

FINANCIAL & PERFORMANCE REPORT **2021**

Global Antibiotic
Research & Development
Partnership

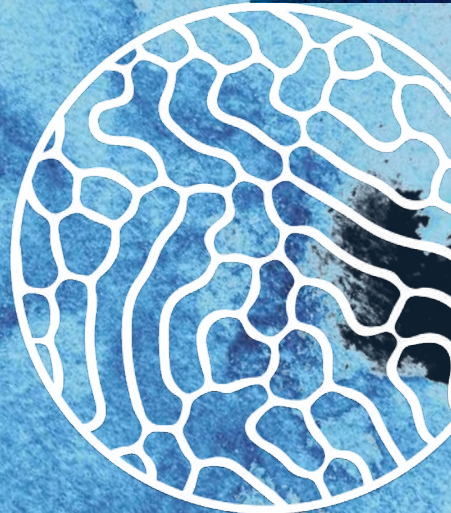
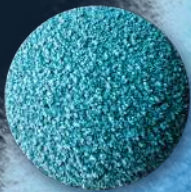


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1. ORGANIZATIONAL BACKGROUND

The Global Antibiotic Research and Development Partnership (GARDP) is a Swiss not-for-profit organization developing new treatments for drug-resistant infections that pose the greatest threat to health. GARDP was created by the World Health Organization (WHO) and the Drugs for Neglected Diseases initiative (DNDi) in 2016 to ensure that everyone who needs antibiotics receives effective and affordable treatment. GARDP is funded by the governments of Germany, Japan, Luxembourg, Monaco, Netherlands, South Africa, Switzerland, United Kingdom, the Canton of Geneva, as well as Médecins Sans Frontières and other private foundations. GARDP is registered under the legal name GARDP Foundation.

After five years in operation, GARDP has formed numerous partnerships with industry, academia and research institutions in support of its clinical programmes to develop antibiotics for drug-resistant infections for children, newborns with sepsis (a bloodstream infection), sexually transmitted infections and serious bacterial infections. These collaborations span the drug development lifecycle and include screening chemical libraries for antibacterial activity, assessing the viability of potential antibiotic candidates, and the completion of three clinical trials. We also work with partners on a range of educational and knowledge sharing activities in antibiotic R&D, including REVIVE (www.revive.gardp.org). Of particular significance is the pivotal phase 3 global clinical trial GARDP is sponsoring for a novel antibiotic (zolfidodacin) to treat gonorrhoea which commenced in 2019. We are also co-financing a phase 3 global clinical trial on cefepime-taniborbactam, an investigational combination of the fourth-generation antibiotic cefepime with taniborbactam, a novel, broad-spectrum beta-lactamase inhibitor that restores the

activity of cefepime against carbapenem. We have formed over 70 partnerships in 23 countries that span governments, the biomedical and pharmaceutical industries, research institutions, non-profits, and civil society and have already built a pipeline to tackle drug-resistant infections in our priority areas.

GARDP bridges the gap between innovation and access by focusing on developing candidates in late-stage clinical development. This requires identifying the barriers to access and finding innovative ways to overcome them. We are also exploring ways to ensure there is a viable market and sustainable supply of treatments in the long-term.

Since 2016, GARDP has developed a strong portfolio of antibiotics to treat the most serious drug-resistant infections and made progress through three core research and development programmes - Children's Antibiotics, Sexually Transmitted Infections and Serious Bacterial Infections.

2. KEY FINANCIAL PERFORMANCE INDICATORS

2.1 PROGRAMMES & KEY DEVELOPMENTS IN 2021

CHILDREN'S ANTIBIOTICS –

NEONATAL & PAEDIATRIC DEVELOPMENT

Neonatal sepsis affects up to 3 million new-borns annually¹

- IDENTIFIED three potential combination treatments for neonatal sepsis.
- ADVANCED the clinical development of cefepime-taniborbactam for children.
- INITIATED collaborations to develop access to antibiotics.

SERIOUS BACTERIAL INFECTIONS

A major cause of death in hospital and healthcare settings

- Venatorx COMPLETED enrolment for the pivotal phase 3 trial of cefepime-taniborbactam, a promising new antibiotic treatment.
- IDENTIFIED sites to be part of a network in India and South Africa that will improve our understanding of how to treat drug-resistant infections in adults and children.
- INITIATED an agreement to deliver access to cefiderocol in the countries that need it most.

SEXUALLY TRANSMITTED INFECTIONS

Endeavouring to keep sexually transmitted infections treatable

- ADVANCED R&D through several projects, including the development of an *in vitro* Hollow Fibre Infection Model (HFIM) to examine the pharmacodynamic dosing, bacterial kill, and resistance suppression of zoliflodacin against *Neisseria gonorrhoeae*.
- ACTIVATED new countries and sites and recovered recruitment (following the impact of the COVID-19 pandemic) for the phase 3 trial of zoliflodacin, a potential treatment for gonorrhoea.
- LED key initiatives that will facilitate future access to zoliflodacin.

ADVANCING ANTIBIOTIC R&D

Continued focus on asset evaluation and development; discovery and exploratory research; and scientific affairs, including REVIVE

- SCREENED 22,816 compounds and 1,280 natural product extracts screened.
- IDENTIFIED 2 hit compounds and 36 hit extracts.
- EXPLORING 3 compound series as possible new antibiotics and 3 more for their potential to enhance the effects of old antibiotics.
- PUBLISHED 10 new Antimicrobial Viewpoint articles.
- INCREASED expert membership to 148 (2020 – 102).
- PRODUCED 13 webinars for 2,727 participants.

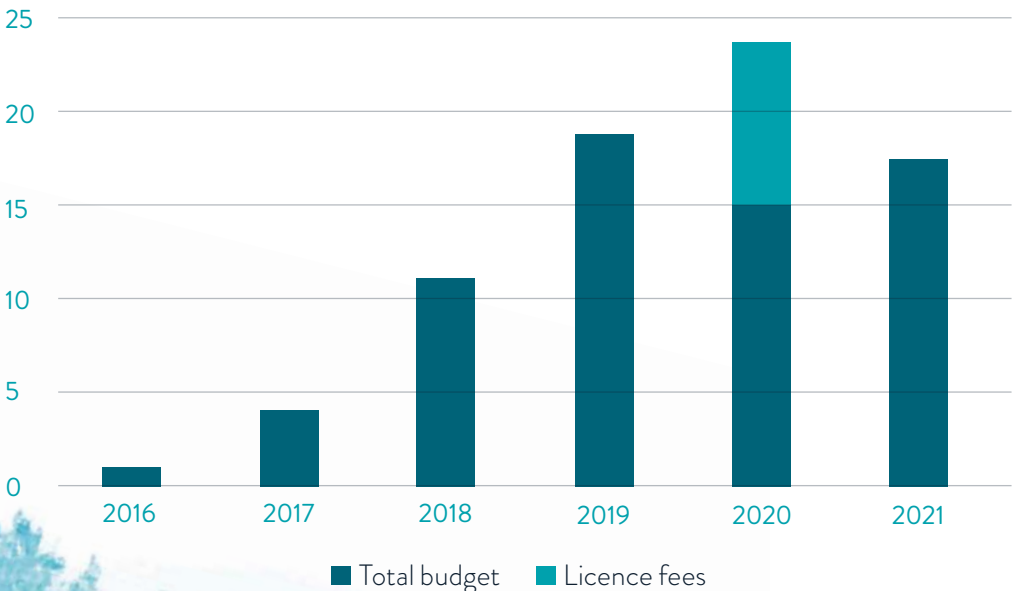
¹ Fleischmann-Struzek C, Goldfarb D M, Schlattmann P, Schlapbach L J, Reinhart K, Kissoon N. The global burden of paediatric and neonatal sepsis: a systematic review. *Lancet Respir Med.* 2018 Mar;6(3):223-230.

2.2 EXPENDITURE

Steady growth in spending, concentrated on R&D

- Total GARDP expenditure since the start of its incubation within DNDi in 2016 totals EUR 76.4M.
- 2021 Operational expenditure totalled 17.4M, a decrease of 26% (-EUR 6.3M) compared to EUR 23.7M in 2020. This was due to the one-off early investment of EUR 8.9M in relation to cefepime-taniborbactam in 2020.
- R&D expenditure totalled EUR 12.8M and spending on social mission (R&D, access and international network) equated to 84% of total expenditure.

Expenditure Growth 2016 – 2021 in million euros

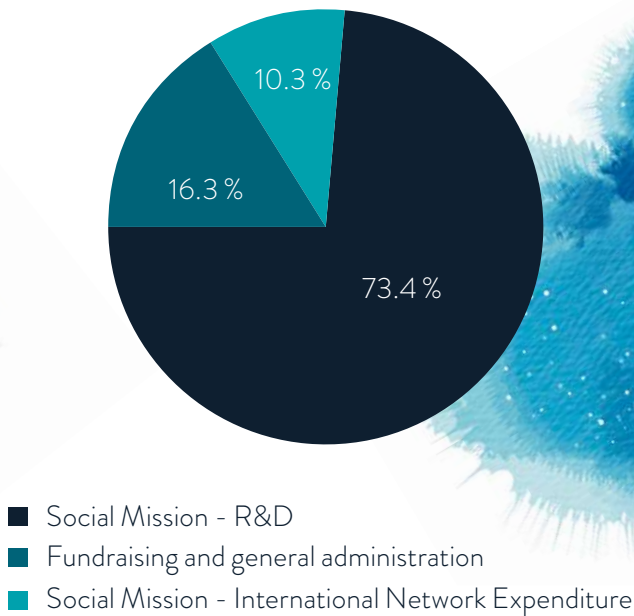


84% of spending dedicated to the social mission

GARDP's ratio of social mission to non-social mission spending was 84% in 2021, this is a little lower than in 2020 (89%) and was due to the impact of COVID-19 on some R&D operational activities.

COVID-19 was a challenge again in 2021, but with the help of both virtual and remote operational working, GARDP was able to ensure positive developments across all of its R&D programmes.

