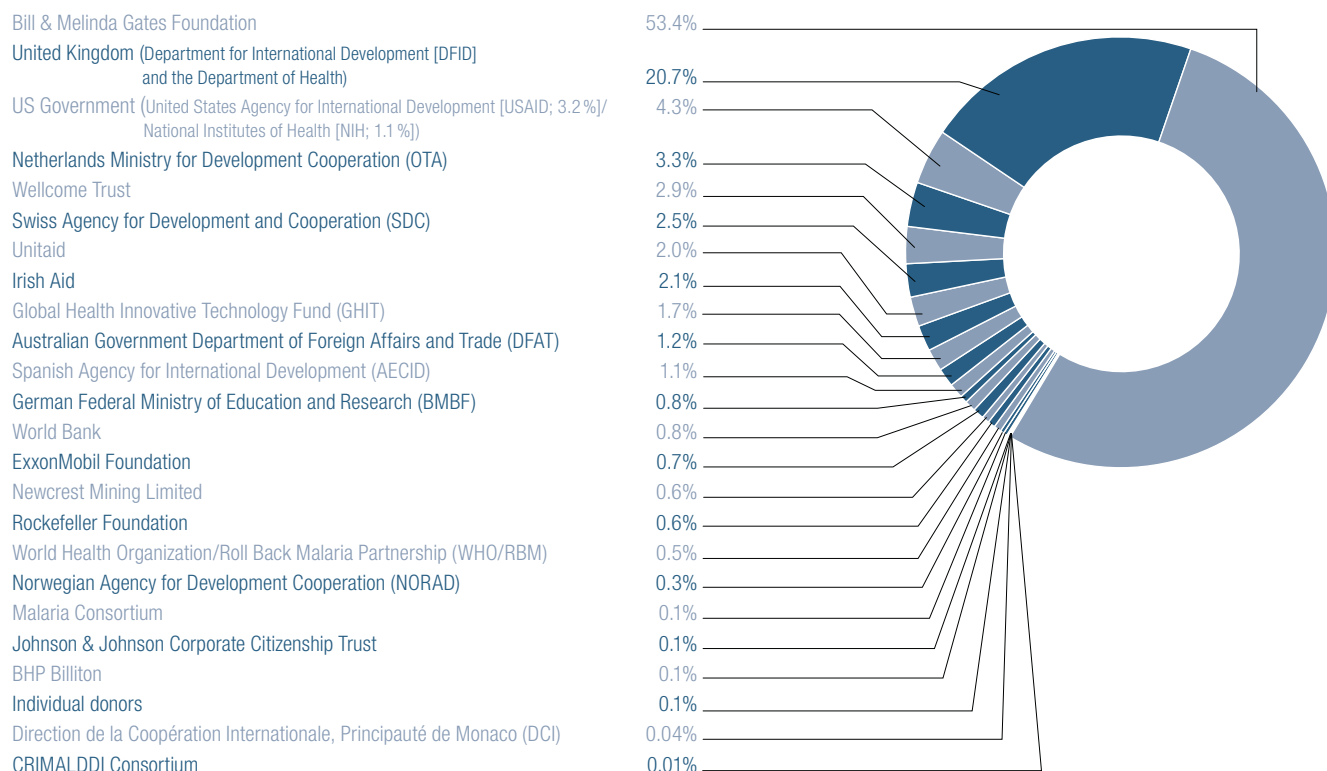
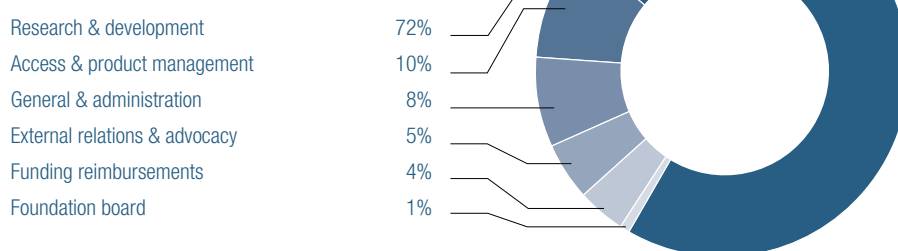


Figure 7: MMV expenditure 2017

Total: USD 74.5 million



of 2017 (USD 53 million cash and USD 137 million committed pledges over the period 2018–2021), the organization is currently tracking a shortfall of approximately USD 150 million up to the end of 2021. MMV has several pending proposals to donors and remains active in its resource mobilization and advocacy activities.

MMV maintains sufficient funds to support the completion of ongoing clinical studies, related publication of clinical data, reporting and regulatory obligations, including those outlined by the International Council for Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use (ICH).

Banking relationships and auditing

Relationships with four major Swiss banks allow us to effectively manage our banking relationships and diversify risk. The banks provide services such as current accounts, investment and cash

management facilities in multiple currencies. MMV's accounts are audited by KPMG.

Financial reporting standards

The 2017 consolidated financial statements (including MMV North America Inc.) were prepared in compliance with Swiss GAAP FER. The organization's operating procedures are constantly updated in line with evolving requirements. MMV's 2017 financial statements were also prepared in compliance with the Swiss Code of Obligations.

Foundation capital

By 31 December 2003, the stipulated foundation capital of USD 4 million was fully subscribed (in a Swiss foundation it is a legal requirement that foundation capital be constituted without delay, to provide a degree of financial security). The foundation capital remained unchanged at 31 December 2017.

Donations and pledges 2017 (see Note 6 Donations)

Cash donations received in the bank in 2017 amounted to a total of USD 71.8 million, including revenues recognized in the previous year (2016) of USD 1.1 million. 2017 revenues to be received in 2018 amounted to USD 1.5 million. In summary, USD 72.2 million was booked as donation revenue in 2017.

Management and administration

Management and administration cost increases were kept consistently low during 2017. At the end of the year, MMV employed 60 full-time-equivalent staff members (57 at the end of 2016). The ratio of 'General and administration' plus 'Foundation board' expenditure, relative to 'Total expenditure' decreased slightly from 8.5% in 2016 to 8.1% in 2017.

