

INTERNATIONAL FINANCE FACILITY FOR IMMUNISATION COMPANY

ANNUAL REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS

31 DECEMBER 2025

International Finance Facility for Immunisation Company, 1 Maple Road, Bramhall, Stockport, Cheshire SK7 2DH, United Kingdom. Registered in England and Wales as a company limited by guarantee with number **5857343** and as a charity with number **1115413**.

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LEGAL AND ADMINISTRATIVE INFORMATION

TRUSTEES

Georgina Baker, Board Chair effective 1 January 2026
Bertrand de Mazières, Audit Committee Chair
Jeff Diehl
Eila Kreivi
Kenneth Lay
Hassatou Diop N'Sele
Rachel Turner
Ingrid van Wees
Helge Weiner-Trapness – concluded tenure on 31 December 2025

REGISTERED ADDRESS

Carpenter Court, 1 Maple Road, Bramhall, Stockport, Cheshire SK7 2DH, United Kingdom

COMPANY SECRETARY

Company Registrations Online Limited
Carpenter Court, 1 Maple Road, Bramhall, Stockport, Cheshire SK7 2DH, United Kingdom

SOLICITOR

Linklaters LLP
20 Ropemaker Street, London EC2Y 9AR, United Kingdom

AUDITOR

Deloitte LLP
1 New Street Square
London EC4A 3HQ
United Kingdom

TREASURY MANAGER

International Bank for Reconstruction and Development
1818 H Street NW
Washington, DC 20433
United States

LEGAL STATUS

The International Finance Facility for Immunisation Company (“IFFIm”) is a multilateral development institution, established as a charity registered with the Charity Commission for England and Wales. IFFIm was incorporated as a private company, limited by guarantee, without share capital and for indefinite duration, under the Companies Act 1985. IFFIm is governed by its Memorandum and Articles of Association dated 26 June 2006. Amended Articles of Association were adopted on 17 December 2018. IFFIm’s company registration number is 5857343 and its charity registration number is 1115413.

FILING OF REPORTS

Copies of IFFIm’s Annual Report of the Trustees and Financial Statements are available to the public and may be obtained from the Registrar of Companies for England and Wales at Companies House, Cardiff.

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES OF IFFIm IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The trustees, who are also directors of the International Finance Facility for Immunisation Company ("IFFIm") for the purposes of company law, are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of IFFIm and of the incoming resources and application of resources, including the income and expenditure, of IFFIm for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that IFFIm will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of IFFIm and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of IFFIm and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on IFFIm's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ANNUAL REPORT OF THE TRUSTEES
YEAR ENDED 31 DECEMBER 2025

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OBJECTIVES AND PUBLIC BENEFIT

OBJECTIVES

The International Finance Facility for Immunisation Company (“IFFIm”) was created to accelerate the availability of predictable, long-term funds for health and immunisation programmes through Gavi, the Vaccine Alliance (“Gavi”). Since its inception, Gavi has helped vaccinate more than 1.2 billion children in 78 countries through routine immunisation. IFFIm promotes the effective use of Gavi resources for charitable purposes, and for the benefit of the public, by providing services and facilities that assist Gavi in raising funds. Such services and facilities include, but are not limited to, borrowing money or entering into agreements that are backed by legally binding funding commitments from sovereign government donors (the “Grantors”).

IFFIm funding accelerates the availability and increases the predictability of funds for immunisation, vaccine procurement and health systems strengthening (“HSS”) programmes. Gavi uses funds raised by IFFIm to reduce the number of worldwide vaccine-preventable deaths and illnesses. Gavi achieves this by funding the purchase and delivery of vaccines and strengthening health systems in many lower-income countries in the world. Gavi also leveraged these resources to address the COVID-19 pandemic. In 2025, countries became eligible for Gavi support if their most recent Gross National Income (“GNI”) per capita was less than or equal to US\$ 1,820. In 2026, the eligibility threshold based on a country’s most recent GNI per capita is set at US\$ 2,300.