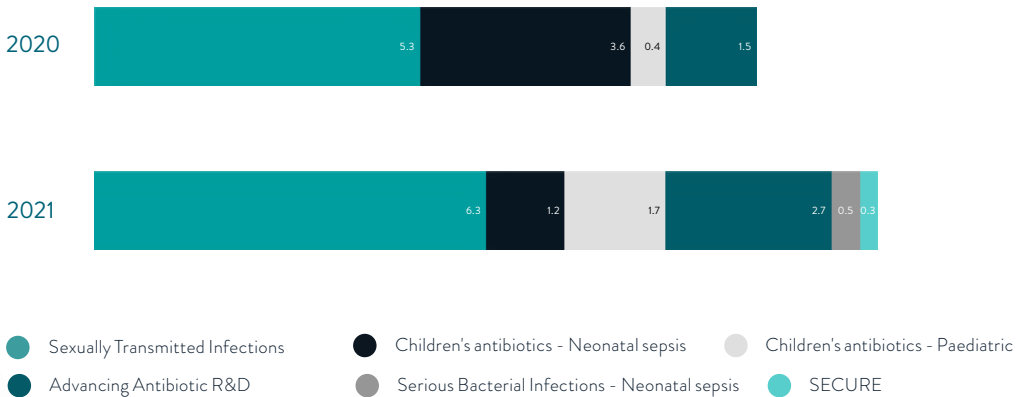
International Network activity increased in 2021 (1.8M vs 1.4M in 2020) with the opening of the GARDP North America office.



R&D EXPENDITURE PER PROGRAMME²

Excluding the 2020 one-off early investment licence fee payments of EUR 8.9M in relation to cefepime-taniborbactam R&D expenditure grew by 19%, (+2M) mainly driven by the continued strengthening and reinforcement of the R&D structure throughout the year and an increase in activity related to the cefepime-taniborbactam development project (part of both the Serious Bacterial Infections and Children's Antibiotics-Paediatrics programmes), Sexually Transmitted Infections and Discovery and Exploratory (part of Advancing Antibiotic R&D) programmes.

² Figures include R&D coordination and support.

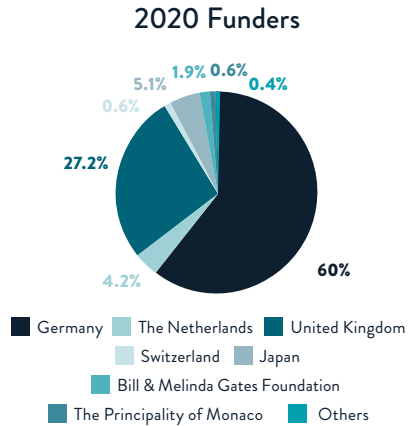
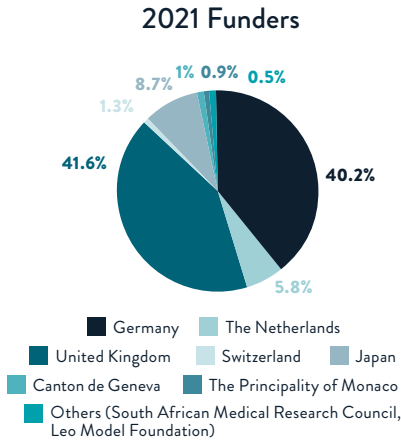


2.3 FUNDING

2021 FUNDING (EUR 17.3M)

Despite what was another difficult year from a funding perspective, as the COVID-19 pandemic continued to be the main focus for many of our funding partners in 2021, we were able to secure new funding from the South African Medical Research Council, Canton of Geneva, Japan's Ministry of Health, Labour and Welfare, Australia's Department of Health, along with renewed funding from Switzerland's Federal Office of Public Health and the UK's Department of Health and Social Care. The funding environment remains volatile given the ongoing pandemic, the war in Ukraine and competing priorities across global health organizations. Further multi-year funding support will be required in 2022 and beyond, including key renewals from core funders and new funding commitments from non-current funders. GARDP is critical to delivering on the commitments made by Member States under the Global Action Plan (GAP) on AMR and the UN High Level Declaration on AMR, and it has been consistently recognized by both the G7 and G20 as a crucial actor of the global response. G7 countries have recognized the challenge of AMR and are dedicated to addressing the problem. This was included, in 2021, statements by the G7 Health Ministers and the G7 Finance Ministers, both of which called for greater investments and attention to address AMR as a silent pandemic of drug-resistant infections. The health ministers highlighted GARDP's role to "support the development and approval of much-needed innovative antimicrobial therapeutics." GARDP will continue to advocate for these calls for greater investments in AMR, particularly in late-stage development and access which is where the greatest needs currently exist.

In this current AMR context, it is important that GARDP continues to grow and diversify its funder base. Alongside its objective to generate new sources of income to fund its mission, GARDP seeks flexibility in its funding support. This is key to both the management and development of a balanced portfolio. A year-on-year comparison of GARDP's funders is shown on the next page.



FUNDING COMMITMENTS AND PLEDGES TO DATE EUR 104.7M:

RENEWED FUNDING SHOWS GROWING COMMITMENT TO GARDP'S MISSION³

PUBLIC CONTRIBUTORS FROM 2016 - 2025		EUR 101M
• Germany (BMBF and BMG)		• EUR 60.1M
• UK (DFID, DHSC and NIHR)		• EUR 21.7M
• Japan (Ministry of Health, Labour and Welfare)		• EUR 7.9M
• The Netherlands (VWS)		• EUR 7.5M
• Switzerland (FOPH)		• EUR 1.3M
• South African Medical Research Council		• EUR 0.9M
• The Principality of Monaco		• EUR 0.8M
• Canton de Genève		• EUR 0.5M
• Australia (Department of Health)		• EUR 0.2M
• Grand Duchy of Luxemburg		• EUR 0.1M
PRIVATE CONTRIBUTORS FROM 2016 - 2025		EUR 3.7M
• Bill & Melinda Gates Foundation		• EUR 1.8M
• Wellcome Trust		• EUR 1.1M
• Others: Médecins Sans Frontières, Leo Model Foundation		• EUR 0.8M

³ Tables showing public and private contributions include only committed and pledged funding.



The UK’s Department of Health and Social Care (GAMRIF) increased their financial support to GARDP in 2021 by contributing a further EUR 5.3M (£4.5M). The Principality of Monaco pledged a further EUR 400K over three years (2022 – 2025). Switzerland’s Federal Office of Public Health contributed a further CHF 100k and The Leo Model Foundation also extended its support to GARDP with an additional USD 50,000.

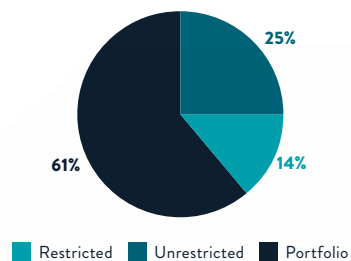
New funding of \$1.8M (April 21 – March 22) was received from the Japanese Ministry of Health, Labour and Welfare (with a pledge for a further \$5.4M over the next three years), the Canton de Genève who have contributed CHF 540K over three years (2021 – 2023), Australia’s Department of Health committed AUD 300K and the South African Medical Research Council who have funded a further ZAR 4M over two years.

By the end of the year, GARDP had secured a total of EUR 104.7M in commitments (99.6M) and pledges (5.1M).

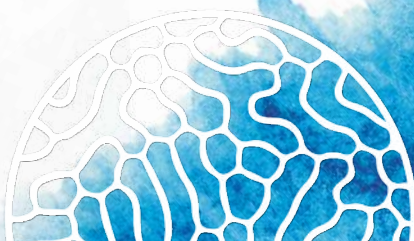
61% portfolio funding

GARDP receives funding with varying levels of flexibility. Funds committed at the level of the portfolio allow GARDP to respond quickly to research opportunities within a broad portfolio of projects. Balanced and flexible funding allows GARDP to effectively manage its priorities at both programmatic and portfolio levels. The level of unrestricted funding received to date has increased to 25% (2020 – 15%).

Fund Types (EUR 104.7M)*



* Includes only committed funding

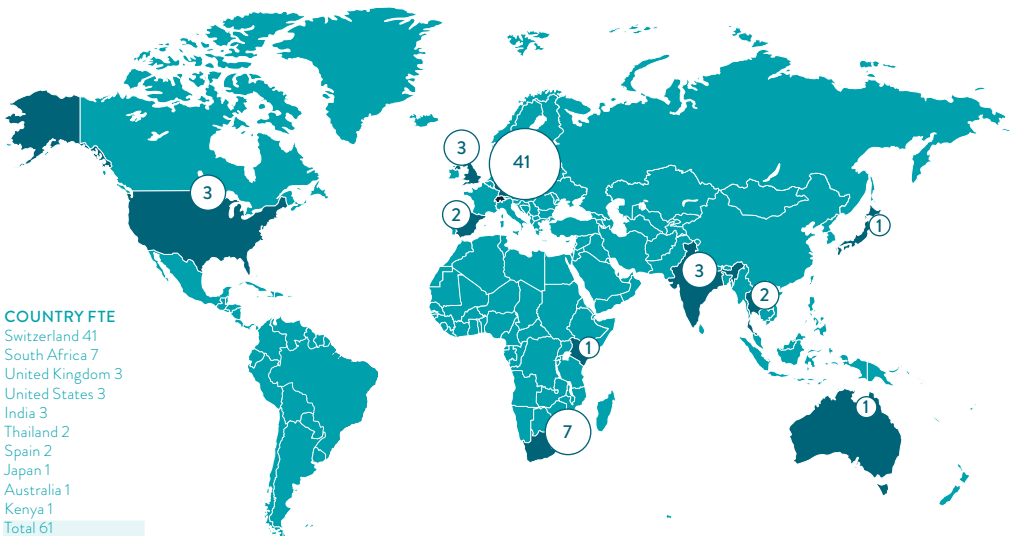


2.4 GLOBAL PERSONNEL COSTS

GARDP’s personnel costs are largely made up of R&D employees and consultants who work directly within the R&D programmes both in countries where R&D activities take place, as well as in Switzerland. The GARDP model is to maximise synergies between its external partners and its in-house expertise to ensure the right balance of flexibility, scrutiny and expertise across all programmes, as is required by a small and agile not-for-profit organization. Due to the therapeutic areas, territories, and size of the trials that GARDP conducts, together with the main drivers of clinical activity costs (clinical procedure and drug costs, site monitoring costs, staff costs), GARDP’s organizational model entails a substantial use of human capital as reported through the level of FTE within our R&D programmes. This ensures projects are securely directed towards GARDP’s public health and R&D objectives.

During 2021 the R&D programmes were strengthened significantly as expertise was added across both the medical and clinical operations functions. As shown in section 3.8, total staff costs increased by 23% from EUR 7.5M in 2020 to EUR 9.2M in 2021 (+ EUR 1.7m).