New pledges received in 2017

Donor	Amount in USD	Amount in original currency	Title of grant	Time period
UK Department for International Development (DFID)	66 093 162	GBP 50 070 577	Extension	2017–2021
Global Health Innovative Technology Fund (GHIT)	4 500 001	Yen 454 261 768	G2016-226	2017–2019
	1 999 993	Yen 199 999 343	G2016-219	2017–2019
	1 400 000	Yen 158 999 958	G2016-211	2017–2019
	668 625	Yen 75 000 000	H2016-201	2017–2018
	539 673	Yen 57 625 137	H2016-205	2017–2018
	57 511	Yen 6 583 520	S2017-112	2017–2018
	43 600	Yen 4 950 000	S2017-111	2017–2018
Sub-total GHIT	9 209 403			
USAID	9 002 752	USD 9 002 752	Thematic grant	2017–2022
Swiss Agency for Development and Cooperation (SDC)	8 242 460	CHF 8 000 000	New agreement	2017–2021
UK Department of Health	8 061 911	GBP 6 100 000	Supplement	2017–2018
Irish Aid	4 722 360	EUR 4 000 000	Extension	2017–2020
Unitaid	3 430 222	USD 3 430 222	Supply grant	2017–2020
Newcrest Mining Limited	2 175 000	AUD 2 750 000	Tafenoquine	2017–2021
Johnson & Johnson Corporate Citizenship Trust	1 000 000	USD 1 000 000	Thematic grant	2017–2018
Bill & Melinda Gates Foundation (BMGF)	1 000 500	USD 1 000 500	CANTAM supplement	2017–2018
ExxonMobil Foundation	400 000	USD 400 000	Thematic grant	2017
Norwegian Agency for Development Cooperation (NORAD)	362 182	NOK 3 000 000	Extension	2017–2018
WHO (Consultative Expert Working Group, CEWG)	335 000	USD 335 000	Pathogen Box (phase II)	2017
Total	114 034 952			

MMV is grateful for these and previous commitments from its many donors.

Foreign exchange and financial management

MMV operates in a complex multi-currency environment. It receives the bulk of its donations in US dollars and UK pounds sterling, and a smaller portion in other currencies such as Swiss francs (CHF), euros (EUR), Australian dollars (AUD) and Japanese yen (JPY). Cash outflows for projects are mostly in USD, which is the standard currency used in the various specific contractual agreements signed with each project partner and therefore a natural cover for financial exchange risk. On the other hand, many operational expenses are in Swiss francs (CHF). Throughout the financial year, MMV's management strives to maintain a natural hedged position, whereby the breakdown of cash available by currency mirrors the estimated breakdown of expenditure by currency. In addition, foreign exchange exposure is hedged at the beginning of each year and in line with the budget, to provide a nominal fixed average USD/CHF budget rate for the period. The accounts are kept in US dollars.

The philosophy underlying MMV's financial management is that of prudent, conservative control, including appropriate return on interim treasury investments. Forecasting various long-

term funding and income scenarios enables MMV to manage its growing R&D portfolio more effectively. It also provides a baseline analysis for fundraising activities aimed at financing the portfolio in line with long-term projections.

Given the unsteady financial environment and market conditions, it is evident that the portfolio, cash flow and new potential fundraising opportunities must be managed dynamically and seamlessly.

Focus on sustainability: R&D and APM

In 2017, MMV continued to prepare, launch and scale-up activities to ensure market access to medicines emerging from its pipeline. In alignment with MMV's partnership model, APM activities conducted with partners enable MMV to achieve its overarching goal of major health impact from its medicines. Moreover, in the context of malaria elimination and eradication, a second and critical series of investments are now urgently needed to spur on R&D for the next-generation antimalarial drugs to meet that goal.

Although fundraising activities in 2017 were successful and significant additional funds were sourced (see 'New pledges received in 2017' table on previous page), major fundraising efforts will be required in 2018 and

beyond, as MMV strives to meet the projected financial requirements of its growing portfolio.

Financial modelling

Financial modelling suggests that, despite additional future funding pledges for MMV in 2018 and pending proposals to donors, future R&D and APM activities will remain underfunded (Figure 8).

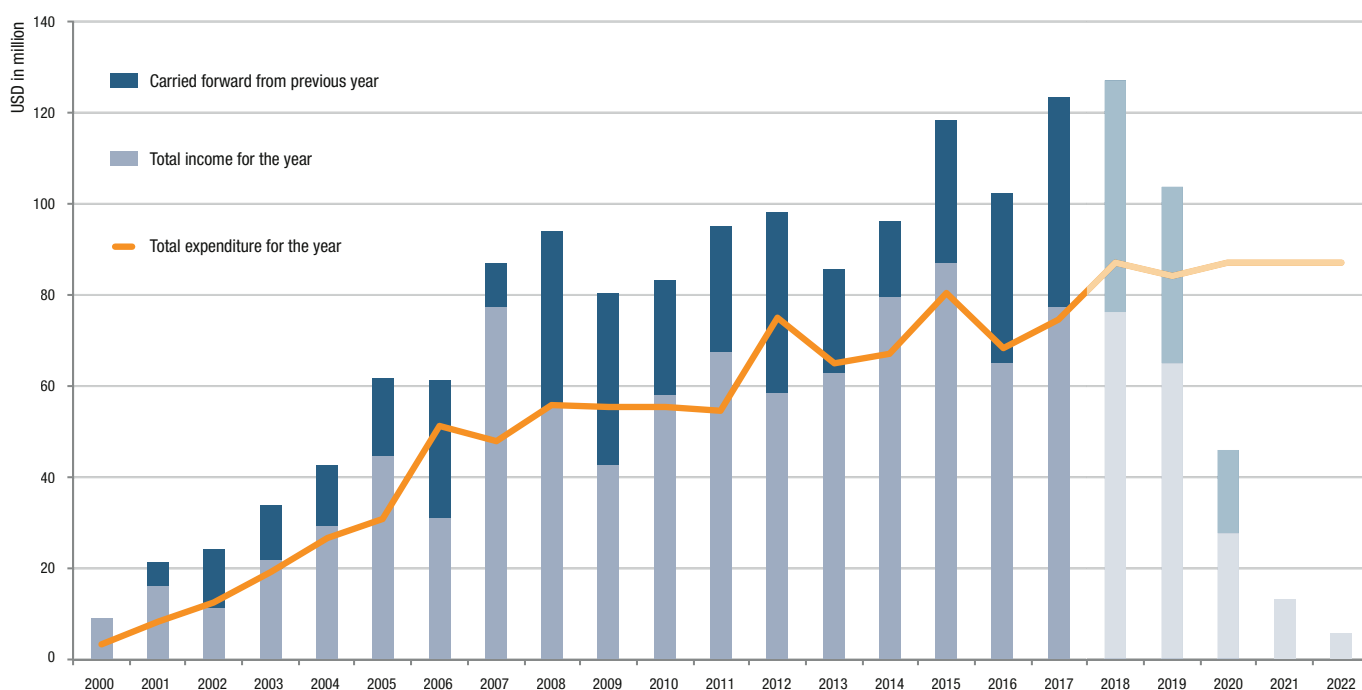
The financial projections included in our 2017–2021 business plan call for total cumulative expenditure of USD 340 million during 2018–2021. This figure represents a mix of R&D, product launch and APM-related spending, including much-needed innovation in treatments for malaria in pregnancy, *Plasmodium vivax* malaria, transmission-blocking and other technologies for elimination and eradication.

