

The International Vaccine Institute

Financial statements

December 31, 2020 and 2019

The International Vaccine Institute
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December 31, 2020 and 2019

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Report of Independent Auditors

To the Board of Trustees of
The International Vaccine Institute

We have audited the accompanying financial statements of the International Vaccine Institute (the "IVI"), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, statements of functional expenses and statements of cash flows for the years then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the IVI's preparation and fair presentation of the 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 IVI's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the IVI as of December 31, 2020 and 2019 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

March 31, 2021
Seoul, Korea

This report is effective as of March 31, 2021, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

The International Vaccine Institute
Statements of Financial Position
As of December 31, 2020 and 2019

(In U.S. Dollars)	Notes	2020	2019
Assets			
Current assets			
Cash and cash equivalents	3	\$ 21,445,082	\$ 11,052,691
Time deposits	3	15,432,411	8,398,521
Interest receivable	3	16,704	28,845
Contributions receivable, net	4	9,799,036	5,572,781
Other accounts receivables		74,448	33,527
Prepaid expenses		301,029	402,810
Loans to employees		28,598	44,805
Advanced payments		-	19,516
		<u>47,097,308</u>	<u>25,553,496</u>
Non-current assets			
Long-term contributions receivable, net	4	3,689,987	4,286,763
Property and equipment, net	6	3,135,224	2,460,697
Intangible assets	7	13,377,816	13,736,952
Other non-current assets	8	424,684	351,017
		<u>20,627,710</u>	<u>20,835,429</u>
Total assets		<u>67,725,018</u>	<u>46,388,925</u>
Liabilities and net assets			
Current liabilities			
Other accounts payable	10	1,638,734	1,537,363
Advance payments received		-	4,818
Accrued expenses		681,242	596,702
Building deposit		59,717	-
		<u>2,379,693</u>	<u>2,138,883</u>
Non-current liabilities			
Building deposit		137,809	185,671
		<u>137,809</u>	<u>185,671</u>
Total liabilities		<u>2,517,502</u>	<u>2,324,554</u>
Net assets			
Without donor restrictions	9	35,892,033	33,277,900
With donor restrictions	9	29,315,483	10,786,471
Total net assets		<u>65,207,516</u>	<u>44,064,371</u>
Total liabilities and net assets		<u>\$ 67,725,018</u>	<u>\$ 46,388,925</u>

The above statements of financial position should be read in conjunction with the accompanying notes.

The International Vaccine Institute
Statements of Activities
For the Year Ended December 31, 2020

	Notes	For the Year Ended December 31, 2020		
(In U.S. Dollars)		Without Donor Restriction	With Donor Restriction	Total
Revenues				
Contributions		\$ 8,288,649	\$ 43,122,567	\$ 51,411,216
Other income	11	417,197	46,397	463,594
Interest income	5	50,133	76,118	126,251
Foreign exchange gain		832,568	2,092,288	2,924,856
Net assets released from restrictions				
Satisfaction of program restrictions		26,559,418	(26,559,418)	-
Satisfaction of equipment acquisition restrictions		164,857	(164,857)	-
Expiration of time restrictions		-	-	-
Appropriation from donor endowment and subsequent satisfaction of any related donor restrictions		84,083	(84,083)	-
Total net assets released from restrictions		26,808,358	(26,808,358)	-
Total revenues		36,396,905	18,529,012	54,925,917
Expenses				
Program Cholera		2,249,984	-	2,249,984
Program Typhoid		7,535,455	-	7,535,455
Program HPV		1,692,108	-	1,692,108
Program Covid-19		2,546,008	-	2,546,008
Program Others		9,144,949	-	9,144,949
Management and general		9,573,554	-	9,573,554
Foreign exchange loss		1,040,714	-	1,040,714
Total expenses		33,782,772	-	33,782,772
Change in net assets		2,614,133	18,529,012	21,143,145
Net assets at the beginning of year		33,277,900	10,786,471	44,064,371
Net assets at the end of year		\$ 35,892,033	\$ 29,315,483	\$ 65,207,516

The above statements of activities should be read in conjunction with the accompanying notes.