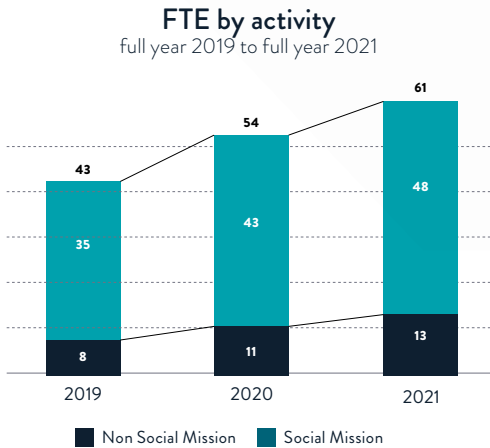
GARDP, through DNDi, has a global presence with offices in several regions, including Africa, North America, Latin America and South Asia, and country offices in Japan and India. In-country implementation of GARDP’s programmes is supported by these offices, the GARDP North America office and a joint DNDi-GARDP office in Southern Africa. GARDP also has representation in Australia.



At the end of 2021, GARDP employed a total of 82 (61FTE) employees worldwide, in 2020, 68 (54FTE). The breakdown of resources, based on headcount between HQ and regional offices is 60%:40% vs 2020 (62%:38%). The figures include consultants specifically appointed to support its R&D activities. Overall, there are 18 consultants working across the various functions, including R&D, Business Development, Communications and Access.

GARDP - FULL TIME EQUIVALENT TREND

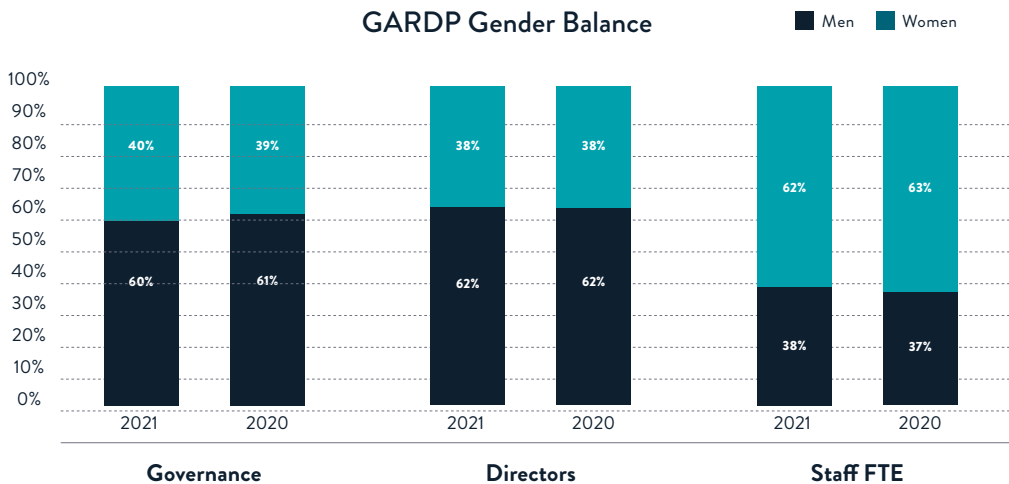
- 79% of staff are focused on Social Mission activities (R&D, Business Development, Policy & Advocacy and Communications as well as our global network undertaking these activities) in 2021. The percentage in 2020 was marginally higher at 80%.
- GARDP is committed to developing its staff, attracting required expertise as well as closely managing its growth in fixed costs, especially in the current environment. Where possible, permanent staff are recruited in country or short-term support is hired as necessary for specific projects.



GENDER BALANCE GARDP

GARDP is committed to transparency regarding equality and diversity in all our activities including achieving gender balance across all areas within our organization. Consequently, GARDP will monitor its progress in this area year on year.

Gender equity among the GARDP team has remained relatively stable in 2021 compared to 2020.⁵



⁵ Governance includes the Board of Directors, Audit Committee, Nominations, Remuneration & Safeguarding Committee, Strategy Partnerships Committee, Scientific Advisory Committee and the Donor Partnership Advisory Committee. For details see section 5 Governance.



3. FINANCIAL STATEMENTS

The management is responsible for the preparation of the combined financial statements and related information that is presented in this report. The combined financial statements include amounts based on estimates and judgements made by the Finance department.

Deloitte SA was appointed as the independent auditor by the GARDP Foundation upon the recommendation of the Audit Committee to audit and opine on the combined financial statements of the GARDP Foundation.

The GARDP Board, through its Audit Committee, meets periodically with the Finance department and the statutory auditor to ensure that each is meeting its responsibilities, and to discuss matters concerning internal controls and financial reporting.

The Board of Directors and management of the Foundation are responsible for establishing and maintaining adequate internal control over financial reporting. The Foundation's internal control system is designed to provide reasonable assurance to the management and Board of Directors regarding the reliability of financial reporting and the preparation and fair presentation of its published combined financial statements. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective may not prevent or detect misstatements and can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to

future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Foundation's management assessed the effectiveness of the foundation's internal control over financial reporting as of December 31, 2021. Based on our assessment, management concluded that, as of December 31, 2021, the Foundation's internal control over financial reporting is effective. Deloitte SA has tested the implementation of the Foundation's internal control over financial reporting, which is reflected in their audit opinion included in this Annual Financial Performance Report under "Section 4. Report of Statutory Auditor."

There were no changes to our internal control over financial reporting that occurred during the period covered by this Annual Financial Performance Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

These combined financial statements for the year ended 31 December 2021 were approved by the Board of Directors on 10th June 2022.

BALANCE SHEET

AT 31 DECEMBER 2021 WITH COMPARATIVE FIGURES

(EXPRESSED IN EUR)	NOTES	2021	2020
CURRENT ASSETS:			
Cash and cash equivalents			
Cash and banks		11'602'843	10'747'701
Cash and banks at regional and affiliate offices		218'252	9'554
Time deposits		1'734'346	3'695'400
Total cash and cash equivalents	3.2 (i)	13'555'441	14'452'656
Stocks of drugs		0	0
Current accounts and receivables			
Receivables from donors		4'260'392	677'138
Other receivables		202'421	149'769
Prepaid expenses		82'792	117'928
Total current accounts & receivables		4'545'605	950'865
TOTAL CURRENT ASSETS		18'101'046	15'403'521
NON CURRENT ASSETS:			
Intangible assets	3.3	114'285	144'906
Total non-current assets		144'285	144'906
TOTAL ASSETS		18'215'331	15'548'427
CURRENT LIABILITIES:			
Payables		1'930'533	1'585'865
Accrued expenses		563'772	158'915
Deferred income	3.5	15'514'830	13'597'503
Provisions	3.4	141'522	153'974
TOTAL CURRENT LIABILITIES		18'150'657	15'496'258
CAPITAL OF THE ORGANISATION:			
Paid-in capital		44'275	44'275
Result for the year		12'506	7'892
Restricted operating funds		0	0
Unrestricted operating funds		7'894	2
Total capital of the organization		64'674	52'169
TOTAL LIABILITIES AND CAPITAL		18'215'331	15'548'427

STATEMENT OF OPERATIONS

2021 WITH COMPARATIVE FIGURES

(EXPRESSED IN EUR)	NOTES	2021	2020
INCOME			
Public institutional funding:			
Govern. & public int. organiz. unrestricted		7'323'146	2'870'212
Govern. & public int. organiz. restricted		9'897'466	20'569'918
Total public institutional funding		17'220'612	23'440'130
Private resources:			
Private foundations, corp. and individuals, unrestricted		41'396	2'872
Private foundations, corp. and individuals, restricted		-	490'156
Total private resources:		41'396	493'027
Other income:			
Sundry income & reimbursements		37'907	75'239
Other income net		37'907	75'239
TOTAL INCOME	3.5, 3.6	17'299'916	24'008'397
SOCIAL MISSION EXPENDITURE			
Research & development expenditure:			
Research & development coordination and supervision		4'385'013	3'486'875
Children's Antibiotics - Neonatal Sepsis		772'332	5'682'538
Children's Antibiotics - Paediatric Development		1'140'090	3'440'195
Sexually Transmitted Infections		4'172'338	3'563'221
Serious Bacterial Infections		328'592	703'143
Advancing Antibiotic Research and Development		1'787'954	2'801'504
SECURE		201'154	-
Total research & development expenditure		12'787'473	19'677'476
International network expenditure		1'799'437	1'394'813
TOTAL SOCIAL MISSION EXPENDITURE		14'586'910	21'072'289
NON-SOCIAL MISSION EXPENDITURE			
Fundraising & General Administration		2'845'212	2'642'344
Total non-social mission expenditure		2'845'212	2'642'344
TOTAL EXPENDITURE	3.7	17'432'122	23'714'634
Operating surplus / (loss)		(132'206)	293'763
OTHER INCOME (EXPENSES)			
Financial income, net		5'085	7'893
Exchange gain (loss), net		139'626	(293'764)
TOTAL OTHER INCOME (EXPENSES)		144'711	(285'871)
Net surplus for the year prior to allocations		12'506	7'892
Release from restricted operating funds		-	-
Allocation to unrestricted operating funds		(12'506)	(7'892)
NET SURPLUS FOR THE YEAR AFTER ALLOCATIONS		-	-

CASH FLOW STATEMENT

FOR THE 12 MONTH PERIOD ENDING 2021

(EXPRESSED IN EUR)	2021	2020
INCOME		
Net surplus (loss) for the year, unrestricted	12'506	7'892
Depreciation of intangible fixed assets	88'534	69'520
Increase (decrease) in provisions	(12452)	(20'499)
(Increase) decrease in advances	-	(132)
(Increase) decrease in receivables from donors	(3'583'255)	(86)
(Increase) decrease in other receivables	(46'622)	(122'884)
Increase (decrease) in prepaid expenses	35'136	439'666
Increase (decrease) in payables	344'668	(2'414'448)
Increase (decrease) in accrued expenses	404'856	(470'419)
Increase (decrease) in deferred income	1'917'327	2'654'662
FUNDS FLOW FORM OPERATING ACTIVITIES	(839'302)	143'272
(Acquisition) disposal in intangible fixed assets	(57'913)	(96'558)
(Increase) decrease in bank guarantee deposits	-	634
FUNDS FLOW FORM OPERATING ACTIVITIES	(57'913)	(95'924)
Inflow from capital paid in	-	-
FUNDS FLOW FORM FINANCIHNG ACTIVITIES	-	-
NET CHANGE IN CASH	(897'215)	47'348
Cash at the beginning of the year	14'452'656	14'405'308
Net Change in Cash	(897'215)	47'348
Cash at the end of the year	13'555'441	14'452'656

STATEMENT OF CHANGES IN CAPITAL

AS AT 31 DECEMBER 2021 (EXPRESSED IN EUR)	OPENING BALANCE	ALLOCATION	INTERNAL FUND TRANSFERS	CLOSING BALANCE
Paid-in capital	44'275	-	-	44'275
Surplus (loss) for the year	-	12'506	(12'506)	-
Restricted operating funds	-	-	-	-
Unrestricted operating funds	7'894	-	12'506	20'400
Capital of the organization	52'169	12'506	-	64'675
AS AT 31 DECEMBER 2020 (EXPRESSED IN EUR)	OPENING BALANCE	ALLOCATION	INTERNAL FUND TRANSFERS	CLOSING BALANCE
Paid-in capital	44'275	-	-	44'275
Surplus (loss) for the year	-	7'892	(7'892)	-
Restricted operating funds	-	-	-	-
Unrestricted operating funds	2	-	7'892	7'894
Capital of the organization	44'277	7'892	-	52'169

3.1 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS



The accompanying notes are an integral part of this combined financial statement.