IFFIm raises funds by issuing bonds in the international capital markets under its Global Debt Issuance Programme and previously also raised funds through issuances of Sukuk certificates. IFFIm then disburses the funds to Gavi to support various Gavi vaccine procurement, immunisation and HSS programmes. Through its bond issuances, IFFIm converts long-term government pledges into immediately available cash resources. IFFIm uses grant payments from the Grantors to pay the principal and interest on its bonds.

PUBLIC BENEFIT

IFFIm is a public benefit entity that provides public benefit through supporting the charitable aims of Gavi. It does not work directly with the public and has no employees. IFFIm’s directors have considered the Charity Commission’s general guidance on public benefit and have paid due regard to it when planning IFFIm’s activities and assessing how IFFIm’s activities further its objectives for the public benefit.

STRUCTURE, GOVERNANCE AND MANAGEMENT

STRUCTURE

IFFIm is a multilateral development institution incorporated as a private company, limited by guarantee, in England and Wales, with the company registration number 5857343, and registered as a charity in England and Wales, with the charity registration number 1115413. Gavi is the sole member of IFFIm. IFFIm is governed by its Memorandum and Articles of Association dated 26 June 2006. Amended Articles of Association were adopted on 17 December 2018.

In order to achieve its objectives, IFFIm worked with the following organisations during 2025:

- **Gavi:** Gavi is a Swiss foundation that is accorded international institution status in Switzerland with certain privileges and immunities like those accorded to international intergovernmental organisations. It uses funds raised by IFFIm to finance immunisation-related charitable activities in many of the world’s lower-income countries. Gavi’s charitable activities are described further in the *Programmes Funded by IFFIm* section of this report. Gavi also provides administrative support to IFFIm.
- **The International Bank for Reconstruction and Development (the “World Bank”):** The World Bank is a global development organisation based in the United States. It provides treasury management, risk management and accounting services to IFFIm on a commercial basis. IFFIm’s relationship and interactions with the World Bank are described further in the *Financial Overview* and *Hedging IFFIm’s Market Risks* sections of this report.

GOVERNANCE AND MANAGEMENT

Board of Trustees

IFFIm’s trustees, who are also directors of IFFIm for the purposes of company law, are responsible for determining IFFIm’s strategic plans, overseeing the implementation of such plans, and monitoring functions outsourced to Gavi and the World Bank. Members of the Gavi Secretariat and the World Bank take part in every board meeting.

IFFIm has no employees. During 2025, there were six meetings of the IFFIm board, one informal meeting of the board and one meeting of the prospectus committee of the board to undertake decisions in connection with the annual update of IFFIm's Global Debt Issuance Programme. In accordance with its Board Charter and Code of Conduct, IFFIm directors are expected to attend all board meetings unless exceptional circumstances prevail. Directors had an average board meeting attendance of 83% in 2025 (71% in 2024).

During the year ended 31 December 2025 and up to the date of this report, the directors of IFFIm were as follows:

- **Georgina Baker, Chair:** Ms Baker is the former Vice President for Latin America and the Caribbean, and for Europe and Central Asia, at the International Finance Corporation ("IFC"). She was responsible for a committed portfolio of nearly US\$ 30 billion, comprising a wide range of projects aimed at improving lives of people across these regions and promoting private sector-led development. Prior to becoming Vice President, she held dual roles as Director of Syndications and Deputy Treasurer, based in London, where she headed Treasury Operations for Europe, the Middle East, and North Africa. Ms Baker spearheaded the launch of several cutting-edge initiatives at IFC, including the flagship Global Trade Finance Program ("GTFFP") and the Managed Co-lending Portfolio Program ("MCPFP"), an innovative platform designed to mobilise funding from investors alongside IFC. Before joining IFC, she worked as a mechanical engineer in the United Kingdom and Indonesia. Ms Baker is currently a member of the Supervisory Board of PAC Doverie AD, the leading pension assurance company in Bulgaria, and serves as a Senior Advisor with the Boston Consulting Group ("BCG"). Ms Baker was appointed as a director and Chair of the IFFIm board effective 1 January 2026.
- **Bertrand de Mazières, Audit Committee Chair:** Mr de Mazières is an Independent Director on the BNP Paribas Board of Directors and a member of the Supervisory Board of Agence France Locale. He is the former Director General for Finance at the European Investment Bank ("EIB"). At EIB, Mr de Mazières was responsible for funding, treasury, support functions, and asset-liability management. Prior to that role, he was the Chief Executive of Agence France Trésor, the division of the Ministry of Economy and Finance of the Republic of France responsible for the country's debt and treasury management. Mr de Mazières was appointed as a director effective 18 May 2018 and Audit Committee Chair effective 1 April 2020. He is also a member of the nominating committee.
- **Jeffrey Diehl:** Mr Diehl is currently the Chief Operating and Financial Officer of the Coalition for Green Capital ("CGC"), a non-profit financial institution whose mission is to directly invest and mobilise additional private sector capital to meet America's growing demand for resilient infrastructure and reliable, affordable energy. He has over 45 years of experience in public, capital market, and impact finance. Prior to CGC, Mr Diehl was Chief Executive Officer and Executive Director of the Rhode Island Infrastructure Bank, which provides technical assistance and investments in key infrastructure projects including water, transportation, brownfield remediation, clean energy, stormwater management, and climate resiliency for various stakeholders. Previously, he was the Managing Partner of Strategic Sovereign Advisors LLC, advising governments and financial institutions. Mr Diehl also held senior positions at HSBC, a global financial institution, including Vice Chairman – US Public Sector and Global Head of Public Sector Banking. Mr Diehl was appointed as a director effective 1 September 2024 and he is also a member of the audit committee.
- **Eila Kreivi:** Ms Kreivi is a former Director and Chief Sustainable Finance Advisor at the EIB. She stepped down from active service at the EIB in February 2024 and currently serves as an independent sustainable finance expert and advisor. In March 2024, she joined the Board of Directors of Finnvera, a state-owned special financing company in Finland and is Chair of its Risk Committee. She is also a member of the Platform on Sustainable Finance, an advisory body created by the European Commission. Ms Kreivi recently acted as an external expert to the High-Level Working Group on the Environmental Consequences of the War in Ukraine and is a regular interlocutor on ESG topics to the European Stability Mechanism. She was elected to the Board of Directors of the International Capital Market Association ("ICMA") in July 2020 and served until August 2024. Ms Kreivi was appointed as a director effective 1 July 2024 and she is also a member of the audit committee.
- **Kenneth Lay:** Mr Lay is Senior Managing Director of The Rock Creek Group, an asset management firm based in Washington D.C. that manages globally diversified portfolios of public and private assets for institutional investors. Mr Lay also works with international institutions, private foundations, and non-governmental organisations seeking to develop new approaches to increasing the scale and reducing the cost of financing for humanitarian, environmental and other global priorities. Mr Lay previously served as Treasurer of the World Bank where he and his colleagues managed more than US\$ 100 billion in investments for the Bank and other international financial institutions and for more than 40 of the World Bank's member countries' central banks, sovereign wealth and pension funds. He also led the World Bank Treasury's banking and capital markets programmes as they delivered financing and risk management for the World Bank itself and introduced green bonds and catastrophe bonds to deepen the institution's engagement in mitigation of and adaptation to climate change. Mr Lay was appointed

as a director effective 16 October 2020 and Chair of the IFFIm board effective 1 January 2021. His term as Chair concluded on 31 December 2025 and he remains a director until 31 December 2026.