The International Vaccine Institute
Statements of Activities
For the Year Ended December 31, 2019

	Notes	For the Year Ended December 31, 2019		
(In U.S. Dollars)		Without Donor Restriction	With Donor Restriction	Total
Revenues				
Contributions		\$ 11,111,552	\$ 19,683,248	\$ 30,794,800
Other income	11	379,205	214	379,419
Interest income	5	122,852	247,528	370,380
Foreign exchange gain		700,799	17,216	718,015
Net assets released from restrictions				
Satisfaction of program restrictions		19,932,584	(19,932,584)	-
Satisfaction of equipment acquisition restrictions		176,434	(176,434)	-
Expiration of time restrictions		-	-	-
Appropriation from donor endowment and subsequent satisfaction of any related donor restrictions		382,737	(382,737)	-
Total net assets released from restrictions		20,491,755	(20,491,755)	-
Total revenues		32,806,163	(543,549)	32,262,614
Expenses				
Program Cholera		1,293,435	-	1,293,435
Program Typhoid		7,228,275	-	7,228,275
Program HPV		843,236	-	843,236
Program Covid-19		-	-	-
Program Others		8,483,173	-	8,483,173
Management and general		9,900,003	-	9,900,003
Foreign exchange loss		944,026	-	944,026
Total expenses		28,692,148	-	28,692,148
Change in net assets		4,114,015	(543,549)	3,570,466
Net assets at the beginning of year		29,163,885	11,330,020	40,493,905
Net assets at the end of year		\$ 33,277,900	\$ 10,786,471	\$ 44,064,371

The above statements of activities should be read in conjunction with the accompanying notes.

The International Vaccine Institute
Statements of Functional Expenses
For the Year Ended December 31, 2020

For the Year Ended December 31, 2020

(In U.S. Dollars)	Notes	Program services					Total Program Services	Support Services	Total
		Cholera	Typhoid	HPV	Covid-19	Other		Management and General	
Salaries & benefits		\$ 854,381	\$ 1,996,125	\$ 291,779	\$ 635,771	\$ 3,331,695	\$ 7,109,751	\$ 5,178,431	\$ 12,288,182
Travel expenses		64,453	157,330	47,958	4,768	111,602	386,111	28,942	415,053
Services expenses		72,073	592,640	18,733	304,985	678,879	1,667,310	1,215,166	2,882,476
Sub-awards		1,215,559	4,279,487	1,282,985	1,098,744	3,916,052	11,792,827	56,000	11,848,827
Supplies		41,868	399,646	49,037	496,529	867,628	1,854,708	667,583	2,522,291
Building expenses		-	-	-	-	4,518	4,518	1,494,534	1,499,052
Depreciation		-	96,417	-	-	68,441	164,858	421,459	586,317
Amortization		-	-	-	-	-	-	359,136	359,136
Other expenses	12	1,650	13,810	1,616	5,211	166,134	188,421	152,303	340,724
Total expenses		<u>\$ 2,249,984</u>	<u>\$ 7,535,455</u>	<u>\$ 1,692,108</u>	<u>\$ 2,546,008</u>	<u>\$ 9,144,949</u>	<u>\$ 23,168,504</u>	<u>\$ 9,573,554</u>	<u>\$ 32,742,058</u>

The above statements of functional expenses should be read in conjunction with the accompanying notes.

The International Vaccine Institute
Statements of Functional Expenses
For the Year Ended December 31, 2019

For the Year Ended December 31, 2019

(In U.S. Dollars)	Notes	Program services					Total Program Services	Support Services	Total
		Cholera	Typhoid	HPV	Covid-19	Other		Management and General	
Salaries & benefits		\$ 515,472	\$ 2,154,747	\$ 323,258	\$ -	\$ 2,541,277	\$ 5,534,754	\$ 5,154,062	\$ 10,688,816
Travel expenses		230,374	709,971	72,501	-	488,566	1,501,412	522,490	2,023,902
Services expenses		70,216	564,529	116,612	-	514,567	1,265,924	1,398,879	2,664,803
Sub-awards		402,442	3,463,191	232,933	-	3,734,862	7,833,428	-	7,833,428
Supplies		28,489	220,766	96,376	-	1,001,195	1,346,826	457,592	1,804,418
Building expenses		-	-	-	-	-	-	1,514,847	1,514,847
Depreciation		4,081	59,256	-	-	113,098	176,435	331,273	507,708
Amortization		-	-	-	-	-	-	359,136	359,136
Other expenses	12	42,361	55,815	1,556	-	89,608	189,340	161,724	351,064
Total expenses		<u>\$ 1,293,435</u>	<u>\$ 7,228,275</u>	<u>\$ 843,236</u>	<u>\$ -</u>	<u>\$ 8,483,173</u>	<u>\$ 17,848,119</u>	<u>\$ 9,900,003</u>	<u>\$ 27,748,122</u>

The above statements of functional expenses should be read in conjunction with the accompanying notes.