GENERAL INFORMATION

The GARDP Foundation was incorporated in July 2018 and became an autonomous legal entity in 2019 as all employees, assets and activities incubated by DNDi were transferred to GARDP effective 1 April 2019.

The purpose of these financial statements is to represent the combined activities of GARDP for the year ending 31 December 2021 and 2020.

In 2020, a novel coronavirus brought suffering, disruption and economic hardship to virtually every corner of the globe. GARDP quickly developed business continuity plans across the organisation to be adjusted as necessary during the COVID-19 pandemic and specifically an impact assessment of COVID-19 on its R&D programmes with a priority focus on clinical trials. GARDP made decisions to pause recruitment and delay the start of some clinical trials based on key criteria including site staff and patient safety. The pandemic continued to develop in 2021, however, GARDP kept monitoring the situation in constant dialogue with its partners and donors, updated its business continuity plans as necessary, and achieved significant progress in its activities as outlined in our 2021 Activity Report.

A. Legal aspects

The Global Antibiotic Research and Development Partnership (GARDP) is a Swiss Foundation registered in Geneva under statutes dated 21 June 2018 as a not-for-profit legal entity, with headquarters in Geneva. GARDP is monitored by the Swiss Federal Supervisory Board for Foundations and was granted “Other International Organization” status as of 10 March 2021.

The purpose of GARDP, as per its Charter, is “to develop new health technologies to tackle global and regional public health priorities where there are research and development or access gaps, contributing in particular to the fight against antimicrobial resistance and diseases that affect vulnerable populations, and

fostering appropriate use and enhancing access to such technologies”.

Per its charter, “GARDP may pursue all such activities as may be appropriate to attain its purpose, including raising funds for the purpose of the Foundation. GARDP may inter alia engage in:

- Conducting, supporting and stimulating the research and development of new health technologies, including medicines, vaccines and diagnostic tools as well as other technologies.
- Fostering appropriate use and equitable access to such health technologies.
- Raising awareness on the need to invest in research and development in health technologies, appropriate use and equitable access to health technologies; and
- Supporting other relevant global and regional initiatives in public health.
- GARDP will primarily focus on health technologies for humans but may also engage in the research and development of health technologies for animals and plants where this can contribute to protect human health.”

B. Income tax

An application with the Swiss Federal Council for “Other International Organization” status was filed with the Swiss Confederation in December 2018. The purpose of this application is to grant GARDP certain privileges, including:

- Exoneration from all direct and indirect federal, cantonal and communal taxes;
- Exoneration from all indirect taxes (VAT) on all goods and services acquired for the sole use of the foundation within Switzerland; and

- Unrestricted access to work permits for non-Swiss, non-EU nationals.

This application was granted on 10th March 2021. As a result of this privileged status granted by the Swiss government, GARDP is now VAT exempt in Switzerland and can employ foreign employees (EU or non-EU citizens alike) without any Swiss immigration law restrictions.

C. International Network

GARDP, through DNDi, has a global presence with offices in several regions, including Africa, North America, Latin America and country offices in India and Japan. As outlined in our prior year report, the GARDP Foundation entered into a collaboration agreement with DNDi effective 1 January 2019. Under this collaboration agreement, the GARDP Foundation is able to use the local infrastructure provided by DNDi to GARDP until December 2021. Through this network, GARDP has the ability to develop R&D activities with local partners (clinical trials, observational studies, etc.), but also develop relationships with local governments or funders. As outlined in section 3.15, this agreement was extended in an Alliance Agreement which was entered into by both entities in December 2021 as they decided to strengthen their collaboration.

In June 2018, GARDP also registered a non-profit company in Cape Town, South Africa, with DNDi. This non-profit company (“DNDi GARDP Southern Africa NPC”) is a joint company with DNDi and allows GARDP to develop local GARDP activities.

In May 2021, GARDP registered a new non-profit entity in North America, GARDP North America Inc. This sister non-profit organization will work together with GARDP on a common portfolio of projects that aim to accelerate the development and delivery of treatments for serious, and often life-threatening, drug-resistant infections. GARDP North America will strengthen ties with current and future partners and collaborators in the region (such as BARDA, NIAID, NIH, etc) and will also tap into the US’ strong tradition of partnerships between the public, non-profit, and private sectors to realize global and public health objectives.

3.2 SIGNIFICANT ACCOUNTING POLICIES

A. Accounting basis

The financial statements of the Foundation have been prepared in accordance with the provisions of the Swiss Code of Obligations. It has also been prepared under the requirements of the Swiss GAAP FER, in particular Swiss GAAP FER 21 relating to accounting for charitable non-profit organizations.

B. Scope of the financial statement

This report presents the combined GARDP activities included in the GARDP Foundation in 2021 and those activities that were undertaken on behalf of GARDP by DNDi, including the activities of the legal entity DNDi GARDP South Africa NPC, which has been working on GARDP projects since 1 July 2019 and GARDP North America (NA) since 1 May 2021. The report presents the combined statement of operations of GARDP, balance sheet and funds flow statement for 2020 and 2021 as well as notes to the accounts.

C. Basis of consolidation

The combined accounts include the GARDP legal entity in Switzerland and GARDP activity undertaken by the separate legal entity in South Africa “DNDi GARDP Southern Africa NPC” and “GARDP North America, Inc.”.

D. Social mission expenditure

Social mission expenditure encompasses expenses that support GARDP’s mission to develop new treatments for drug-resistant infections that pose the greatest threat to health and ensure that everyone who needs antibiotics receives effective and affordable treatment. This includes work carried out by the research & development, policy & advocacy, communications, and business development/access teams as well as our global network undertaking these activities. GARDP’s non-social mission expenditure comprises our fundraising, IT, finance and human resources activities.

E. Functional currency

The GARDP Board has determined that the assets, liabilities, and operations should be measured using EUR as the functional currency. The environment in which the entity primarily generates and expends cash determines this decision. All amounts presented in the financial statement are stated in EUR, except when specified otherwise.

F. Foreign currency translation

Transactions in currencies other than functional currency (EUR) are converted at the monthly average of the daily closing exchange rate of the previous month. Year-end balances in other currencies are converted at the last prevailing exchange rates available in the system for the year. Resulting exchange gains or losses are recognized in the Statement of Operations.

The principal exchange rates used at the year-end to re-evaluate the balance sheet items in EUR, including our cash balances, are:

CURRENCY	2021	2020
USD/EUR	0.8766	0.8451
CHF/EUR	0.9507	0.9278
GBP/EUR	1.1788	1.1163
ZAR/EUR	0.0564	0.0544

G. Income and deferred income

Restricted public and private contributions based on annual or multi-year agreements are recorded, over the life of the agreement, as and when the milestones set out in the agreement are achieved.

Unrestricted public and private contributions based on annual or multi-year agreements are recorded on an accrual basis over the life of the agreement.

A reconciliation between contributions committed to GARDP and income recognized in the statement of operations is shown under section 3.5 below.

Other small (below equivalent to EUR 50'000) contributions are recorded on a cash basis.

H. Expenditures incurred for projects and activities

All expenditure is on the accruals basis.

R&D vendors expenditure are recorded as follows:

- Payments made to third parties, such as contract research and development organizations in compensation for subcontracted R&D, whether they are deemed to transfer intellectual property to GARDP or not, are expensed as R&D expenses in the period in which they are incurred.
- Payments made to third parties to in-license or acquire intellectual property rights, compounds and products, including initial upfront and subsequent milestone payments, are also expensed, as are payments for other assets, such as technologies to be used in R&D activities.
- Costs for post-approval studies performed to support the continued registration of a marketed product are recognized as access expenses. Costs for activities that are required by regulatory authorities as a condition for obtaining marketing approval are also expensed as incurred.

Partners' expenditures are recorded as follows:

- If financial reports are unavailable by the deadline of 1 March of the following year, the amount is calculated on an estimate basis provided by the partner. The unpaid portion remaining at year-end is included under current liabilities.

I. Credit risk, liquidity risk and cash flow management

GARDP has built relationships with private sector banks to manage its financial assets and provide appropriate liquidity and risk management. GARDP's liquid assets are maintained in cash, low-risk, short-term deposits or capital-guaranteed investments. Any form of speculation is prohibited.

At the balance sheet date, GARDP had cash freely available of EUR 11.8M (2020 10.8M) and short-term deposits of EUR 1.7M (2020 3.7M), making a total of EUR 13.5M (2020 14.5M). There was no significant concentration of credit risk.

The main financial risk for GARDP is the volatility of foreign exchange rates that can affect the value of its holding in various currencies (USD, EUR, GBP, CHF and ZAR), GARDP is exposed to currency risk on contributions received, project expenditures, and general and administrative expenses that are denominated in a currency other than the functional

currency (EUR). These transactions are mainly denominated in EUR, CHF, USD, GBP and ZAR.

GARDP ensures that its net exposure is kept to an acceptable level by using forward contracts when appropriate and buying or selling foreign currencies at spot rates, when necessary, to address short-term imbalances. The diversity of funding currencies represents a partial natural hedging mechanism (income in CHF, EUR, GBP, USD and ZAR).

J. Tangible and Intangible fixed assets

Tangible and Intangible fixed assets are stated at cost in EUR, less accumulated depreciation. Depreciation is charged to the Statement of Operations on a straight-line basis over the estimated useful lives of the assets.

The rates of depreciation used are based on the following estimated useful lives:

Tangible

Office fittings and equipment	20%	5 years
IT equipment	33%	3 years

Intangible

Computer software	33%	3 years
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K. Provisions

A provision is recognized on the balance sheet when the organization has a legal or constructive obligation resulting from a past event, and it is probable that a payment will be required to settle the obligation. Provisions are measured at the management's best estimates of the expenditure required to settle that obligation at the balance sheet date.

L. Organizational capital

The founding capital of CHF 50,000 referenced in the statutes was received from the founding members of GARDP, DNDi and WHO. The capital is fully paid in.