These financial statements and all forward-looking financial figures should be considered as management's best estimates based on information available at the time of printing.

Financial tables

The following financial tables and notes are extracted from the Swiss GAAP FER-compliant accounts.

Figure 8: MMV income and expenditure to date and scenario 2018–2022





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Report on summarized consolidated financial statements to the management of

MMV MEDECINES FOR MALARIA VENTURE, Meyrin

We have audited the financial statements of the MMV MEDECINES FOR MALARIA VENTURE for the year ended 31 December 2017 from which the summarized financial statements were derived, in accordance with Swiss law and Swiss Auditing Standards. In our report dated 8 June 2018, we expressed an unqualified opinion on the financial statements from which the summarized financial statements were derived.

In our opinion, the accompanying summarized financial statements are consistent, in all material respects, with the financial statements from which they were derived.

For a better understanding of the organisation's financial position and the results of its operations for the period and of the scope of our audit, the summarized financial statements should be read in conjunction with the financial statements from which the summarized financial statements were derived and our audit report thereon.

KPMG SA

Hélène Béguin
Licensed Audit Expert
Auditor in Charge

Jérôme Glaus
Licensed Audit Expert

Geneva, 22 June 2018

Enclosure:

- Summarized financial statements



MMV CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	31 Dec 2017 USD	31 Dec 2016 USD restated
Current assets			
Cash and cash equivalents	3	53 064 589	42 328 666
Donations receivable	6	1 517 375	1 111 755
Accounts receivable		2 664 021	5 729 838
Tax receivable		12 699	16 916
Prepays		448 004	455 795
Prepaid R&D commitments		2 363 626	1 486 328
Prepaid APM commitments		594 129	230 573
Derivative financial instruments	13	160 495	205 756
Total current assets		60 824 938	51 565 627
Long-term assets			
Long-term receivables		–	4 129 455
Guarantees	16	216 814	185 835
Fixed assets, net	4	172 117	297 553
Total long-term assets		388 931	4 612 843
TOTAL ASSETS		61 213 869	56 178 470
LIABILITIES			
Current liabilities			
Accrued R&D commitments		5 192 786	5 020 952
Accrued APM commitments		1 181 649	584 162
Other creditors		1 161 765	1 583 871
Accrued expenses		2 017 886	1 811 179
Short-term provisions	5	599 954	560 023
Derivative financial instruments	13	30 670	243 493
Total current liabilities		10 184 710	9 803 680
Capital of the organization			
Paid-in capital		4 000 000	4 000 000
Restricted operating funds		17 202 032	15 754 277
Unrestricted operating funds		29 827 127	26 620 513
Total capital of the organization		51 029 159	46 374 790
TOTAL LIABILITIES AND CAPITAL		61 213 869	56 178 470

MMV CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED

REVENUE	Notes	31 Dec 2017 USD	31 Dec 2016 USD restated
Donation revenue			
Private foundations and individual donors		31 395 805	39 504 417
UN agencies		967 992	2 771 984
Government agencies		39 022 973	29 581 746
Corporate foundations		789 885	676 624
Total donation revenue	6	72 176 655	72 534 771
<i>Of which:</i>			
<i>Total restricted donations</i>		<i>19 232 545</i>	<i>19 671 284</i>
<i>Total unrestricted donations</i>		<i>52 944 110</i>	<i>54 597 150</i>
Revenue from partnerships		4 553 610	2 333 663
Other income	6	80 004	79 252
Total other income		4 633 614	2 412 915
TOTAL REVENUE		76 810 269	74 947 686
EXPENDITURE			
Research & development expenditure			
Project grants	7	40 354 873	35 030 705
Project-related variable expenditure	7	13 176 743	14 011 799
Expert Scientific Advisory Committee expenses		370 691	517 262
Total research & development expenditure		53 902 307	49 559 766
Access & product management expenditure			
Project expenditure	7	5 338 090	7 460 950
Access-related variable expenditure		2 457 086	2 534 245
Access & Product Management Advisory Committee		54 477	95 680
Total access & product management expenditure		7 849 653	10 090 875
External relations & advocacy expenditure			
ER&A-related variable expenditure		2 314 883	1 656 939
Communications		223 613	243 841
Consultants		327 358	459 809
Stakeholders' meeting		278 030	–
Technical writing		180 100	191 150
Travel and meetings		175 154	296 278
Other expenditures		228 960	163 230
Total external relations & advocacy expenditure		3 728 098	3 011 247
Foundation board expenditure	14	222 253	317 679
General & administration expenditure			
Staff-related benefits/compensation		3 431 085	3 118 915
Office and occupancy	11	1 419 114	1 242 269
Travel expenses		47 105	52 412
Professional and legal fees		160 475	116 730
Training, education and journals		26 937	36 636
IT expenses		288 367	346 097
Depreciation	4	184 417	196 927
Other		244 603	365 233
Total general & administration expenditure		5 802 103	5 475 219
Other expenditure	9	236 426	37 737
Funding reimbursements		2 746 088	–
Other expenses		2 982 514	37 737
TOTAL EXPENDITURE		74 486 928	68 492 523