The International Vaccine Institute
Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019

(In U.S. Dollars)

	2020	2019
Cash flows from operating activities		
Change in net assets	\$ 21,143,145	\$ 3,570,466
Adjustments to reconcile change in net assets to net cash provided by(used in) operating activities		
Depreciation	594,597	507,708
Amortization	359,136	359,136
Loss on sale of fixed assets	309	-
Loss(Gain) on foreign currency translation	(1,928,029)	81,299
Decrease in interest receivable	12,141	18,948
Increase in contributions receivable	(3,135,280)	(2,888,660)
Decrease(increase) in other accounts receivable	(40,921)	29,435
Decrease(increase) in prepaid expenses	101,780	(139,576)
Decrease(increase) in loans to employees	16,207	(10,811)
Increase in other assets	(73,666)	(14,229)
Increase(decrease) in advanced payment	19,516	(11,445)
Increase in accounts other accounts payable	101,371	635,782
Decrease in advance payments received	(4,818)	(17,582)
Increase(decrease) in accrued expenses	84,540	(7,220)
Net cash inflow provided by operating activities	<u>17,250,030</u>	<u>2,113,251</u>
Cash flows from investing activities		
Net change of time deposits	(7,033,890)	5,906,114
Purchase of property and equipment	<u>(1,269,433)</u>	<u>(1,018,450)</u>
Net cash inflow provided by investing activities	<u>(8,303,323)</u>	<u>4,887,664</u>
Cash flows from financing activities		
Net cash inflow provided by financing activities	<u>-</u>	<u>-</u>
Changes in cash and cash equivalents due to foreign currency translation	<u>1,445,684</u>	<u>(102,515)</u>
Net increase(decrease) in cash and cash equivalents	<u>10,392,391</u>	<u>6,898,400</u>
Cash and cash equivalents at the beginning of the year	<u>11,052,691</u>	<u>4,154,291</u>
Cash and cash equivalents at the end of the year	<u>\$ 21,445,082</u>	<u>\$ 11,052,691</u>

The above statements of cash flows should be read in conjunction with the accompanying notes.

The International Vaccine Institute

Notes to the Financial Statements

December 31, 2020 and 2019

1. Nature of Activities

The International Vaccine Institute (the “IVI”) located in Seoul, Republic of Korea, is an independent international organization established at the initiative of the United Nations Development Programme (UNDP) under the Vienna Convention of 1969 through a treaty signed by Signatory Countries. Signatories and/or State Parties to the IVI Establishment Agreement include the World Health Organization (WHO) and 36 signatory countries. IVI’s mission is to discover, develop, and deliver safe, effective and affordable vaccines for global public health.

IVI’s registered office is located in Seoul National University Research Park, 1 Gwanak-ro, Gwanak-gu, Seoul, Korea. The number of employees as of December 31, 2020 is 170.

The Korean National Assembly ratified IVI’s Headquarters Agreement between the Republic of Korea and IVI on December 1, 1998.

2. Summary of Significant Accounting Policies

The significant accounting policies followed by IVI in the preparation of its financial statements are summarized below:

Basis of Financial Statement Presentation

IVI’s financial statements have been prepared on the accrual basis of accounting under accounting principles generally accepted in the United States of America (U.S. GAAP). IVI primarily generates and expends cash in U.S. Dollars which is its measurement currency. All amounts are presented in U.S. Dollars, unless indicated otherwise.

The classification of a not-for-profit organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the classes of net assets be displayed in the Statements of Financial Position and that the amounts of change in each of those classes of net assets be displayed in the Statements of Activities.

Recent Accounting Pronouncements

(1) Standards adopted in the current year

In June 2018, the FASB issued ASU No. 2018-08. Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made, which amends the accounting guidance related to (1) evaluating whether transactions should be accounted for as contributions or exchange transactions, and (2) determining whether a contribution is conditional. For resource providers, the ASU is effective for annual periods beginning after December 15, 2019, with early adoption permissible. IVI adopted the new guidance for contributions received and contributions made in fiscal years 2019 and 2020, respectively. The new guidance did not have a material impact to IVI’s financial statements and disclosures.

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In March 2019, the FASB issued ASU No. 2019-03, Not-for-Profit Entities (Topic 958): Updating the Definition of collections, which improve the definition of the term collections in the Master Glossary by realigning it with the definition in the American Alliance of Museums' (AAM) Code of Ethics for Museums (the Code) in order to eliminate the diversity in practice that exists today between the application of the Master Glossary's definition compared with the definition that entities use for accreditation purposes. For resource providers, the amendments in this ASU is effective for annual financial statements issued for fiscal years beginning after December 15, 2019. Although IVI adopted the new standard in fiscal year 2020, the new guidance did not have a material impact to the IVI's financial statements and disclosures.