M. Restricted and unrestricted reserves

Restricted and unrestricted reserves represent the excess of income over expenditure since the inception of GARDP. The revenue recognition policy of allocating unmatched revenue to the deferred income balance on the balance sheet at year end means that restricted reserves are not created in the normal course of business.

N. In-kind donations

Gifts in kind are not recorded but disclosed in the notes to the financial statement and valued at fair market values according to the following principles: in-kind goods transferred to a GARDP project or services rendered to GARDP must be free, excluding the involvement of a monetary transfer. They must be:

- Clearly identifiable and part of GARDP's projects and activities, as defined by GARDP's action plans and budgets.
- Recognizable as a visible contribution to GARDP's projects and activities, and in line with GARDP's mission and objectives.

For goods or services paid at prices below market prices, the difference between real payment and current market price is not considered as a gift in kind.

Fair market value is defined as the price GARDP would have paid to utilize the goods or service. Fair market value can be suggested by partners. However, GARDP is careful not to overestimate in accordance with the prudence principle.

Gifts in kind estimated at EUR 5,000 and above are taken into account. Exceptions can be made by GARDP when it serves the purpose of providing consistency and completeness of a project's accounts.



OTHER NOTES

3.3 INTANGIBLE ASSETS

CURRENT YEAR (EXPRESSED IN EUR)	R&D COMPUTER SOFTWARE	NON R&D COMPUTER SOFTWARE	TOTAL
ACQUISITION COST			
Balance as of 01.01.2021	-	242'877	242'877
Additions	44'791	13'122	57'913
Disposals	-	-	-
End of the period 31.12.2021	44'791	255'999	300'790
ACCUMULATED AMORTIZATION			
Balance as of 01.01.2021	-	97'971	97'971
Charge for the year	4'434	84'100	88'534
Disposals	-	-	-
Impairment	-	-	-
End of the period 31.12.2021	4'434	182'071	186'505
Net Book Value as of 31.12.2021	40'356	73'929	114'285

PRIOR PERIOD (EXPRESSED IN EUR)	R&D COMPUTER SOFTWARE	NON R&D COMPUTER SOFTWARE	TOTAL
ACQUISITION COST			
Balance as of 01.01.2020	-	146'319	146'319
Additions	-	96'558	96'558
Disposals	-	-	-
End of the period 31.12.2020	-	242'877	242'877
ACCUMULATED AMORTIZATION			
Balance as of 01.01.2020	-	28'451	28'451
Charge for the year	-	69'520	69'520
Disposals	-	-	-
Impairment	-	-	-
End of the period 31.12.2020	-	97'971	97'971
Net Book Value as of 31.12.2020	-	144'906	144'906

As at 31st December 2021 GARDP had Intangible Assets relating to the third-party charges for setup of various information systems (CRM, Sharepoint, Contract Management software, and Clinical Trial Management Software). No internal IT costs have been capitalized and hardware items purchased for less than EUR 5,000 are expensed when acquired.

3.4 PROVISIONS

The year-on-year decrease reflects the closure of the acquisition VAT Provision in the general risk category, offset by an increase in staff holiday not taken, primarily driven by the restrictions on travel caused by COVID-19.

2021	PROVISION FOR HR EXPENSES (HOLIDAYS NOT TAKEN AND OTHER HR)	PROVISION FOR GENERAL RISK	TOTAL
Carrying balance as at 31.12.2020	103'974	50,000	153,974
Creation	141'522	-	141,522
Utilization	-103'974	-19'208	-123,181
Reversal	-	-30,792	-30,792
Carrying balance as at 31.12.2021	141,522	-	141,522

2020	PROVISION FOR HR EXPENSES (HOLIDAYS NOT TAKEN AND OTHER HR)	PROVISION FOR GENERAL RISK	TOTAL
Carrying balance as at 31.12.2019	54,473	120,000	174,473
Creation	103,974	-	103,974
Utilization	-54,473	-	-54,473
Reversal	-	-70,000	-70,000
Carrying balance as at 31.12.2020	103,974	50,000	153,974

3.5 INCOME AND DEFERRED INCOME

RECEIVABLE FROM FUNDERS VERSUS DEFERRED INCOME

Total deferred income remains at a high level in 2021 (EUR 15,514,830) compared to 2020 (EUR 13,597,503). The increase has been due to delays in R&D expenditure largely related to the impact of the COVID-19 pandemic. All R&D organisations faced delays in clinical trials due to travel restrictions or lockdown measures which did not allow patients to travel to clinical sites and GARDP is no different. GARDP expects to use the funds received and booked as deferred income during the lifetime of the grants or if this becomes unfeasible, to agree contract extensions with the relevant donors. There are funder receivables of EUR 4,260,392 as of 31 December 2021 (2020 EUR 677,138). The high receivable related to the UK's Department of Health and Social Care (GAMRIF) contract. EUR 5.3M (£4.5M) was received from the UK in March 2022 which covered all expenditure to December 2021, plus a further three months to March 2022.

CUMULATIVE COMMITMENTS TO GARDP AND/OR RECEIVED BY 2021

The list of cumulative funding committed to and /or received by GARDP as of 2021 is as follows:

DONORS	CUR-REN-CY	TYPE	TOTAL COMMIT-MENT in Currency	TOTAL COMMIT-MENT in EUR	AS PER THE STATEMENT OF OPERATIONS 2021 in EUR	TOTAL SPENT TO DATE in EUR	TO BE USED AFTER 2021 in EUR
Bill & Melinda Gates Foundation	USD	Restricted	1'990'889	1'758'585	-	1'758'585	-
Wellcome Trust	EUR	Portfolio	1'083'800	1'083'800	-	1'083'800	-
Médecins Sans Frontières	EUR	Unrestricted	600'000	600'000	-	600'000	-
Leo Model Foundation	USD	Unrestricted	200'000	170'984	41'090	170'894	-
UK (DFID)	GBP	Unrestricted	3'075'047	3'494'922	-	3'494'922	-
Germany (BMBF)	EUR	Portfolio	55'000'000	55'000'000	6410'957	37'399'418	17'600'582
Germany (BMG)	EUR	Portfolio	5'100'000	5'100'000	532'879	5'100'000	-
The Netherlands (VWS)	EUR	Unrestricted	7'500'000	7'500'000	1'000'000	5'000'000	2'500'000
Switzerland (FOPH)	CHF	Portfolio	1'460'000	1'300'166	231'086	1'320'525	-
Luxembourg (Ministry of Health)	EUR	Unrestricted	115'000	115'000	-	115'000	-
South African Medical Research Council	ZAR	Portfolio	14'000'000	864'369	46'485	685'254	179'115
Principality of Monaco	EUR	Restricted	800'000	800'000	158'525	400'000	400'000
UK (DHSC - GAMRIF)	GBP	Unrestricted /Restricted	11'500'000	13'556'200	6'643'772	11'895'915	1'660'285
UK (DHSC - NIHR)	GBP	Restricted	4'000'000	4'608'101	557'384	4'608'101	-
Japan (Ministry of Health, Labour & Welfare)	USD	Unrestricted	9'010'000	7'892'906	1'503'946	2'735'703	5'157'204
Canton de Geneve	CHF	Restricted	540'000	513'378	166'367	166'367	347'011
Australia (Department of Health)	AUD	Restricted	300'000	189'009	-	-	189'009
Total Donations (EUR)				- 104'547'420	17'292'491	76'534'484	28'033'206

Notes for cumulative funding committed table ⁵:

- Total commitment includes funding that was received by DNDi on behalf of GARDP during GARDP's incubation in DNDi. The total amount of funding has been shown here to provide the reader with the full details relating to GARDP since its inception in 2016.
- Bill & Melinda Gates Foundation (BMGF):** restricted funding in support of the global neonatal observational study that is part of the Children's Antibiotics - Neonatal Sepsis programme covering May 2018 – May 2021. Focus on BMGF target countries. The grant was transferred from DNDi to GARDP at the end of October 2019.
- Leo Model Foundation:** unrestricted funding covering 2018 - 2021.
- United Kingdom (Department of Health and Social Care (Global AMR Innovation Fund (GAMRIF) & National Institute for Health Research (NIHR)):** funding consisting of several contributions: restricted £1M grant from DHSC (Global AMR Innovation Fund (GAMRIF)) in support of the Sexually Transferred Infections Programme for the period May 2018 – March 2019, a multiyear restricted grant of £5M funding from DHSC (GAMRIF) in support of the Sexually Transmitted Infections Programme covering July 2019 – March 2022, a restricted

£4M grant from the NIHR in support of the Children’s Antibiotics Programme - Neonatal Sepsis for the period October 2019 – March 2021, and two unrestricted grants totalling £5.5M from DHSC (GAMRIF) covering April 2020 – March 2022.

- **Germany (BMBF):** portfolio funding consisting of four grants covering all the GARDP programmes from October 2018 – January 2023.
- **Germany (BMG):** funding consisting of several contributions: unrestricted funding of EUR 500,000 covering March 2016 – January 2017. Restricted funding of EUR 750,000 in support of the Children’s Antibiotics Programme - Neonatal Sepsis and Coordination covering February 2017 – December 2017. Restricted funding of EUR 1,350,000 in support of AMREP, Sexually Transmitted Infections Programme and Coordination covering August 2017 – February 2018. Restricted funding of EUR 1,000,000 in support of Sexually Transmitted Infections Programme and Children’s Antibiotics Programme - Neonatal Sepsis covering August 2018 – February 2019. Restricted funding of EUR 500,000 in support of GARDP’s migration to an independent legal entity covering December 2018 – February 2019. Restricted funding of EUR 1,000,000 in support of Sexually Transmitted Infections Programme covering January 2020 – September 2021.
- **Netherlands (VWS):** funding consists of several contributions: unrestricted funding of EUR 500,000 covering July 2017 – January 2018 and unrestricted funding of EUR 2,000,000 covering January 2018 – December 2018. Unrestricted funding of EUR 5,000,000 covering 2019-2024.
- **Switzerland (FOPH):** funding consists of several contributions: unrestricted seed funding of CHF 360,000 covering September 2016 – October 2017. Unrestricted funding of CHF 500,000 with part allocated to AMREP covering June 2017 – August 2019. Restricted funding of CHF 500,000 covering the period 2019 – 2021 for Asset Evaluation and Development and Scientific Affairs and REVIVE. Unrestricted funding of CHF 100,000 covering 2021.
- **Grand Duchy of Luxembourg:** unrestricted funding of EUR 100,000 covering up until end September 2018. The funds were spent in 2017. Unrestricted funding of EUR 15,000 covering 2020.
- **South Africa Medical Research Council (SAMRC):** funding consists of several contributions: restricted funding of ZAR 6,000,000 for R&D of new and/or improved treatments covering March 2017 – March 2020. Restricted funding of ZAR 4,000,000 in support of Children’s Antibiotics Programme - Neonatal Sepsis and Sexually Transmitted Infections Programme activities in South Africa covering April 2018 – March 2019. Restricted funding of ZAR 4,000,000 in support of the Neonatal Sepsis, Sexually Transmitted and Serious Bacterial Infections Programme activities covering 2021 – 2023.
- **Principality of Monaco:** restricted funding of EUR 400,000 in support of Children’s Antibiotics - Neonatal Sepsis programme activities in South Africa covering the period 2019 – 2021.
- **Japanese Ministry of Health, Labour and Welfare:** unrestricted funding of USD 1,802,000 covering April 2020 – March 2021. Further unrestricted funding of USD 7.2M has been pledged covering April 2021 – March 2025.
- **Canton de Genève:** restricted funding of CHF 540,000 covering January 2021 – December 2023 for Sexually Transmitted Infections in Thailand.
- **Australia (Department of Health):** restricted funding of AUD 300,000.