RESULTS FROM OPERATING ACTIVITIES		2 323 341	6 455 163
Financial income		494 640	118 965
Financial expenses		(40 748)	(157 056)
Foreign currency translation differences	10	951 569	(994 423)
Net financial result		1 405 461	(1 032 514)
NET SURPLUS PRIOR TO ALLOCATIONS		3 728 802	5 422 649
ALLOCATIONS			
Transfer (to)/from unrestricted operating funds		(3 211 930)	(3 809 137)
Transfer (to)/from donor restricted operating funds		(516 872)	(1 613 512)
NET SURPLUS AFTER ALLOCATIONS		-	-

MMV CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED

		31 Dec 2017	31 Dec 2016
	Notes	USD	restated USD
SURPLUS FOR THE YEAR		3 728 802	5 422 649
CASH FLOW FROM OPERATING ACTIVITY			
Increase in provisions	5	17 579	48 480
Depreciation	4	184 417	196 927
(Increase)/decrease in donations receivable		(405 620)	3 163 772
Decrease/(increase) in accounts receivable		3 067 558	(3 563 329)
Decrease in accounts receivable due to reimbursement of prior years' expenditures		925 567	3 186 334
Decrease/(increase) in tax receivable		4 217	(12 999)
(Increase)/decrease in project-related prepaid expenses		(1 240 854)	1 424 030
Decrease in prepaid expenses		7 791	147 072
Increase/(decrease) in accrued R&D commitments		171 834	(2 680 060)
Increase/(decrease) in accrued APM commitments		597 487	(640 024)
(Decrease)/increase in deferred income	6	-	(11 100 125)
(Decrease)/increase in other creditors		(413 910)	201 040
Increase/(decrease) in accrued expenses		206 272	(19 294)
(Decrease) in donations reimbursement payables		-	(339 058)
Decrease/(increase) in long-term receivable		4 129 455	(1 551 057)
Unrealized foreign currency (gain)/loss		(489 007)	166 088
CASH FLOW RESULTING FROM OPERATING ACTIVITY		10 491 588	(5 949 554)
CASH FLOW FROM INVESTMENT ACTIVITY			
(Increase)/decrease in guarantees		(27 609)	862
(Increase)/decrease in derivative financial instruments		(167 562)	18 098
(Increase) in fixed assets	4	(58 981)	(73 379)
CASH FLOW RESULTING FROM INVESTMENT ACTIVITY		(254 152)	(54 419)
NET INCREASE/(DECREASE) OF CASH AND CASH EQUIVALENTS		10 237 436	(6 003 973)
Cash and cash equivalents at beginning of year		42 328 666	48 491 563
Effect of exchange rate fluctuations on cash held		498 487	(158 924)
Cash and cash equivalents at end of year		53 064 589	42 328 666

MMV CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Balance at 1 January 2016	Internal funds transfer	Gain for the period	Balance at 31 December 2016	Internal funds transfer	Gain/(loss) for the period	Balance at 31 December 2017
Restricted operating funds	10 888 037	3 252 728	1 613 512	15 754 277	930 883	516 872	17 202 032
TOTAL RESTRICTED OPERATING FUNDS	10 888 037	3 252 728	1 613 512	15 754 277	930 883	516 872	17 202 032
Foundation capital	4 000 000	-	-	4 000 000	-	-	4 000 000
Unrestricted operating funds	22 877 770	(66 394)	3 809 137	26 620 513	(5 316)	3 211 930	29 827 127
TOTAL UNRESTRICTED FUNDS	26 877 770	(66 394)	3 809 137	30 620 513	(5 316)	3 211 930	33 827 127

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2017

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.

With its head office in Geneva, 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 new medicines for the treatment and prevention of malaria. The products should be affordable and appropriate for use by populations in developing countries.

As with all Swiss foundations, MMV is monitored by the Swiss Federal Supervisory Board for Foundations.

The consolidated financial statements for the year ending December 31, 2017 were approved for issue by the MMV Board on 21 March, 2018.

b) Foundation capital

The foundation capital is fully subscribed at USD 4,000,000 as stipulated under the original legal statutes. Under normal circumstances, foundation capital may be used during the year to meet cash flow shortfalls, but should be replenished before closing at year end. Foundation capital together with the residual operations reserve serves to maintain the viability of the organization, for 6 months, until other funding sources can be found.

c) Operation funds

The accumulated restricted and unrestricted operation funds represent excess of core 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.

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, the applicable provisions of the Swiss Code of Obligations and the Swiss Generally Accepted Accounting Principles (Swiss GAAP FER/RPC), in particular RPC 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.

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

The following exchange rates were used at year end:

2017

→ CHF 1	=	USD	1.02423
→ EUR 1	=	USD	1.19786
→ GBP 1	=	USD	1.34912
→ AUD 1	=	USD	0.78049

2016

→ CHF 1	=	USD	0.98027
→ EUR 1	=	USD	1.05374
→ GBP 1	=	USD	1.24828
→ AUD 1	=	USD	0.73355

c) Changes in accounting policies

Certain prior year amounts have been restated to conform with the current year's presentation. In 2017, MMV decided to change the accounting policy for revenue recognition for governmental grants. When MMV switched from IFRS to Swiss GAAP FER, it was decided to continue to apply for IAS 20 as governmental grants were not specifically treated in Swiss GAAP FER. Therefore, from fiscal year 2017 governmental grants are no longer deferred if not fully used at year end and are now treated like all other donations.

Comparative figures have been accordingly restated and the main impacts of the change are the following:

- Increase of 2016 donation revenue and net result of USD 10,464,858.
- Decrease of 2016 deferred revenues of USD 10,464,858.

→ Increase of 2016 unrestricted operating funds of USD 8,466,425.

→ Increase of 2016 restricted operating funds of USD 1,998,433.

d) 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 is not fully controlled by MMV, but 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 related to 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.

In accordance with Swiss GAAP FER 30 and based on the facts above, MMV North America Inc. has been fully consolidated in these financial statements on a line-by-line basis since 2011.