(2) Standards effective in future years

In September 2020, the FASB issued ASU No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets in order to improve generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this ASU is effective for annual financial statements issued for fiscal years beginning after June 15, 2021 and early adoption is permitted. IVI has not applied ASU No. 2020-07 and does not believe the adoption will have material impact on its financial statements.

Revenue Recognition

(3) Revenue recognition (conditional)

Conditional promises to give shall be recognized when the condition or conditions on which they depend are substantially met.

(4) Revenue recognition (unconditional)

An unconditional promise to give shall be recognized when it is received. However, to be recognized there must be sufficient evidence in the form of verifiable documentation that a promise was made and received. In cases of ambiguous donor stipulations, a contribution containing stipulations that are not clearly unconditional shall be presumed to be a conditional contribution.

Intangible Assets (In-kind Contribution)

IVI received rights to use certain assets for free without legal title passing to IVI. Such rights are recorded as intangible asset at its estimated fair value at the date of transfer, if the rights received i) create or enhance nonfinancial assets or ii) require specialized skills, are provided by individuals possessing those skills and would need to be purchased if not provided by donation. Amortization is computed using the straight-line method based on estimated useful lives ranging from 1-55 years.

Sub-awards Expenditure

Sub-awards expenditures are recognized as incurred.

Cash, Cash Equivalents and Bank Deposits

IVI holds deposits at several banks with high credit ratings. Bank deposits are stated at cost and accrued interest from the deposits is added to the principal.

The International Vaccine Institute

Notes to the Financial Statements

December 31, 2020 and 2019

Contributions Receivable

Unconditional promises to give are recognized initially at present value as contributions revenue in the period such promises are made by donors. Present value is estimated giving consideration to anticipated future cash receipts and discounting such amounts at a risk-adjusted rate commensurate with the duration of the donor's payment plan. In subsequent periods, the discount rate is unchanged and the allowance for uncollectible contributions is reassessed and adjusted if necessary. The amortization of the discounts is recorded as additional contribution revenue.

Prepaid Expenses

Prepaid expense is the amount paid in advance, which will be recognized as an expense following the passage of time.

Loans to Employees

Loans to employee are repaid through monthly salaries of the employees, which are generally provided to internationally recruited employees for their housing rental deposit.

Advanced Payment

Advanced payment is the amount paid for the official purpose of employees or consultants, which will be recognized as expense after receiving expense reports.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Routine maintenance and repairs are expensed as incurred. Subsequent expenditures on property and equipment are capitalized when the condition of the asset is improved beyond originally assessed standard of performance. Depreciation is computed using the straight-line method based on estimated useful lives ranging from 1 to 10 years.

Guarantee Deposits

Guarantee deposits are lump sums paid based on a contract for the right to use assets. The deposits will be refunded after expiration of the contract or at the time of early termination of the contract by IVI. The deposits due on demand are carried at their nominal amount.

Foreign Currency Translation

Monetary foreign currency assets and liabilities have been translated into U.S. Dollar equivalents using the current exchange rates in effect on December 31, 2020 and 2019, respectively. Foreign currency transactions are translated into U.S. Dollar using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the translation and from settlement of such transactions are recognized. IVI separately discloses the gross effects of changes in foreign exchange rates in the statement of activities.

Retirement Benefits

IVI sponsors defined contribution plans for certain employees. IVI makes pension deposits, which amount to 15 percent of monthly salary. Retirement benefits are paid to employees from the pension deposits. IVI's contributions relating to defined contribution plans amount to US\$ 1,251,824 in 2020 (2019: US\$ 1,038,911).

The International Vaccine Institute

Notes to the Financial Statements

December 31, 2020 and 2019

Net Assets

A statement of financial position shall focus on the not-for-profit as a whole and shall report net assets classified based on the restrictions. The amounts for each of two classes of net assets with donor restrictions, without donor restriction are based on the existence or absence of donor-imposed restrictions.

(1) Net assets with donor restrictions

Net assets with donor restrictions are based on the existence of donor-imposed restrictions.

(2) Net assets without donor restrictions

Net assets without donor restrictions are based on the absence of donor-imposed restrictions.

Capital Fund

The capital fund is appropriated by the transfers from 'Undesignated asset' based on IVI's decision and it is the main source for future acquisition of property and equipment.