3.6 FUNDING PER PROJECT

(Restricted and unrestricted)

2021 Funding per project

	TOTAL EXPENDITURE	UK DHSC (Restricted/ Unrestricted)	THE NETHERLANDS (VWS) (Unrestricted)	GERMANY (BMG) (Restricted)	GERMANY (BMBF) (Restricted)	SWITZERLAND FOPH (Restricted/ Unrestricted)	CANTON OF GENEVA (Restricted)	JAPAN (Unrestricted)	PRINCIPALITY OF MONACO (Restricted)	OTHER ¹ (Restricted and Unrestricted)
R&D coordination and supervision	4'385'013	1'646'873	255'231	41'633	1'957'797	16'822	10'957	422'742	11'207	21'752
Children's Antibiotics - Neonatal Sepsis	772'332	226'653	22'204	-	381'236	-	-	63'306	78'524	410
Children's Antibiotics - Paediatrics Development	1'140'090	274'146	-	-	825'053	-	-	15'879	25'012	-
Sexually Transmitted Infections	4'172'338	3'273'569	5'764	166'786	80'765	80'120	142,880	422'453	-	-
Serious Bacterial Infections	328'592	788	-	-	181'955	42	-	113'076	-	32'731
Advancing Antibiotic R&D	1'787'954	141'939	390	262'969	1'232'264	85'141	-	65'521	-	-
SECURE	201'154	48'036	59'559	-	54'276	-	-	39'283	-	-
International network expenditure	1'799'437	511'583	267'109	-	855'982	8'267	-	119'318	29'330	7'848
Fundraising & General Administration	2'845'212	1'077'570	389'744	61'495	981'255	40'694	12'530	242'638	14'451	24'835
Financial expenses ²	(139'626)	-	-	-	(139'626)	-	-	-	-	-
Total Opex	17'292'495	7'201'156	1'000'000	532'883	6'410'957	231'086	166'367	1'503'946	158'524	85'575

¹ Exchange gain – compensation for previous years exchange losses.

² Other includes South African Medical Research Council and The Leo Model Foundation.

2020 Funding per project

	TOTAL EXPENDITURE	UK DHSC (Restricted/ Unrestricted)	THE NETHERLANDS (VWS) (Unrestricted)	GERMANY (BMG) (Restricted)	GERMANY (BMBF) (Restricted)	BILL & MELINDA GATES FOUNDATION (Restricted)	SWITZERLAND FOPH (Restricted)	JAPAN (Unrestricted)	PRINCIPALITY OF MONACO (Restricted)	OTHER ¹ (Restricted and Unrestricted)
R&D coordination and supervision	3'486'875	647'836	593'488	76'856	1'970'645	-	-	184'847	4'524	8'680
Children's Antibiotics - Neonatal Sepsis	5'682'538	1'860'166	413	-	3'317'327	356'078	-	33'481	108'616	6'457
Children's Antibiotics - Paediatrics Development	3'440'195	1'605'574	-	-	1'822'730	3'165	-	-	8'726	-
Sexually Transmitted Infections	3'563'221	1'541'490	5	316'606	1'554'394	-	65'791	78'073	-	6'862
Serious Bacterial Infections	703'143	-	-	-	-	-	-	703'143	-	-
Advancing Antibiotic R&D	2'801'504	47'473	32'255	14'961	2'543'915	-	44'753	104'746	-	13'401
International network expenditure	1'394'813	345'350	142'597	-	828'207	160	-	65'635	6'224	6'641
Fundraising & General Administration	2'642'344	487'580	231'243	58'696	1'624'293	87'707	34'323	61'833	13'386	43'283
Financial expenses ²	285'652	-	-	-	285'652	-	-	-	-	-
Total Opex	24'000'286	6'535'470	1'000'000	467'118	13'947'162	447'110	144'868	1'231'757	141'476	85'324

¹ Other includes - South African Medical Research Council, The Leo Model Foundation, and the Grand Duchy of Luxembourg.

² Exchange loss - to be compensated in future years against any interest earned and exchange gains.

3.7 EXPENDITURE

Social mission expenditure encompasses expenses that support GARDP's mission to develop new treatments for drug-resistant infections. This includes work carried out and managed by the research & development, policy & advocacy, communications, and business development/access teams as well as our global network undertaking these activities. GARDP's non-social mission expenditure comprises our fundraising, IT, finance and human resources activities.

Excluding the one-off early investment licence fees of EUR 8.9M in relation to cefepime-taniborbactam in 2020, total expenditure increased by EUR 2.6M or 18% in 2021. The growth of operational expenses reflects the increased activity in relation to Cefepime-taniborbactam (Serious Bacterial Infections and Children's Antibiotics – Paediatrics programmes) and the Sexually Transmitted Infections programme and the continued strengthening of the R&D structure along with and to a much lesser extent the set-up of GARDP North America Inc.

2021	SOCIAL MISSION		NON-SOCIAL MISSION		TOTAL
	OPERATIONAL EXPENDITURE	INTERNATIONAL NETWORK EXPENDITURE	FUNDRAISING	GENERAL AND ADMIN	
PARTNERS					
Purchase, logistics and equipment	209'508	-	-	-	209'508
Discovery, pre-clinical, training	1'188'180	-	-	-	1'188'180
Clinical & post-clinical	3'136'913	-	-	-	3'136'913
Product manufacturing & CMC	184'047	-	-	-	184'047
Personnel costs	6'035'276	1'227'889	585'578	1'322'995	9'171'739
Consultants	1'422'905	201'112	116'500	297'709	2'038'225
Travel expenses	28'277	5'816	1'318	409	35'821
Office costs, comms, admin and IT	577'932	364'620	20'530	416'074	1'379'155
Depreciation	4'434	-	-	84'100	88'534
TOTAL	12'787'473	1'799'437	723'926	2'121'286	17'432'122

2020	SOCIAL MISSION		NON-SOCIAL MISSION		TOTAL
	OPERATIONAL EXPENDITURE	INTERNATIONAL NETWORK EXPENDITURE	FUNDRAISING	GENERAL AND ADMIN	
PARTNERS					
Purchase, logistics and equipment	29'361	56	-	-	29'416
Discovery, pre-clinical, training	817'668	-	-	-	817'668
Clinical & post-clinical	3'322'487	-	-	-	3'322'487
Product manufacturing & CMC	9'292'662	-	-	-	9'292'662
Personnel costs	4'895'231	984'221	551'363	1'102'010	7'532'826
Consultants	1'046'509	102'736	47'930	121'108	1'318'283
Travel expenses	78'099	9'277	9'306	-	96'683
Office costs, comms, admin and IT	195'458	298'523	3'484	722'580	1'220'046
Depreciation	-	-	-	84'563	84'563
TOTAL	19'677'476	1'394'813	612'083	2'030'261	23'714'634

3.8 INDEMNITIES & REMUNERATIONS GIVEN TO BOARD MEMBERS AND DIRECTORS

BOARD COMPENSATION

All members of the Board of Directors are appointed on a voluntary basis. The Board of Directors did not receive any remuneration for their mandate in 2021, nor did they in previous years.

GARDP DIRECTORS COMPENSATION

The Directors salaries (including benefits) at GARDP in 2021 amounted to a total of CHF 1,642,161/EUR 1,584,225 (7.8 FTE). 2020 totalled CHF 1,556,114 / EUR 1,434,690 (7.8 FTE).

3.9 ASSETS PLEDGED, BANK GUARANTEE DEPOSITS & CREDIT LINES

ASSETS PLEDGED

On 16 October 2018, the GARDP Foundation entered into a “Master agreement for derivatives trading and forward transactions” and a pledge agreement with UBS Switzerland AG. The purpose is to allow GARDP to enter into Foreign Exchange Forward and Swap Contracts. There is no other pledge with any other third party.

CREDIT LINE

GARDP agreed a CHF500,000 credit line with a Swiss Bank under the Swiss Government backed credit liquidity scheme. GARDP has not needed to use the credit line.

3.10 IN-KIND CONTRIBUTIONS

In collaboration with its R&D partners and vendors, GARDP Foundation and GARDP NA secured in-kind contributions from R&D Partners to support its programmes. These in-kind contributions were directly given to our partners and vendors for GARDP R&D and other activities and were as follows in 2021:

(EXPRESSED IN EUR)	STAFF NON SCIENTIFIC	STAFF SCIENTIFIC	OFFICE, FURNITURE, ADMIN & TRAVEL	R&D SERVICES	2021 TOTAL EUR	2020 TOTAL EUR
AMR screening	-	10'289	2'799	1'930	15'018	43'850
Neonatal sepsis	2'994	5'281	384	-	8'659	5'211
International Network	22'070	-	-	-	22'070	-
TOTAL	25'064	15'570	3'183	1'930	45'747	49'061

To GARDP Foundation - Shionogi Co. Ltd - Japan, Eisai Co. Ltd - Japan & Takeda Pharmaceutical - Japan

To GARDP NA - Paul Hastings LLP - USA, Stinson LLP - USA & Tait Weller LLP - USA

For the policy on in-kind contributions, see Section 2: Significant accounting policies, n) In-kind contributions.

3.11 FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

At 31st December 2021 there was one EUR:CHF forward contract in place, at 31st December 2020 there were no forward contracts in place. At 31 December 2021, the theoretical unrealized loss on these instruments CHF 3,750 was due to the depreciation of CHF in relation to the Euro.

HEDGING INSTRUMENTS AS AT 31 DECEMBER					Valuation as at 31 December 2021		Loss
Expiry date	Currency Sold	Sold	Strike Rate	CHF to receive	Spot Rate	Amount in CHF	CHF
1st March 2022	Euro	500'000	1.045	522'250	1.052	526'000	(3'750)

3.12 SWISS FRANC EQUIVALENT OF KEY FIGURES

GARDP maintains its accounting records in EUR. The key figures below have been translated into CHF for information purposes only, using a closing rate of CHF/EUR 0.9507 (2020 0.9278).