- **Hassatou Diop N'Sele:** Ms N'Sele is the Vice President for Finance and Chief Financial Officer of the African Development Bank Group ("AfDB"). She has led the expansion of the AfDB's capital markets activities across the globe and is responsible for the funding of the Bank's activities. Ms N'Sele leads a diverse team of professionals in the management of the Bank's borrowing portfolio, oversees the investing of its liquidity in multicurrency portfolios, and supervises its hedging activities and back-office operations. Prior to this position, Ms N'Sele was the Group Treasurer from May 2015 to the end of 2022 and the Head of Funding from 2008, having joined the Bank in 1999 as a Senior Treasury Officer. Before joining the Bank, she cumulated eight years of business and banking experience in the private sector in Senegal as a Finance Director of Tiger Denrees Senegal, a startup commodities trading company, and as a Manager in the Financial Institutions department of Citibank Senegal. Ms N'Sele was appointed as a director effective 1 July 2021.
- **Rachel Turner:** Ms Turner is a former Director of International Finance at the United Kingdom's Foreign, Commonwealth and Development Office ("FCDO") where she had a long career until August 2023, having served in various senior roles including as the Director for Economic Development and as the Director for East and Central Africa. She currently serves as an independent development finance expert. While at the FCDO, she was integral to the original design and development of IFFIm. As Director of International Finance, Ms Turner was responsible for the United Kingdom's policy and financing for the World Bank, regional development banks, debt, green capital markets, disaster risk financing, and international taxation. She worked to drive reforms across the international financial system, including new capital models for financing multilateral development banks, lesson learning from the pandemic, and the creation of new crisis instruments for future shocks. Ms Turner was appointed as a director effective 1 July 2024 and is a member of the nominating committee.
- **Ingrid van Wees:** Ms van Wees is the former Vice President for Finance and Risk Management at the Asian Development Bank ("ADB") from 2016 to 2021. She serves as a non-executive board director of the African Finance Corporation since October 2024. Prior to ADB, she was a senior director at the German Investment and Development Corporation ("KfW-DEG"), where her portfolio covered debt, equity and fund investments in Europe, the Middle East, and Asia. Before she moved to DEG in 2004, Ms van Wees held management positions in corporate finance and business development with private corporations. Ms van Wees was appointed as a director effective 1 October 2021 and is the Nominating Committee Chair effective 4 June 2024.
- **Helge Weiner-Trapness:** Mr Weiner-Trapness is the former Vice Chairman of Global Banking at HSBC, having stepped down in 2025. Prior to this, he was a founding partner of Quintus Partners, an independent financial advisory firm that provides strategic and investment advisory and capital raising services to a diverse client base of corporations, private investment firms, and institutions. Prior to that, he was the Managing Director and Co-Global Head of the Financial Institutions Group at Barclays Bank in Hong Kong and previously held senior positions at Asia Pacific Land, JP Morgan Securities, and Goldman Sachs. Mr Weiner-Trapness was appointed as a director effective 17 December 2018 and he was a member of the audit committee. He concluded his tenure on 31 December 2025.

Directors are chosen for their skills and expertise in areas relevant to IFFIm and the IFFIm board maintains a skills matrix which it uses for succession planning purposes. The IFFIm board agreed in 2021 to set the board's composition at eight seats which is the current composition. The IFFIm board adopted a nomination policy in October 2023 and appointed a nominating committee in December 2023 to lead a more formal, rigorous and transparent process to appoint new trustees. In 2025, following an extensive nomination process led by the nominating committee, the board appointed a Chair-Elect and director effective, 1 January 2026. The IFFIm board is also guided by a diversity statement and seeks to adhere to Gavi's gender policy requiring that no more than 60% of the IFFIm board is the same gender. As at 31 December 2025, the gender composition was 50% female and 50% male.

All directors serve on a voluntary basis and are not remunerated. They are, however, reimbursed for expenses they incur in attending meetings and performing other functions directly related to their duties as directors. Details of director expenses are disclosed in Note 4 to the financial statements.

A formal induction process is in place that includes briefings with members of the Gavi Secretariat and World Bank to ensure that directors have the knowledge and understanding of IFFIm's business to enable them to contribute effectively. On appointment, directors devote a sufficient amount of time to participate in a comprehensive induction programme, which introduces them to the main areas of IFFIm's business operations, in particular those that involve significant risk, and provide an overview of the entities associated with IFFIm, namely, Gavi and the World Bank.

IFFIm has a Code of Conduct within its Board Charter. The IFFIm board also has an Independence Statement which underscores how all directors are required to exercise independent judgement in carrying out their

duties. The IFFIm board must act in line with the principles laid out in the Board Charter and Code of Conduct, which comprehensively outlines expectations and conduct supported by policies for gifts and entertainment, diversity, procurement and travel, as well as processes for conflicts of interest.