List of organizations consolidated in 2017:

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.

e) 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 making 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 at 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. Certain critical accounting judgements in applying MMV accounting policies are described below.

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.

Research and development expenditure

MMV's research and development (R&D) 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 R&D timing and execution are often different from the original plans. These factors lead to subjectivity in the timing and recognition of R&D expenditure.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances and short-term money market deposits with maturity of 3 months after the closing date.

	2017 USD	2016 USD
Cash	5 836	12 036
Bank balances	45 058 753	41 316 630
Money market deposits	8 000 000	1 000 000
Total cash and cash equivalents	53 064 589	42 328 666

4. FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation. Depreciation is charged to the Consolidated Statement of Operations on a straight line basis over the estimated useful life of the assets.

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

2016	Fixtures & installations USD	Office furniture USD	Computers & equipment USD	Total USD
Costs at 1 January	782 220	438 757	600 778	1 821 755
Additions	-	35	73 344	73 379
Disposals	-	(9 761)	(10 442)	(20 203)
At 31 december	782 220	429 031	663 680	1 874 931
Accumulated depreciation at 1 January	494 880	376 161	529 613	1 400 654
Charge for the year	131 487	28 401	37 039	196 927
Disposals	-	(9 761)	(10 442)	(20 203)
At 31 december	626 367	394 801	556 210	1 577 378
Net book value at 31 december	155 853	34 230	107 470	297 553
2017	Fixtures & installations USD	Office furniture USD	Computers & equipment USD	Total USD
Costs at 1 January	782 220	429 031	663 680	1 874 931
Additions	16 728	-	42 545	59 273
Disposals	-	(25 776)	(312 703)	(338 479)
At 31 december	798 948	403 255	393 522	1 595 725
Accumulated depreciation at 1 January	626 367	394 801	556 210	1 577 378
Charge for the year	110 760	18 732	54 925	184 417
Disposals	-	(25 484)	(312 703)	(338 187)
At 31 december	737 127	388 049	298 432	1 423 608
Net book value at 31 december	61 821	15 206	95 090	172 117

5. 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 provision USD
Balance at 1 January 2016	511 543	511 543
Use/release	(511 543)	(511 543)
Allocation for the year	560 023	560 023
Balance at 31 December 2016	560 023	560 023
Use/release	(553 776)	(553 776)
Allocation for the year	593 707	593 707
Balance at 31 December 2017	599 954	599 954

6. DONATIONS

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 12. 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.

Contributions in-kind

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

Below is a summary of donations received or committed during 2017:

	Cash received 2017	Income recognized during previous year	Income deferred from previous year	Income deferred to following year	Income to be received	Unrealized foreign exchange gain/(loss)	Total income as per statement of comprehensive income
Bill & Melinda Gates Foundation	22 184 903	-	-	-	-	-	22 184 903
Bill & Melinda Gates Foundation (Innovation Fund)	-	-	-	-	810 000	-	810 000
Bill & Melinda Gates Foundation (Pathogen Box)	624 250	-	-	-	-	-	624 250
Bill & Melinda Gates Foundation (QIMR)	2 000 000	-	-	-	-	-	2 000 000
Bill & Melinda Gates Foundation (CANTAM)	1 000 500	-	-	-	-	-	1 000 500
Wellcome Trust	797 323	(797 323)	-	-	-	-	-
Global Health Innovative Technology (GHIT) Fund	3 920 537	-	-	-	515 605	-	4 436 142
Swiss Government (DEZA/SDC)	1 666 106	-	-	-	-	-	1 666 106
UK Government (DFID)	25 345 872	-	-	-	-	-	25 345 872
UK Government (Department of Health)	3 304 062	-	-	-	-	-	3 304 062
Irish Aid	1 191 645	-	-	-	-	-	1 191 645
Australian Government (DFAT)	2 512 805	-	-	-	-	-	2 512 805
Norwegian Government (NORAD)	362 182	-	-	-	-	-	362 182
German Government (BMBF)	1 649 986	-	-	-	-	-	1 649 986
Netherlands Government (OTA)	2 750 199	-	-	-	-	-	2 750 199
National Institutes of Health (NIH)	285 509	(64 892)	-	-	19 500	-	240 117
Unitaid (ISMO)	112 540	(112 540)	-	-	-	-	-
Unitaid (supply grant)	630 222	-	-	-	-	-	630 222
Unitaid (RAS)	-	-	-	-	36 270	-	36 270
World Health Organization (WHO)	301 500	(136 000)	-	-	136 000	-	301 500
ExxonMobil Foundation	400 000	-	-	-	-	-	400 000
Newcrest Mining Limited	389 884	-	-	-	-	-	389 884
Johnson & Johnson Corporate Citizenship Trust	333 500	-	-	-	-	-	333 500
Individual donors	7 510	(1 000)	-	-	-	-	6 510
Total received	71 771 035	(1 111 755)	-	-	1 517 375	-	72 176 655

Of the total donations recognized in the consolidated statement of operations, USD 6,215 have been received through MMV North America, Inc.

All other types of revenues that are not considered as donations are presented in other income as follows:

	2017	2016
	USD	USD
Commission on tax at source	17 922	28 352
Event sponsorship	25 000	-
Honorarium	16 520	-
Consulting fees	15 165	-
Other	5 397	50 900
Other Income	80 004	79 252

7. PROJECT GRANTS

Expenditure and grants allocated for R&D 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 R&D commitments in current assets. Regulatory and other uncertainties inherent in the development of new products in this sector preclude MMV from capitalizing on development costs.