EXPRESSED (IN CHF)	2021	2020
Total assets	19'159'915	16'758'382
Capital of the organization	68'028	56'229
Total income	18'197'030	25'876'694
Total social mission expenditure	15'343'336	22'712'103
Total non-social mission expenditure	2'992'754	2'847'967

3.13 AUDIT FEES

Audit services include statutory audits, project audits, and donors' audits. In 2021 and 2020, Deloitte, GARDP's Statutory Auditor, provided no other services except the Audit. In CHF, 2020 GARDP audit fees remained stable but decreased marginally compared to 2020 in Euros because of exchange rates. Following a competitive audit tender, the GARDP Board again appointed Deloitte to complete a full scope audit in 2021 as part of our commitment to transparency even though the GARDP Foundation is not yet subject to a full scope audit in accordance with Swiss Law.

EXPRESSED (IN EUR)	2021	2020
Audit services	37'982	39'412
Other services	-	-
Total services	37'982	39'412

3.14 MATERIAL CONTRACTS

DNDi COLLABORATION AND TRANSFER AGREEMENTS

Effective 1 January 2019, GARDP entered into a three-year collaboration agreement with DNDi. Under this collaboration agreement, GARDP and DNDi agreed to foster a strategic collaboration, sharing specialized R&D expertise and capacity, policy advocacy expertise, and some infrastructure and support services to drive efficiencies. In-country implementation of GARDP's programmes are supported by DNDi's international network and a joint DNDi GARDP office in Southern Africa.

As a result of the above agreement, GARDP funded DNDi in 2021 for the collaborative activities related to GARDP. In 2021 the expenses related to the collaboration agreement paid by DNDi on behalf of GARDP were as follows:

DNDi EXPENDITURE REIMBURSEMENT	2021	2020
Total DNDi collaboration Agreement Expenses (reimbursement)	2'494'486	3'265'799
Total GARDP expenditures	17'432'122	23'714'634
Expenses as % of total expenditures	14.3%	13.8%

GARDP and DNDi renewed their collaboration and signed an Alliance Agreement on 21 December 2021, demonstrating the willingness of both organizations to strengthen their collaboration and to develop a more strategic partnership in certain areas.

GARDP and DNDi outlined their common vision through the agreement: "As non-profit research and development organizations focused on infectious diseases of critical public health importance, GARDP and DNDi are driving innovation and equitable access to lifesaving and lifechanging treatments not delivered by the current research and development ecosystem. GARDP and DNDi share a common approach to harness the best of the public, private, non-profit, academic, and philanthropic sectors through open and collaborative approaches, to develop and deliver treatments. For both organizations, know-how and capacity of regions with a high disease burden is an integral part of our global partnership model and a backbone for fostering sustainable innovation and equitable access".

The new Alliance Agreement aims to maximize impact and value for the organizations, including pooling selected research and development and policy expertise, as well as working together on joint projects in countries such as India and South Africa.

As at December 31, 2021, DNDi and GARDP have two common Board members, Marie-Paule Kieny and Frédéric Vallat and three common Audit Committee members, Marie-Paule Kieny, Frédéric Vallat and Barbara Kessler. DNDi and GARDP are not related parties within the meaning of Swiss GAAP FER 15; neither DNDi nor GARDP is directly or indirectly owned or controlled by the other organization, or by any other natural or legal person. All members of the GARDP Board and Audit Committee are appointed by the GARDP Board; they do not receive any remuneration for their mandates neither from DNDi nor GARDP.

ENTASIS COLLABORATION AGREEMENT

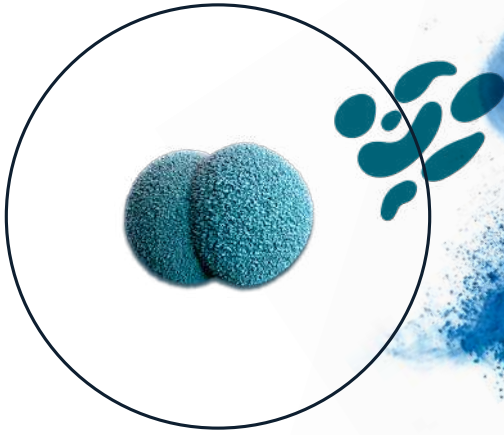
GARDP and Entasis are partnering to complete late-stage development of zoliflodacin, with GARDP fully-funding and sponsoring the global phase 3 trial. Under the collaboration agreement, GARDP is responsible for the phase 3 trial and pharmaceutical development activities for zoliflodacin to support regulatory approval and market access and availability. GARDP has commercial rights to zoliflodacin in up to 168 low- and select middle-income countries, while Entasis retains commercial rights in the rest of the world. The phase 3 trial initiation marks an important milestone for this industry and not for profit partnership in jointly developing a novel antibiotic and building a strategic plan for successful market access within the countries that have high rates of gonorrhoea and for patients who need it most.

VENATORX COLLABORATION & LICENCE AGREEMENT

On 20 March 2020, GARDP entered into a collaboration and licence agreement with Venatorx Pharmaceuticals, a private US pharmaceutical company focused on the discovery and development of novel anti-infectives to treat multi-drug-resistant bacterial and hard-to-treat viral infections. Under the collaboration, GARDP and Venatorx will accelerate the development of, and access to, cefepime-taniborbactam (formerly cefepime/VNRX-5133). Cefepime-taniborbactam is an investigational combination of the fourth-generation antibiotic cefepime with taniborbactam, a novel, broad-spectrum beta-lactamase inhibitor that restores the activity of cefepime against carbapenem-resistant Enterobacteriales (CRE) and carbapenem-resistant *Pseudomonas aeruginosa* (CRPA). Venatorx licence costs were allocated to the R&D programmes as follows:

VENATORX 2020 BY WORKSTREAM	EUR
Children's Antibiotics - Neonatal Sepsis	3'281'660
Children's Antibiotics - Paediatric Development	3'180'000
Serious Bacterial Infections 'SBI'	700'000
Advancing Antibiotic Research and Development	1'771'340
TOTAL LICENCE FEE PAYMENT	8'933'000

GARDP is collaborating with Venatorx to complete the development of cefepime-taniborbactam, which includes a phase 3 complicated urinary tract infection (cUTI) trial, which is in progress; additional clinical trials in adults with multidrug-resistant infections; and clinical development activities and trials to enable cefepime-taniborbactam to be used for children, including newborns with serious bacterial infections. This collaboration & licence agreement is the first collaboration under GARDP's new Serious Bacterial Infections Programme. GARDP and Venatorx have committed to provide affordable access of cefepime-taniborbactam in patients globally including for underserved populations and geographies, and to ensure its preservation through adapted and implementable stewardship measures.



3.15 SUBSEQUENT EVENTS

On 8 February 2022, GARDP announced results from a clinical trial completed in Kenya which determined that a safe dose of the antibiotic, fosfomycin, can be used to treat babies with neonatal sepsis. This is a significant development, as there are very few antibiotics specifically licensed to treat multidrug-resistant infections in babies. The NeoFosfo trial investigated the pharmacokinetics (PK) and safety of fosfomycin in 120 babies aged under 28 days who were hospitalized with clinically diagnosed sepsis at the Kilifi County hospital in Kenya. The PK studies define which dose to use in babies.

On 10 March 2022, GARDP announced positive results by Venatorx from its pivotal phase 3 study evaluating cefepime-taniborbactam as a treatment for hospitalized adult patients with complicated urinary tract infections, including acute pyelonephritis (i.e., kidney infections). Cefepime-taniborbactam offers a potential treatment option for patients with serious infections caused by highly resistant bacteria, even those resistant to last-resort carbapenem antibiotics. Since April 2020, GARDP and Venatorx have been working together to accelerate the development of cefepime-taniborbactam, and the New Drug Application is on track to be filed with the US Food and Drug Administration in the fourth quarter of 2022. If approved, cefepime-taniborbactam will be the first new antibiotic treatment to be launched in collaboration with GARDP since its foundation.

Russia-Ukraine conflict: while GARDP does not run direct clinical trials in Ukraine or in Russia, this Russia-Ukraine war has increased overall economic uncertainty, which has negative impacts on the global economy and major financial markets. It has also exacerbated the current inflationary environment both in Russia (as a result of sanctions that devalue its currency) and in other countries as their businesses and currencies react to the war's implications worldwide. Consequently, GARDP may face an increase in clinical trials costs, as inflation will most likely drive up the costs of acquiring goods, related packaging materials as well as employee wages. Given the geopolitical uncertainty resulting from this Russia-Ukraine war, it is not possible to determine at this stage the outcome of the higher inflation and currency volatility on GARDP activities.

No other subsequent events have taken place in 2022.

4. REPORT OF THE STATUTORY AUDITOR

Deloitte.

Deloitte SA
Rue du Pré-de-la-Bichette 1
1202 Genève
Suisse

Tel: +41 (0)58 279 80 00
Fax: +41 (0)58 279 88 00
www.deloitte.ch

Report of the Statutory Auditor

To the Board of the Foundation of
Global Antibiotic Research & Development Partnership (GARDP) Foundation, Geneva

As statutory auditor, we have audited the accompanying combined financial statements of Global Antibiotic Research & Development Partnership (GARDP) foundation which comprise the combined balance sheet as at 31 December 2021, the combined statement of operations, the combined cash flow statement, the combined statement of changes in capital and notes to the combined financial statements, presented on pages on pages 12 to 31, for the year then ended.

Board of the Foundation's Responsibility

The Board of the Foundation is responsible for the preparation of these combined financial statements in accordance with Swiss GAAP FER, the requirements of Swiss law and the charter of the foundation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error. The Board of the Foundation is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the combined financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte.

Global Antibiotic Research & Development Partnership (GARDP), Geneva
Report of the statutory auditor
For the year ended 31 December 2021

Opinion

In our opinion, the combined financial statements for the year ended 31 December 2021 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law and the charter of the foundation.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 83b Civil Code (CC) in connection with article 728 Code of Obligations (CO)) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of combined financial statements according to the instructions of the Board of the Foundation.

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

Deloitte SA



Fabien Bryois
Licensed Audit Expert
Auditor in Charge



Sophie Durand
Licensed Audit Expert

Geneva, 10 June 2022
FBR/SDU/rex

Enclosures

- Financial statements (combined balance sheet, combined statement of operations, combined funds flow statement, combined changes in capital and notes)

5. GOVERNANCE

The GARDP Foundation operates with the following core structures:

BOARD OF DIRECTORS

GARDP's Board of Directors is the ultimate policy and decision-making authority and includes leading international figures in global health. The Board determines GARDP's strategic goals and ensures the management works efficiently to meet these goals.