The directors have a duty to avoid conflicts of interest and while IFFIm does not have a conflicts of interest policy, its Articles of Association and its Board Charter and Code of Conduct provide for the disclosure and management of conflicts of interest and a register is maintained and disclosed at each meeting of the IFFIm board. Gavi's code of conduct framework also guides the IFFIm board on matters and issues that are not covered by IFFIm policies.

IFFIm updated its gifts and hospitality policy in 2024 and while no disclosures of gifts or offers of hospitality have been made to date, the IFFIm board has established a formal register of gifts and hospitality for use if and when such disclosure is made.

The IFFIm board is invited to attend meetings of the Gavi board. The attendance of IFFIm directors at the Gavi board meetings is strictly in an observer status with no participation in the decisions of the Gavi board.

Gavi's Chief Executive Officer is invited to attend and present reports to meetings of the IFFIm board, as an observer and with no participation in the decisions of the IFFIm board. At each meeting, the IFFIm board receives operational reports from the Gavi Secretariat and the World Bank and reviews IFFIm's strategic initiatives. Twice a year the IFFIm board receives finance and accounting and monitoring and assurance reports. The IFFIm board also receives regular reports on Grantor and investor financial information and engagement.

Audit Committee

The IFFIm audit committee is a standing committee of the IFFIm board consisting of four members of the board and was established to assist the board in fulfilling its responsibilities with respect to the corporate accounting and financial practices of IFFIm. It oversees the preparation of the annual financial statements, including accounting policies and judgements, and reviews the performance, independence, and objectivity of the external auditor. It monitors the effectiveness of IFFIm's risk management and internal grant monitoring systems.

During 2025, there were three meetings of the audit committee. The average audit committee meeting attendance was 67% in 2025 (71% in 2024). The audit committee work plan includes the formal requirement for an executive session with the external auditor without any representatives from the Gavi Secretariat and the World Bank being present.

Regarding the reporting of alleged improprieties, misconduct, or wrongdoing, the IFFIm board implemented an Ethics reporting hotline in 2019 that is connected to Gavi's. The Ethics Hotline is prominently displayed on the homepage of IFFIm's public website. No reports related to IFFIm were received in 2025.

Nominating Committee

In December 2023 the IFFIm board approved the establishment of an IFFIm Nominating Committee to aid succession planning and subsequently, the nomination of new directors to IFFIm. The Nominating Committee consists of three members of the IFFIm board. During 2025, there were four meetings of the Nominating Committee with 92% attendance. In 2025, the Committee put forward one director nomination to join the Nominating Committee and progressed the process that resulted in the identification and appointment of Ms Georgina Baker as a director and Chair of the IFFIm board, effective 1 January 2026.

Board Effectiveness Review and UK Charity Governance Code

The IFFIm board carries out an effectiveness review annually and regularly discusses its effectiveness and ability to work together as a team. It is envisaged that an externally facilitated assessment of the board will be undertaken every third year. An externally facilitated assessment was conducted in 2025 following a competitive RFQ (request for quote) process. The effectiveness review encompassed the board, the audit committee, and the Board Chair. The evaluation also assessed board composition, dynamics, governance and operations and stakeholder engagement. The results of the evaluation were discussed by the IFFIm board in December 2025 and the board agreed to have a follow up discussion in March 2026. On the whole, the IFFIm board was regarded as effective and well-functioning.

As part of its own development, the IFFIm board reviews guiding principles under the UK Charity Governance Code (the "Code"). At its March 2025 board meeting, the board assessed IFFIm's current governance arrangements against the provisions of the Code. The IFFIm board concluded for the sixth successive year, overall, IFFIm's governance broadly aligns with the recommended practices set out in the Code other than for those requirements regarding a Chief Executive and staff given that IFFIm does not have any employees.

The IFFIm board has mandated that its work plan includes reviews of the Board Charter and Code of Conduct and other board-approved policies on a routine basis. This policy review was completed at the IFFIm board's October 2025 meeting.