Undesignated Assets

The undesignated asset represents the accumulated net asset changes of IVI's revenue over expenses, and is used to meet ongoing operating requirements. This includes intangible asset, IVI building right to use.

The International Vaccine Institute

Notes to the Financial Statements

December 31, 2020 and 2019

3. Cash and Cash Equivalents and Time Deposits

Cash and cash equivalents and bank deposits as of December 31, 2020 and 2019 consists of the following:

(In U.S. Dollars)	2020	2019
Cash and cash equivalents		
Demand deposits	\$ 11,946,561	\$ 4,226,548
MMDA	9,498,521	6,826,143
	<u>21,445,082</u>	<u>11,052,691</u>
Time deposits	15,432,411	8,398,521
	<u>15,432,411</u>	<u>8,398,521</u>
	<u>\$ 36,877,493</u>	<u>\$ 19,451,212</u>

Accrued interest income of US\$16,704 was recognized for time deposits as of December 31, 2020 (December 31, 2019: US\$28,845).

4. Contributions Receivable

Contributions receivable as of December 31, 2020 and 2019 consists of the following:

(In U.S. Dollars)	2020	2019
Contributions receivable		
Less than one year	\$ 9,786,761	\$ 5,558,807
One to five years	3,671,613	4,255,474
	13,458,374	9,814,281
Less unamortized discount	30,649	45,263
Total contributions receivable, net	13,489,023	9,859,544
Less current contributions receivable	(9,799,036)	(5,572,781)
Total long-term contributions receivable	<u>\$ 3,689,987</u>	<u>\$ 4,286,763</u>

Contributions receivable are recorded as contributions based upon the net present value of the amounts. Swedish Government bonds rate was used to determine the present value for the long-term receivable.

5. Investment Income

IVI's interest income of US\$ 121,093 occurs from time deposits for the year ended December 31, 2020 (2019: US\$ 399,428).

The International Vaccine Institute
Notes to the Financial Statements
December 31, 2020 and 2019

6. Property and Equipment

Changes in Property and equipment for the years ended December 31, 2020 and 2019 are as follows:

(In U.S. Dollars)	2020			
	January 1	Additions & Depreciation	Disposals	December 31
Acquisition cost:				
Office and building equipment	\$ 1,940,953	\$ 311,255	\$ (8,998)	\$ 2,243,210
Leasehold improvements	241,031	-	-	241,031
Computer equipment	1,720,847	18,417	-	1,739,264
Vehicles	43,364	-	-	43,364
Laboratory equipment	3,327,576	-	(314,962)	3,012,614
Scientific equipment	1,586,884	913,753	(233,691)	2,266,946
Project equipment	1,298,420	26,007	-	1,324,427
	<u>10,159,075</u>	<u>1,269,432</u>	<u>(557,651)</u>	<u>10,870,856</u>
Accumulated depreciation:				
Office and Building equipment	840,206	166,871	(8,690)	998,387
Leasehold improvements	127,032	20,815	-	147,847
Computer equipment	1,481,125	92,431	-	1,573,556
Vehicles	16,623	8,673	-	25,296
Laboratory equipment	3,327,576	-	(314,962)	3,012,614
Scientific equipment	873,537	140,948	(233,690)	780,795
Project equipment	1,032,279	164,859	-	1,197,138
	<u>7,698,378</u>	<u>594,597</u>	<u>(557,342)</u>	<u>7,735,632</u>
Net book value	<u>\$ 2,460,697</u>	<u>\$ 674,836</u>	<u>\$ (309)</u>	<u>\$ 3,135,224</u>

(In U.S. Dollars)	2019			
	January 1	Additions & Depreciation	Disposals	December 31
Acquisition cost:				
Office and building equipment	\$ 1,619,943	\$ 321,010	\$ -	\$ 1,940,953
Leasehold improvements	241,031	-	-	241,031
Computer equipment	1,593,898	126,949	-	1,720,847
Vehicles	43,364	-	-	43,364
Laboratory equipment	3,327,576	-	-	3,327,576
Scientific equipment	1,166,269	420,615	-	1,586,884
Project equipment	1,189,576	143,003	(34,159)	1,298,421
	<u>9,181,657</u>	<u>1,011,577</u>	<u>(34,159)</u>	<u>10,159,075</u>
Accumulated depreciation:				
Office and building equipment	697,071	143,135	-	840,206
Leasehold improvements	105,012	22,020	-	127,032
Computer equipment	1,399,939	81,186	-	1,481,125
Vehicles	7,950	8,673	-	16,623
Laboratory equipment	3,327,576	-	-	3,327,576
Scientific equipment	797,277	76,259	-	873,537
Project equipment	890,001	176,437	(34,159)	1,032,279
	<u>7,224,827</u>	<u>507,710</u>	<u>(34,159)</u>	<u>7,698,378</u>
Net book value	<u>\$ 1,956,830</u>	<u>\$ 503,867</u>	<u>\$ -</u>	<u>\$ 2,460,697</u>