7. PROJECT GRANTS (CONTINUED)

R&D project name	2017 USD	2016 USD	Project partners
Total research	16 182 304	12 386 787	
Hit identification	2 216 836	2 301 126	
1 Asexual blood stage high-throughput screening (HTS)	249 791	–	Griffith University, Australia
2 <i>P. falciparum</i> erythrocytic stage inhibitors	–	119 089	Dundee University, UK
3 BioFocus diversity library	–	32 460	Charles Rivers, USA
4 GHIT screening programme	–	71 067	Griffith University, Australia
5 Pathogen Box	297 893	699 156	Evotec, USA; TCG Lifesciences, India
6 Challenge grants/library purchase	592 781	223 832	Charles Rivers, USA; Dundee University, UK
7 Compound acquisition/synthesis	146 896	242 088	TCG Lifesciences, India
8 Daiichi-Sankyo Novare	1 709	18 513	Daiichi-Sankyo Novare, Japan
9 Exploiting the Pathogen Box	519 513	894 921	WHO; TCG Lifesciences, India; Universidade Estadual De Campinas (Unicamp), Brazil; University of Ghana; University of Columbia
10 COADD (Cooper - UQ)	43 044	–	Griffith University, Australia
11 <i>P. falciparum</i> gametocyte hit confirmation	173 578	–	TCG Lifesciences, India
12 Liver-stage assay	29 631	–	Griffith University, Australia
13 Hypnozoite hit confirmation	162 000	–	TCG Lifesciences, India
Hit to lead	2 148 555	878 170	
14 Antimalarial pyrazoles	301 214	58 329	TCG Lifesciences, India; Drexel University, USA
15 Long duration heterocycles-Brazil antimalarial project	208 020	49 746	Unicamp, Brazil
16 N-Myristoyltransferase inhibitors	468 219	208 178	Imperial College London, UK
17 Proteasome inhibitors	97 016	–	University of Melbourne; Takeda Boston, USA
18 Takeda antimalarials	424 957	359 018	Takeda, Japan
19 Plasmepsin inhibitors	199 367	140 000	TCG Lifesciences, India; University College Birmingham, UK; University of Melbourne
20 2016 new projects	–	2 860	Medicines for Malaria Venture
21 Anti-helminth discovery	54 000	–	TCG Lifesciences, India; University of Melbourne, Australia
22 Mitsubishi Tanabe antimalarials	301 135	60 039	Mitsubishi Tanabe Pharma, Japan; TCG Lifesciences, India; Griffith University, Australia; Monash CDCO, Australia
23 Sumitumo	81 627	–	TCG Lifesciences, India; Sumitomo, Japan; Monash CDCO, Australia; Griffith University, Australia
24 University of Cape Town/Merck	13 000	–	UCT, South Africa; Merck KGaA
Lead optimization	4 792 858	3 937 778	
25 GSK (miniportfolio 1)	1 501 138	1 500 000	GSK
26 DHODH, inhibitors	317 613	–	Monash University, Australia; University of Texas Southwestern Medical Center, USA; University of Washington, USA; TCG Lifesciences, India
27 Sanofi (miniportfolio 4)	238 194	171 000	Sanofi
28 St Jude/Rutgers/USF antimalarials	152 968	627 790	Rutgers University, USA; St Jude Children's Research Hospital, USA; University of South Florida, USA; Northeastern University, USA; University of Kentucky, USA
29 UCT H3D	272 677	236 995	University of Cape Town; SAMRC, South Africa
30 CRO chemistry	100 381	918 250	Syngene, India; TCG Lifesciences, India
31 Celgene	177 548	–	Syngene, India
32 Open source drug discovery in Australia	23 393	22 588	University of Sydney, Australia
33 Broad DOS project	162 633	–	TCG Lifesciences, India; Broad Institute, USA
34 Calibr discovery activities	12 477	–	Calibr, USA
35 Pantothenate derivatives	567 330	316 452	TropiQ Health Sciences, Netherlands; Lygature, Netherlands; Radboud University Medical Center, Netherlands
36 Daiichi-Sankyo antimalarials	153 087	52 498	Griffith University, Australia; Monash CDCO, Australia; Daiichi-Sankyo, Japan
37 Eisai antimalarials	228 651	–	Eisai, Japan; Griffith University, Australia
38 Project management	79 229	56 407	Lygature, Netherlands
39 KRS inhibitors	331 539	–	University of Dundee; TCG Lifesciences, India
40 OZ439 back-up	189 261	35 798	Medicines for Malaria Venture
41 KAE609 back-up	133 130	–	Novartis
42 SJ733 back-up	151 609	–	University of Kentucky, USA
Discovery platform technologies (elimination)	7 024 055	5 269 713	
Cross functional	4 298 603	3 140 560	
43 Malaria lab resistance mutants Fidock	238 822	298 184	Columbia University, New York, USA
44 Translational pharmacology group	225 367	–	GSK
45 Swiss Tropical and Public Health Institute	824 600	841 509	Swiss Tropical and Public Health Institute (Swiss TPH)
46 Monash CDCO	103 077	394 948	Monash CDCO, Australia
47 PK analytical chemistry	127 801	153 991	Swiss BioQuant
48 <i>P. vivax</i> <i>in vitro</i> resistance testing	30 000	33 000	Menzies School of Health Research, Australia
49 Compound management	84 511	70 860	SPECS
50 Syngene parasitology	–	154 360	Syngene, India
51 Outsourcing budget	380 497	79 921	Medicines for Malaria Venture
52 Field isolates resistance	–	40 000	Swiss TPH; Centre Suisse de Recherche Scientifique en Côte d'Ivoire
53 <i>In vivo</i> assay of compounds with haemolytic liabilities	41 839	60 019	University of Denver Colorado, USA
54 Artemisinin-resistance <i>in vitro</i>	50 667	100 001	Institut Pasteur du Cambodge