Accountability and Transparency

IFFIm regularly updates its website to provide a comprehensive and transparent disclosure of how it discharges its charitable functions. The annual IFFIm communication plan is incorporated within IFFIm's strategic framework. IFFIm's main stakeholders are Gavi, the World Bank, Grantors, and investors. Further details of IFFIm's stakeholder engagement are set out in the *Section 172 (1) Statement* included on page 21 of this report.

REFERENCE AND ADMINISTRATIVE INFORMATION

Pursuant to the Finance Framework Agreement entered into among IFFIm, the Grantors, the World Bank, and Gavi, IFFIm has no employees as indicated above. IFFIm outsources all administrative support to Gavi, and outsources its treasury function, together with accounting support, to the World Bank. The responsibilities of the IFFIm trustees, as well as brief descriptions of Gavi and the World Bank, are provided in the *Structure, Governance and Management* section above.

IFFIm also receives professional services from the following organisations:

- Company Registrations Online Limited is IFFIm's company secretary. Its registered address is Carpenter Court, 1 Maple Road, Bramhall, Stockport, Cheshire SK7 2DH, United Kingdom.
- Linklaters LLP is IFFIm's solicitor. Its registered address is 20 Ropemaker Street, London EC2Y 9AR, United Kingdom.
- Deloitte LLP is IFFIm's independent auditor. Its registered address is 1 New Street Square, London EC4A 3HQ, United Kingdom.
- BDO LLP is IFFIm's tax services provider. Its registered address is 55 Baker Street, London, W1U 7EU, United Kingdom.

PROGRAMMES FUNDED BY IFFIm

Gavi programmes are funded by IFFIm, subject to the IFFIm board's approval of a request for funding from Gavi and when an indicative funding confirmation, signed by any trustee on behalf of the IFFIm board, is issued to Gavi. The trustees are also directors of IFFIm for the purposes of company law. In the years ended 31 December 2025 and 2024, IFFIm issued new indicative funding confirmations totalling US\$ 440 million and US\$ 366 million, respectively, and disbursed the total amount to Gavi to fund its programmes.

Since its inception, IFFIm has funded several Gavi programmes, which are categorised into Country-Specific Programmes and Investment Cases. Each of these categories is described below.

COUNTRY-SPECIFIC PROGRAMMES

Governments of eligible developing countries apply for vaccine procurement, immunisation and HSS support ("Country-Specific Programmes") by submitting applications to Gavi. Once it has reviewed and approved the applications, Gavi requests funding from IFFIm. Since its inception in 2006, IFFIm has provided funding in support of the following Gavi Country-Specific Programmes:

New and Underused Vaccine Support ("NVS") programmes: Gavi supports developing countries in introducing vaccines and associated vaccine technology. Gavi's support is aimed at accelerating the countries' vaccine uptake and improving their vaccine supply security. NVS programmes funded by IFFIm related primarily to the following diseases:

- Pneumococcal Disease: This is a bacterial infection and is the leading cause of pneumonia. The bacterium that causes pneumococcal disease can also cause meningitis, which often leaves survivors with permanent disabilities. Safe and affordable vaccines are the most effective way to prevent pneumococcal infection.
- Hepatitis B: This is a viral infection that affects the liver and is transmitted by body fluids or the blood of infected people. It is the leading cause of liver cancer. Transmission of the virus from mother to newborn infant is a major contribution to disease in regions such as South-East Asia and the Western Pacific, where infection is widespread. Most cases could be avoided through vaccination.
- Haemophilus Influenzae Type B ("Hib"): This is a bacterial infection which can cause meningitis, pneumonia, and septicaemia. It is spread through sneezing and coughing and is considered the third

biggest cause of vaccine-preventable death in children under five years of age. In lower-income countries, where most Hib deaths occur, the disease leaves up to 35% of survivors with disabilities.