The International Vaccine Institute
Notes to the Financial Statements
December 31, 2020 and 2019

7. Intangible Assets

Changes in Intangible assets for the years ended December 31, 2020 and 2019 are as follows:

(In U.S. Dollars)	2020			
	January 1	Additions & Amortization	Disposals	December 31
Acquisition cost:				
Intangible assets – Building right	\$ 19,752,479	\$ -	\$ -	\$ 19,752,479
	<u>19,752,479</u>	<u>-</u>	<u>-</u>	<u>19,752,479</u>
Accumulated amortization:				
Accumulated amortization – Building right	6,015,527	359,136	-	6,374,663
	<u>6,015,527</u>	<u>359,136</u>	<u>-</u>	<u>6,374,663</u>
Net book value	<u>\$ 13,736,952</u>	<u>\$ (359,136)</u>	<u>\$ -</u>	<u>\$ 13,377,816</u>

(In U.S. Dollars)	2019			
	January 1	Additions & Amortization	Disposals	December 31
Acquisition cost:				
Intangible assets – Building right	\$ 19,752,479	\$ -	\$ -	\$ 19,752,479
	<u>19,752,479</u>	<u>-</u>	<u>-</u>	<u>19,752,479</u>
Accumulated amortization:				
Accumulated amortization – Building right	5,656,391	359,136	-	6,015,527
	<u>5,656,391</u>	<u>359,136</u>	<u>-</u>	<u>6,015,527</u>
Net book value	<u>\$ 14,096,088</u>	<u>\$ (359,136)</u>	<u>\$ -</u>	<u>\$ 13,736,952</u>

8. Other Non-current Assets

Other non-current assets as of December 31, 2020 and 2019 consist of the following:

(In U.S. Dollars)	2020	2019
Guaranteed deposits	\$ 395,237	\$ 313,396
Telephone subscription rights	2,299	2,299
Other receivables	27,147	35,322
	<u>\$ 424,684</u>	<u>\$ 351,017</u>

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9. Net Assets

- (1) Net assets without donor restrictions as of December 31, 2020 and 2019 consists of the following:

(In U.S. Dollars)	2020	2019
Capital fund(*1)	\$ 5,212,162	\$ 2,712,162
Undesignated(*2)	30,679,871	30,565,738
	<u>\$ 35,892,033</u>	<u>\$ 33,277,900</u>

(*1) The capital fund is appropriated by the transfers from ‘undesignated asset’

(*2) Undesignated Asset includes intangible asset, IVI building right to use, and the amount is US\$ 13,377,816 as of end of 2020 (2019: US\$ 13,736,952). And it includes right to receive which has not been paid in cash.

- (2) Net assets with donor restrictions as of December 31, 2020 and 2019 consists of the following:

(In U.S. Dollars)	2020	2019
Cholera	\$ 3,515,710	\$ 1,786,362
Typhoid	7,857,083	6,318,657
HPV	1,522,957	1,875,357
COVID-19	4,900,604	-
Others	11,519,129	806,095
	<u>\$ 29,315,483</u>	<u>\$ 10,786,471</u>

- (3) Changes in net assets with donor restrictions are as follows, separately by the large amount of each program.

(In U.S. Dollars)	2020	2019
Net assets at the beginning of the year	\$ 10,786,471	\$ 11,330,020
Increase:		
Vi-DT Phase 3 Clinical Development Support	6,025,900	5,521,728
CEPI GCCDP(Global Chikungunya Vaccine Clinical Development Program)	5,699,017	-
Typhoid & Japanese Encephalitis (Fiji,Mozam,Timor)	3,937,748	-
Multi-country TSP(The Severe Typhoid in Africa)	3,035,308	43,556
Fleming Regional Grant I	2,266,273	1,213,243
Vaccine Development against MERS-CoV	2,098,591	544,266
Enhancing Cholera Control in Nepal and Mozambique	1,701,441	-
Clover-Covid19 Phase 2/3 in Nepal	1,625,629	-
COVID-19: Vaccine efficacy trial site readiness	1,500,234	-
INO-4800 Phase1/2(A Phase I/IIa Dose-Ranging Study to Evaluate Safety, Tolerability and Immunogenicity of INO-4800)	1,424,062	-
Thailand HPV Vaccine Single Dose Impact Study	1,303,592	2,338,160
Oral Cholera Vaccine reformulation	1,087,387	500,718