The Board of Directors is comprised of up to fifteen members and meets at least twice a year. All board members are experts in their respective fields. They have been chosen for their commitment to the public

interest and technical credibility to oversee executive activity, integrity, and skill in ensuring adherence to GARDP's vision and mission. The Chair of the Scientific Advisory Committee, Chair of the Donor Partnership Advisory Committee and the Executive Director are permanent invitees.

Procedures for the appointment of Board members are guided by GARDP's statutes and by-laws as approved by the Swiss Supervisory Board for Foundations.

BOARD MEMBERS

Ramanan LAXMINARAYAN, Chair
Center for Disease Dynamics, Economics and Policy, USA

Marie-Paule KIENY
Vice-chair, Institut national de la santé et de la recherche médicale, INSERM, France

Frédéric VALLAT
Treasurer, Ville de Genève, Switzerland

Glenda GRAY
South African Medical Research Council, South Africa

Hiroki NAKATANI (new member)
Global Research Institute, Keio University, Japan

Veronika VON MESSLING
Federal Ministry of Education and Research (BMBF), Germany

OBSERVERS

Hanan H. BALKHY
World Health Organization, Switzerland

Prabhavathi FERNANDES
Chair of GARDP Scientific Advisory Committee

Ambassador Nora KRONIG ROMERO
Chair of GARDP Donor Partnership Advisory Committee

Bernard PÉCOUL
Drugs for Neglected Diseases initiative, Switzerland

Manica BALASEGARAM
Ex officio, GARDP

Gregg ALTON (new observer)
Formerly Gilead Sciences, USA

THE BOARD HAS CREATED THREE SUB-COMMITTEES AND TWO ADVISORY COMMITTEES:

- Audit Committee
- Nominations, Remuneration & Safeguarding Committee
- Strategic Partnerships Committee
- Scientific Advisory Committee
- Donor Partnership Advisory Committee

AUDIT COMMITTEE

This Committee is responsible for the selection and oversight of the work of the auditors, recommending financial policies, reviewing financial statement and supervising GARDP investments. Independent and external to GARDP's operations and management, this committee undertakes controls and monitors compliance to GARDP's statutory provisions and legal standards. The Audit Committee reports to the Board any irregularities noted during audits. The Audit Committee is held twice a year, generally ahead of the Board.

MEMBERS

Frédéric VALLAT, Chair
Treasurer, Ville de Genève, Switzerland

Marie-Paule KIENY
Vice-chair, Institut national de la santé et de la recherche médicale, INSERM, France

Barbara KESSLER
Board member University Hospital Basel, former Head of Tax Novartis, Basel, Switzerland

Olivier DUNANT
Attorney at law, Partner Eversheds Sutherland, Geneva, Switzerland (until 31/12/2021)

NOMINATIONS, REMUNERATION & SAFEGUARDING COMMITTEE

This Committee is responsible for regularly reviewing the structure, size and composition of the Board, and making recommendations to the Board with regard to such matters and, in particular, the appointment of members to Board committees. It ensures that the Board and its committees have the appropriate balance of expertise, experience, independence and knowledge of GARDP to enable them to discharge their respective duties and responsibilities effectively.

MEMBERS

Ramanan LAXMINARAYAN, Chair
Center for Disease Dynamics, Economics and Policy, USA

Marie-Paule KIENY
Vice-chair, Institut national de la santé et de la recherche médicale, INSERM, France

Frédéric VALLAT
Treasurer, Ville de Genève, Switzerland

Hiroki NAKATANI
Global Research Institute, Keio University, Japan

STRATEGIC PARTNERSHIPS COMMITTEE

This Committee ensures that the strategic partnerships sought by GARDP with the private sector (mainly SME's and manufacturers) in building its product portfolio are done in accordance with its vision, mission and objectives. The Committee ensures that partnerships are crafted to ensure GARDP's independence, and that they contain all the necessary provisions to protect the organization, its public health mission and its investments, while respecting all relevant policies and procedures of GARDP.

SCIENTIFIC ADVISORY COMMITTEE (SAC)

The SAC is composed of prominent scientists with expertise in various scientific disciplines relating to drug discovery and development, and/or antimicrobial resistance and patients. The SAC operates independently of the Board and the Management Team. Its members advise GARDP's Board of Directors in order to carry out GARDP's scientific objectives, assess its scientific strategy and projects and provide guidance and medical and scientific expertise to GARDP's programmes.

MEMBERS

Prabhavathi FERNANDES, Chair
USA

Karl-Heinz ALTMANN
Swiss Federal Institute of Technology, Switzerland

Marc BONTEN
University Medical Centre Utrecht, The Netherlands

Anthony COATES
St George's University, UK

Mark J GOLDBERGER
formerly AbbVie, USA

William HOPE
University of Liverpool, UK

Rudo MATHIVHA
Chris Hani Baragwanath Hospital, South Africa

Marc MENDELSON
University of Cape Town, South Africa

Malcolm PAGE
formerly Basilea, Switzerland

Andreas RUMMELT
InterPharmaLink AG, Switzerland

Kamini WALIA
Indian Council of Medical Research, India

Nicholas WHITE
Mahidol University, Thailand

MEMBERS

Glenda GRAY, Chair
South African Medical Research Council, South Africa

Veronika VON MESSLING
Federal Ministry of Education and Research (BMBF), Germany

Ramanan LAXMINARAYAN
Center for Disease Dynamics, Economics and Policy, USA

Frédéric VALLAT
Treasurer, Ville de Genève, Switzerland

OBSERVERS

Laurent FRAISSE
Drugs for Neglected Diseases initiative

Valeria GIGANTE
World Health Organization, Switzerland



THE DONOR PARTNERSHIP ADVISORY COMMITTEE (DPAC)

The DPAC ensures key funding partners are represented as stakeholders and partners in GARDP, allowing them to bring their insights to the Board. Importantly, it provides advice and member state perspectives that assist the Board and the organization more broadly in fulfilling its mission. The Committee reviews the success of previous and ongoing donor investments made to GARDP and provides advice to the Board on how further funding can deliver the highest possible impact. It also provides advice on how GARDP can widen and better manage its partnerships with member states and other important global health funders.

MEMBERS

Ambassador Nora KRONIG ROMERO, Chair
Federal Office of Public Health, Switzerland

Niresh BHAGWANDIN
South African Medical Research Council, South Africa

Jasper CLAESSEN
Ministry of Health, The Netherlands

Louise NORTON-SMITH
Department of Health and Social Care, UK

Dagmar REITENBACH
Federal Ministry of Health, Germany

Hajime INOUE
Ministry of Health, Labor and Welfare, Japan

GARDP DIRECTORS

The Directors are responsible for implementing the strategy and day-to-day operations of the organization. GARDP has a flexible R&D operating model that enables cross-functional project leadership integrating technical disciplines from across GARDP and our partners. At the core of the model is a collaborative project team focussing on the development of a drug and delivery of an antibiotic treatment. The collaborative project team led by GARDP project leaders follow development plans aligned with and disease area strategy and underpinned by target treatment/product profiles with progress reviewed via GARDP R&D governance and a GARDP Board-appointed Scientific Advisory Committee.

GARDP DIRECTORS

Manica BALASEGARAM
Executive Director

Seamus O'BRIEN
Research & Development Director

Vincent CONSTANTIN
General Counsel

Pierre-Yves DELHEZ
Internal Operations Director

Jennifer KATZ
External Affairs Director

Jean-Pierre PACCAUD
Business Development and Corporate Strategy Director

Laura PIDDOCK
Scientific Affairs Director

Subasree SRINIVASAN
Medical Director

PROGRAMME LEADS

Seamus O'BRIEN
Sexually Transmitted Infections Interim Project Leader
(as of 1 October)

Laura PIDDOCK
Discovery & Exploratory Research / Scientific Affairs Leader

Sally ELLIS
Children's Antibiotics Project Leader

François FRANCESCHI
Serious Bacterial Infections and Asset Evaluation and Development Project Leader

Julie MIRALVES
R&D Portfolio and Planning Leader

Christophe ESCOT
Clinical Operations Leader

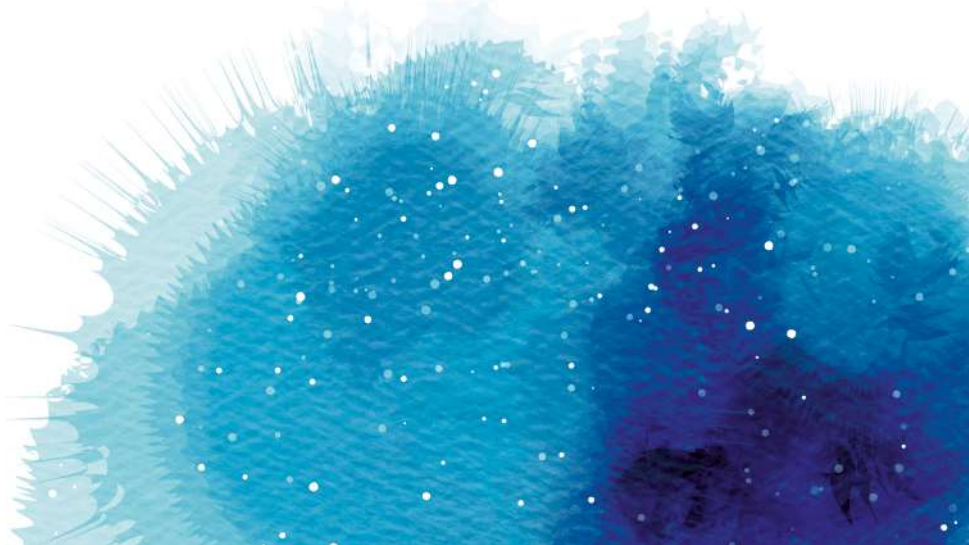
A WORD OF THANKS

GARDP's mission is to discover, develop, and deliver new antibiotic treatment options for drug-resistant infections that pose the greatest threat to health. This work could not be done without investment and support from our funding partners, each of whom understand the urgent need to address drug resistance. We would like to thank all of them.

PUBLIC INSTITUTIONAL SUPPORT



PRIVATE SUPPORT



CONTACT

GARDP FOUNDATION

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New York, NY, 10001

DNDi GARDP SOUTHERN AFRICA NPC

c/o MSF, Deneb House, cnr Main and Browning roads,
Tel: +27 82 331 6367
Observatory, Cape Town, 7935

Credits

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