- **Diphtheria:** This is a highly contagious bacterial infection that spreads from person to person, often through respiratory droplets like from coughing or sneezing. Globally, incidence of diphtheria is on the rise. Death occurs in 5% to 10% of those infected, mainly in children under five years of age.
- **Tetanus:** This is a serious, life-threatening disease that affects the central nervous system and enters the body through wounds or cuts. Neonatal tetanus continues to be a major killer of newborns and can be prevented by providing the vaccine to women of childbearing age, either before or during pregnancy.
- **Pertussis:** Also known as whooping cough, pertussis is a highly contagious and serious respiratory disease that spreads easily from infected persons and is fatal in one in two hundred cases among infants.
- **Yellow Fever:** As an acute viral haemorrhagic disease transmitted by mosquitoes, yellow fever causes devastating epidemics in areas where people who are not vaccinated are exposed to infected mosquitoes. Death rates can be as high as 50% among those severely affected. Yellow fever can be prevented by a safe, affordable, and highly effective vaccine. One injection protects an individual for at least 35 years, and possibly for life.
- **Measles:** This is a highly contagious virus, whose symptoms include a high fever, severe skin rash, and a cough. Because it is so contagious, measles remains a significant threat to child health even in those areas where the rates of measles are reduced. By weakening the immune system, measles can also lead to other health problems such as pneumonia, blindness, diarrhoea, and encephalitis.
- **Rotavirus:** This virus is the leading cause of severe and fatal diarrhoea in children under five years of age. While rotavirus infects children in every country, more than 95% of rotavirus deaths occur in lower-income countries in Africa and Asia, where access to diarrhoea treatment is often limited or unavailable.
- **Human Papillomavirus (“HPV”):** This is a common virus that can cause certain cancers later in life, including cervical cancer in women. HPV is associated with over 90% of deaths caused by cervical cancer in lower-income countries, which is where the burden of the disease is highest globally. The HPV vaccine is the key intervention for the reduction of cervical cancer, especially in lower-income countries with less developed cervical cancer screening and treatment programmes.

Health Systems Strengthening (“HSS”) programmes: The objective of HSS programmes is to achieve and sustain increased immunisation coverage, through strengthening the capacity of countries’ systems to provide immunisation and other health services. Countries are encouraged to use HSS funding to target the bottlenecks or barriers in their health systems.

Immunisation Services Support (“ISS”) programmes: Gavi provides eligible countries with flexible reward payments for strengthening their immunisation systems. These payments are subject to strict performance requirements and Gavi works with governments and inter-agency coordinating committees to set goals and monitor progress.

Injection Safety Support (“INS”) programmes: Gavi contributes to the provision of auto-disable syringes, reconstitution syringes and safety boxes. These syringes and safety boxes facilitate the administering of vaccines in eligible countries.

Vaccine Introduction Grant: Recognising that introduction of a new vaccine can imply additional costs for a country’s health system, Gavi provides additional support to bridge this resource gap. This support takes the form of an upfront cash grant and is used by implementing countries to pay for costs such as training, social mobilisation, programme management surveillance and monitoring. Implementing countries are the eligible countries where Gavi programmes, including those funded by IFFIm, are implemented.

INVESTMENT CASES

From time to time, IFFIm funds tactical investments in disease prevention and control (“Investment Cases”). These investments are made through Gavi partners such as the United Nations Children’s Fund (“UNICEF”) and the World Health Organization (“WHO”). Each investment targets a disease that constrains progress towards improved child and maternal health. Since its inception in 2006, IFFIm has provided funding in support of the following Investment Cases:

Yellow Fever Stockpiles: Gavi supported the creation and maintenance of yellow fever vaccine stockpiles to ensure that vaccines are ready for deployment as soon as an outbreak is identified. The stockpiles also help to secure supply for routine programmes. IFFIm funds were used for both outbreak response and preventative campaigns.

Polio Eradication: Gavi supported intensified eradication activities that were implemented to interrupt wild and vaccine-derived poliovirus transmission. These activities included sustaining polio surveillance and laboratory activities, improving social mobilisation and enhancing technical assistance.

Measles Mortality Reduction: Gavi supported efforts to reduce the level of mortality from measles. The measles mortality reduction campaign is a partnership among several global health and development agencies to address this major childhood disease. Measles vaccination campaigns have become a channel for the delivery of other life-saving interventions, such as bed nets, de-worming medicine and vitamin supplements.