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(In U.S. Dollars)	2020	2019
Fleming Regional Grant II	971,916	39,920
Accelerating Development of GAS vaccine	903,459	63,929
(LG) Development and Assessment for COVID-19 (KSC)	881,210	-
Technical Assistance Support to THECA Studies	834,417	15,486
Ethiopia Cholera Control and Prevention(ECCP)(KSC)	753,855	-
COVID-19 research in African settings (COVIA)	644,309	-
Pre-clinical Studies with Covid-19 Vaccine Candidate	593,461	-
TuNDRA(Real-time Tracking of Neglected Bacterial Disease and Resistance in Asia)	549,653	727,590
Development of COVID19 vaccine	505,776	-
Hepatitis E Vaccine Seroepidemiology	499,890	-
Toxicity study for trivalent Typhi/iNTS vaccine	406,343	-
VASA (Vaccine Against Schistosomiasis for Africa)	366,932	136,847
Shigella Vaccines antigens evaluation	302,162	-
CSIMA II(Cholera Surveillance in Malawi)	297,213	-
HPV Thailand DAC Trial Planning Grant	289,218	-
Cholera Vaccines Standards and reagents	255,043	851,526
Process Development & Scale-up Activities Vi-DT SK	254,544	2,524,160
External Quality Assurance(EQA) Asia	223,819	-
Optimization and preclinical development of TB	214,063	647,940
Evaluation of GI-101 as vaccine adjuvant	203,284	-
International Hepatitis E Symposium	200,756	-
Assessment of COVID-19 DNA vaccine (GX-19)	173,681	-
IPDP for SchistoShield® Vaccine	170,016	72,994
Development of bivalent vaccine for SFTS and HFRS	166,060	-
Development of vaccine candidate for adenovirus 55	161,754	112,108
Preventive effect of CT-P59 against SARS-CoV-2	150,159	-
Japanese Encephalitis in Bali (Path)	148,695	-
COVID-19 pseudovirus neut system (KSC)	111,688	-
Development of Microneedle HB Vaccine Formulation	105,677	118,093
Vi-DT clinical development support for SK	13,667	578,456
AVANTI(An Alliance for Vaccine Access, New Technology and Innovation)	100	344,438
Rapid testkit/ELISA for antigen/antibody detection	-	275,264
Multi-Dengue Project	306	255,331
Development of HAV/HBV combination vaccine	1,266	217,265
MOCA (Cholera vaccination and in Africa)	2,424	216,861
Others	2,284,510	2,205,594
Sub total	45,346,508	19,565,473
Decrease :		
Vi-DT Phase 3 Clinical Development Support	5,034,210	2,599,289
CEPI GCCDP(Global Chikungunya Vaccine Clinical Development Program)	2,253,063	-
Thailand HPV Vaccine Single Dose Impact Study	1,831,449	971,829
Multi-country TSP(The Severe Typhoid in Africa)	1,700,640	1,834,008
INO-4800 Phase1/2(A Phase I/IIa Dose-Ranging Study to Evaluate Safety, Tolerability and Immunogenicity of INO-4800)	1,282,999	-
Vaccine Development against MERS-CoV	1,059,272	2,331,267
Fleming Regional Grant I	1,021,751	1,019,090
COVID-19: Vaccine efficacy trial site readiness	917,321	-
Accelerating Development of GAS vaccine	824,069	412,198