7. PROJECT GRANTS (CONTINUED)

55	Contract Research Organization DMPK	121 660	–	TCG Lifesciences, India; Cyprotex UK
56	East African isolates	92 789	26 574	Infectious Diseases Research Collaboration, Uganda
57	<i>In vitro</i> drug sensitivity of the zoonotic parasite	38 445	41 733	London School of Hygiene and Tropical Medicine, UK
58	Pf SCID <i>in vivo</i> testing	1 012 410	545 753	The Art of Discovery, Spain
59	PRR assay	375 148	225 000	GSK
60	Compounds Australia agreement	28 036	8 128	Griffith University, Australia
61	Mechanisms of action	173 489	6 247	University of Victoria; ICGEB, New Delhi
62	<i>Plasmodium falciparum</i> 384-well SYBR Green assay	283 739	60 332	Dundee University, UK
63	Target safety reviews	53 842	–	Apconix, UK
64	<i>Plasmodium</i> target database	11 864	–	University of Edinburgh, UK
	<i>P. vivax</i> hypnozoites	1 563 754	1 091 806	
65	Development of <i>P. vivax</i> liver-stage (HTS) assay	191 856	121 238	National Centre for Biological Sciences, India
66	<i>P. cynomolgi</i> liver	375 724	200 000	BPRC, Netherlands
67	<i>In vitro</i> assay of anti <i>P. vivax</i> liver-stage compounds	532 188	363 267	Mahidol University, Thailand
68	<i>P. vivax in vitro</i> liver-stage assay	334 474	194 833	University of South Florida, USA; University of Georgia, USA
69	Liver-stage capacity building	–	212 468	Mahidol University,Thailand; National Centre for Biological Sciences, India
70	<i>P. cynomolgi</i> screening	104 498	–	University of Georgia, USA
71	Cambodian <i>P. vivax</i> sporozoite production	25 014	–	Institut Pasteur du Cambodge
	Transmission blocking	538 444	603 000	
72	Gametocyte assay development and screen (stage specific)	151 785	150 000	Imperial College London, UK
73	Drug assay platform for inhibition of <i>P. falciparum</i> transmission stages	236 490	148 000	TropiQ Health Science, Netherlands
74	GSK insectary	150 169	305 000	GSK
	Chemoprotection/prophylaxis	623 253	434 347	
75	Development of a <i>P. berghei</i> uHTS liver-stage assay and screening of Biofocus library	623 253	420 327	University of California San Diego, School of Medicine, USA
76	<i>P. berghei</i> liver-stage assay - Kirsten K. Hanson	–	14 020	University of Texas San Antonio, USA
	Total translational	12 890 744	12 459 480	
	Preclinical development	3 116 278	1 764 202	
77	DDD498 *	–	1 194	Merck KGaA (University of Dundee, UK)
78	DSM421	243 184	611 686	Takeda, Japan
79	GSK692	–	400 000	GSK
80	AN762	836 492	133 424	Anacor, USA; Medicines for Malaria Venture
81	UCT943	923 279	442 898	University of Cape Town, South Africa
82	MMV253/AZ412	412 446	175 000	Cadila Healthcare, India
83	SAR121	700 877	–	Sanofi
	Phase I	1 192 559	1 406 103	
84	P218	1 192 957	1 391 901	Janssen Pharmaceuticals, Inc., USA (BIOTEC, Thailand)
85	Intrarectal artesunate	–	12 042	Cipla, India; Strides Arcolab, India
86	DDD498 *	(398)	–	Merck KGaA (University of Dundee, UK)
87	Intrarectal artesunate prequalification	–	2 160	Medicines for Malaria Venture
	Phase Ib	239 651	1 889 111	
88	MMV048 *	–	1 424 370	University of Cape Town; Technology Innovation Agency, South Africa
89	SJ733	239 651	464 741	St. Jude Children's Research Hospital; Eisai, Japan
	Proof of concept (phase II)	–	–	
	Translational platform technologies (elimination)	3 787 939	3 339 255	
90	The pilot human malaria challenge study	1 187 311	1 334 554	Queensland Institute of Medical Research, Australia
91	PK/PD modeling	332 530	–	Medicines for Malaria Venture
92	<i>Vivax</i> antirelapse (Indonesian soldier)	202 499	394 350	Eijkman Oxford Clinical Research Unit, Indonesia
93	QIMR capacity and quality support	1 848 808	1 610 351	Queensland Institute of Medical Research, Australia
94	SCID combination studies	216 791	–	The Art of Discovery, Spain
	Phase IIa	4 554 317	4 060 809	
95	KAE 609	–	(284 575)	Novartis Institute for Tropical Diseases, Singapore
96	KAF156 *	–	886 175	Novartis Institute for Tropical Diseases, Singapore
97	DSM265-DHODH inhibitors	1 943 083	3 459 209	Takeda, Japan
98	MMV048 *	2 611 234	–	University of Cape Town; Technology Innovation Agency, South Africa; Jimma University, Ethiopia; University of Tübingen, Germany; University of Gondar, Ethiopia
	Total product development	11 281 825	10 184 438	
	Phase IIb	7 288 346	2 560 491	
99	OZ439	5 833 110	2 560 491	Sanofi
100	KAF156 *	1 455 236	–	Novartis Institute for Tropical Diseases, Singapore
	Phase III	3 649 232	5 936 389	
101	Tafenoquine for <i>P. vivax</i> relapse prevention	3 243 610	5 799 709	GSK
102	Paediatric tafenoquine <i>P. vivax</i> relapse prevention	405 622	136 680	GSK
	Phase IV	344 247	1 687 558	
103	Pyramax® (pyronaridine-artesunate) new paediatric formulation	344 247	1 687 558	Shin Poong Pharmaceutical Co., Ltd., South Korea
	TOTAL R&D	40 354 873	35 030 705	

* Different category in 2016 and 2017

7. PROJECT GRANTS (CONTINUED)

APM project name	2017 USD	2016 USD	Project partners
Treating and preventing uncomplicated and severe malaria	3 839 057	6 154 684	
1 Policy revision	Terminated	443	
2 Eurartesim® (dihydroartemisinin-piperaquine; DHA-PQP)	162 670	247 908	National Institute Malaria Research, India; Groupe de Recherche Action en Santé Burkina Faso; Syngene, India
3 Pyramax® (pyronaridine-artesunate) general	226 768	48 191	Shin Poong Pharmaceutical Co., Ltd., South Korea
4 Injectable artesunate general	71 474	310 813	University of Oxford, UK; The African Collaborating Centre for Pharmacovigilance, Ghana
5 Pyramax CANTAM study	2 571 951	470 500	Central African Network on Tuberculosis HIV/AIDS and Malaria (CANTAM); University of Tübingen, Germany; FHI 360, USA; Institute Pierre Richet, Ivory Coast
6 Malaria in pregnancy (IPTp)	198 216	381 865	London School of Hygiene & Tropical Medicine, UK; ISGlobal Barcelona Institute for Global Health
7 Safety of DHA-PQP in pregnancy	152 810	–	Liverpool School of Tropical Medicine, UK
8 OZ439	2 167	108 875	
9 Seasonal malaria chemoprevention	61 548	382 118	West Africa Roll Back Malaria Network (WARN); S Kant Healthcare, India; Malaria Consortium, UK
10 Improving severe malaria outcomes	Terminated	3 960 504	Clinton Health Access Initiative; Malaria Consortium; Missionpharma A/S, Denmark
11 Severe malaria observatory	76 962	113	
12 Rectal artesunate general	314 223	186 797	Cipla, India; Strides Arcolab, India; Transaid Worldwide services Ltd; Solvias
13 ASMQ - low cost, paediatric, market assessment	268	56 557	Cipla, India; DNDI, Switzerland
Treating relapsing malaria	717 260	468 525	
14 VIVAX - general	Terminated	8 352	
15 VIVAX - market research to support tafenoquine	352 959	186 292	GSK; Asia Pacific Malaria Elimination Network
16 VIVAX - strategy development	62 453	40 326	WHO GMP; WHO Africa
17 India comprehensive case management pilot	301 848	233 555	National Institute Malaria Research, India; NVBCDP Odisha, India; HISP, India; Public Health Foundation of India
Understanding the marketplace	89 852	176 408	
18 Market intelligence - general	89 852	72 968	Imperial College London, UK
19 Market volumes (market size and segmentation)	Terminated	81 422	Government of Zambia; Government of Uganda; IMS Health, USA
20 SMS for Life - Tanzania	Terminated	22 018	Swiss TPH
New projects/pilots	479 284	467 541	
21 Mass drug administration programming (Lihir)	111 359	467 541	Newcrest Mining Limited, Australia; ISGlobal Barcelona Institute for Global Health, Spain
22 AQCESS Mali	14 527	–	
23 Unitaid supply grant	353 398	–	S Kant Healthcare, India
Access events and miscellaneous project costs	212 637	193 792	
24 Access - Stakeholders' meeting	–	62 127	WHO GMP; WHO Africa
25 Events and conferences	144 701	45 698	
26 Miscellaneous	67 936	85 967	
Total APM	5 338 090	7 460 950	

Project grants represent the awards to the projects as specified above, directly managed and supervised by MMV.

Project-related variable expenditures include all legal advice/services for contract negotiations (IPR), organization and travel for project meetings/reviews, MMV scientific personnel compensation and various scientific project consultancies. Expenditure for this MMV support totalled USD 13,176,743 and USD 14,011,799 in 2017 and 2016, respectively.

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.

8. PERSONNEL EXPENSES

There were 60 employees at 31 December 2017 (2016: 57), as well as 27 temporary staff members (2016: 24).

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 contributions from MMV and employees.

	2017 USD	2016 USD
Capital ratio	112.8%	107.5%
Pension fund (asset)/liability	2 977	597 953

9. OTHER EXPENSES

	2017 USD	2016 USD
Other	-	-
Derivative financial instruments	(236 426)	(37 737)
Other expenses	(236 426)	(37 737)

10. FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATIONS

	2017 USD	2016 USD
Exchange gain/(loss) from CHF	105 617	(165 423)
Exchange gain/(loss) from EUR	342 315	(62 096)
Exchange gain/(loss) from GBP	223 630	(752 086)
Exchange gain/(loss) from AUD	148 545	(14 818)
Exchange gain from JPY	131 462	-
Foreign exchange gain/(loss)	951 569	(994 423)

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

11. LEASES

Non-cancellable operating lease rentals are payable as follows:

	2017 USD	2016 USD
Less than 1 year	1 040 519	944 577
Between 1 and 5 years	5 042 431	721 705
More than 5 years	713 813	-
Total	6 796 764	1 666 282

MMV has several operating leases. These leases generally run for a period of 5 years, with an option to renew the lease after that date. During the year that ended 31 December 2017, USD 1,008,067 were recognized as an expense in the consolidated statement of operations in respect of operating leases (2016: USD 937,908).

12. CONTINGENT ASSETS

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

	2017 USD	2016 USD
Less than 1 year	70 280 712	72 429 610
Between 1 and 5 years	68 891 577	119 170 072
More than 5 years	-	-
Total	139 172 289	191 599 682



13. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments used for hedging balance sheet items are recognized at fair value on the date a derivative contract is entered into and are recorded as other receivables or other current

liabilities. Derivatives are subsequently remeasured to their current fair value at each balance sheet date, with unrealized gains and losses recognized in the income statement as disclosed in Note 9.

MMV uses currency options to hedge its exposure to foreign currency risk.

	2017		Purpose	2016		Purpose
	Positive value	Negative value		Positive value	Negative value	
Options currency transactions	160 495	(30 670)	Hedging	205 756	(243 493)	Hedging
Total financial instruments	160 495	(30 670)	-	205 756	(243 493)	-

14. RELATED PARTIES

MMV has a related party relationship 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.

	2017 USD	2016 USD
Board members and meetings	222 253	317 679

There were no loans to directors or executive officers for the years that ended 31 December 2017 and 31 December 2016.

Some donors are represented in the foundation council. Given the foregoing, these donors could be considered as related parties. However, MMV management considers that their presence in the foundation council does not affect the nature of the relationship between MMV and these donors.

Therefore, all MMV donors have been considered third parties.

15. RISK MANAGEMENT

The foundation council has overall responsibility for organizing and supervising risk management. The audit and finance 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. The management has the responsibility to monitor and supervise the substantial risks.

For risks related to accounting principles and financial reporting, a 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 the risks related to accounting principles and financial reporting.

16. GUARANTEES

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

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

18. AUDITORS

KPMG SA, Geneva, has been MMV's statutory auditors since 2003 (fiscal year). In 2017, a competitive bidding process led to their reappointment. The current Lead Auditor, H el ene B egu in, has acted in this capacity since 2017.

During the 2017 fiscal year, MMV paid a total of USD 51,980 (2016: USD 123,039) to its auditors. This amount can be split as follows:

- Audit services (including special audit reports to donors): USD 51,980 (2016: USD 122,467)
- Other services: nil (2016: USD 572)

19. 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.



“

Together with you,
we will do everything
in our power to help
turn recent setbacks
to success on the road
to malaria eradication.

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