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(In U.S. Dollars)	2020	2019
TuNDRA(Real-time Tracking of Neglected Bacterial Disease and Resistance in Asia)	756,964	544,591
Toxicity study for trivalent Typhi/iNTS vaccine	738,707	28,872
Oral Cholera Vaccine reformulation	672,300	20,743
Fleming Regional Grant II	652,497	78,967
Process Development & Scale-up Activities Vi-DT SK	616,820	1,629,065
Technical Assistance Support to THECA Studies	603,476	476,763
Enhancing Cholera Control in Nepal and Mozambique	521,146	-
Vi-DT clinical development support for SK	489,249	1,243,981
MOCA (Cholera vaccination and in Africa)	474,008	396,096
Optimization and preclinical development of TB	419,433	365,329
Cholera Vaccines Standards and reagents	362,943	110,042
COVID-19 research in African settings (COVIA)	293,577	-
External Quality Assurance(EQA) Asia	265,504	-
VASA (Vaccine Against Schistosomiasis for Africa)	251,090	124,774
COVID-19 infection model using transgenic mouse	218,577	-
Typhoid & Japanese Encephalitis (Fiji,Mozam,Timor)	199,923	-
Shigella Vaccines antigens evaluation	173,140	-
Development of bivalent vaccine for SFTS and HFRS	167,964	-
Development of vaccine candidate for adenovirus 55	160,439	112,108
Development of HAV/HBV combination vaccine	151,445	158,400
AVANTI(An Alliance for Vaccine Access, New Technology and Innovation)	140,059	216,753
Development of vaccine candidate for SFTS virus	130,881	15,244
Support for EuB to Acquire WHO CTC Label for OCVs	124,505	171,649
HPV Thailand DAC(Design, Analysis and Communication) Trial Planning Grant	113,761	-
CCV: Preclinical Tox testing & IND application	112,553	-
Science projects funded by KCDC	2,877	458,830
MERS-CoV vaccine candidate and evaluation system	6,841	390,616
CSIMA (Cholera Surveillance in Malawi)	121	347,098
Rapid testkit/ELISA for antigen/antibody detection	-	278,676
Vaccinology Course	12,717	234,368
Multi-Dengue Project	57,677	884,501
Others	2,001,528	2,653,868
Sub total	26,817,496	20,109,021
Net assets at the end of the year	\$ 29,315,483	\$ 10,786,471

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10. Other Accounts Payable

Accounts payable as of December 31, 2020 and 2019 consists of the following:

(In U.S. Dollars)	2020	2019
Accounts payable – vendors	\$ 1,521,927	\$ 1,369,432
Accounts payable – employee	66,913	134,748
Accounts payable – others	49,894	33,183
	<u>\$ 1,638,734</u>	<u>\$ 1,537,363</u>

11. Other Income

Other income for the years ended December 31, 2020 consists of the following:

(In U.S. Dollars)	Without Donor Restrictions	With Donor Restrictions
Lease income	\$ 334,665	\$ -
Miscellaneous	82,532	46,397
	<u>\$ 417,197</u>	<u>\$ 46,397</u>

Other income for the years ended December 31, 2019 consists of the following:

(In U.S. Dollars)	Without Donor Restrictions	With Donor Restrictions
Lease income	\$ 330,949	\$ -
Miscellaneous	48,256	214
	<u>\$ 379,205</u>	<u>\$ 214</u>

12. Other Expenses

Other expenses for the years ended December 31, 2020 and 2019 consists of the following:

(In U.S. Dollars)	2020	2019
Internal meeting	\$ 60,976	\$ 147,949
Public relations	93,506	44,321
Fundraising expenses	60	2,046
Membership dues	8,898	11,174
Bank charges	17,723	9,037
Gift/Appreciation	5,313	4,882
Loss on disposal of property and equipment	309	-
Interest expense	12,315	-
Others	141,624	131,655
	<u>\$ 340,724</u>	<u>\$ 351,064</u>

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13. Liquidity

Financial assets which have remaining maturities within a year as of December 31, 2020 and 2019 consist of the following:

(In U.S. Dollars)	2020	2019
Cash and cash equivalents(*)	\$ 21,445,082	\$ 11,052,691
Time deposits(*)	15,432,411	8,398,521
Contributions receivable	9,799,036	5,572,781
	<u>\$ 46,676,529</u>	<u>\$ 25,023,993</u>

(*) As part of the liquidity management, the IVI structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the IVI invests cash in excess of operational requirements in short-term investments, bank time deposits. The IVI maintains undesignated funds within its net assets without donor restrictions which serve as operating reserve.

14. Commitment

(1) Capital expenditure commitments

Capital expenditures contracted for at the end of the reporting period but not recognized as liabilities is as follows:

Fiscal Year	Capital expenditures
2021	\$ 222,842
	<u>\$ 222,842</u>

Capital expenditure contracted comprise of US\$222,842 of office renovation for IVI building.

(2) Contractual commitments

The IVI issues sub-awards (sub-grants and sub-contracts) to support research, development and services under program grants awarded to IVI. Major future sub-award contract payments as of December 31, 2020 are as follows :

Fiscal Year	Sub-awards
2021	\$ 2,412,392
2022	1,419,775
2023	106,784
	<u>\$ 3,938,951</u>