Maternal and Neonatal Tetanus: Gavi supported a campaign to eliminate maternal and neonatal tetanus. Maternal and neonatal tetanus continues to burden the most poorly served populations in many of the world's lower-income countries. The campaign was implemented to build on existing efforts to improve clean delivery practices and immunisation services in these populations.

Yellow Fever Continuation: IFFIm provided funding support for an extension and expansion of Gavi's original yellow fever investment case described above. The additional funds allowed for increased and extended yellow fever vaccine coverage and helped offset higher than expected vaccine prices.

Meningitis Eradication: Gavi supported efforts to eliminate meningococcal A meningitis epidemics in a number of African countries that were estimated to be home to approximately 95% of the world's meningococcal meningitis burden. Meningococcal meningitis is a bacterial disease that mainly affects children and can result in death or permanent disability.

Vaccine Research and Development: Gavi provided support to the Coalition for Epidemic Preparedness Innovations ("CEPI") for its late-stage vaccine research and development activities. CEPI is a global public-private partnership whose mission is to accelerate the development of vaccines against emerging infectious diseases and enable equitable access to these vaccines during outbreaks.

COVAX: COVAX was the vaccines pillar of the Access to COVID-19 Tools ("ACT") Accelerator, a groundbreaking global collaboration, which accelerated the development, production, and equitable access to COVID-19 tests, treatments, and vaccines for every country in the world. COVAX was co-led by WHO, Gavi, and CEPI, alongside key delivery partner UNICEF. Gavi's role in COVAX involved coordinating the COVAX Facility, a global risk-sharing mechanism for pooled procurement and equitable distribution of COVID-19 vaccines.

COVAX Resource Reallocation: At the close of the COVAX programme, with the approval of the Grantors, Gavi, and IFFIm, the funds that remained unspent by Gavi were reallocated to support a specified set of Gavi programmatic activities on a non-country specific basis. These were comprised of support for the African Vaccine Manufacturing Accelerator ("AVMA"), the First Response Fund for the Day Zero Financing Facility ("FRF"), the Vaccine Coalition Network, the Big Catch-Up programme in response to the slow down of routine immunisation activities during the pandemic, and other Gavi core programme activities.

Malaria Vaccine Support: Gavi supported the roll-out of the world's first malaria vaccine in sub-Saharan Africa, which is estimated to save one life for every two hundred children vaccinated. Children aged under five years are at the greatest risk of dying from malaria and account for more than 75% of the global deaths from the disease. Unlike adults, young children have not had the opportunity to develop partial immunity through years of exposure, making them particularly at risk. IFFIm provided advance funding to Gavi aimed at enhancing the availability and affordability of critical malaria vaccines.

STRATEGIC REPORT

This Strategic Report relates to the year ended 31 December 2025. It forms part of the Annual Report of the Trustees, which contains all the information that company law requires to be provided in the directors' report. IFFIm's trustees are also the directors of IFFIm for the purposes of company law.

ACHIEVEMENTS AND PERFORMANCE

With the support of IFFIm funding, Gavi programmes have helped vaccinate more than 1.2 billion children in the world's lower-income countries since Gavi's creation in 2000 and prevented more than 20.6 million deaths in the process. This was achieved by accelerating the uptake and use of new and underused vaccines, strengthening the capacity of integrated health systems to deliver immunisation in many lower-income countries, increasing the predictability of global financing and improving the sustainability of national financing for immunisation, and through shaping vaccine markets to ensure adequate supply of appropriate, quality vaccines at low and sustainable prices for eligible countries. The Country-Specific Programmes and Investment Cases that are supported by Gavi with the help of IFFIm's funding are described in the *Programmes Funded by IFFIm* section above.

In 2025, in accordance with programme disbursement projections prepared by the World Bank in its capacity as IFFIm's treasury manager and reviewed by the IFFIm board, IFFIm issued two new indicative funding confirmations. These comprised US\$ 368 million to support Gavi's routine immunisation programmes and US\$ 72 million to provide advance funding for malaria vaccine support programmes, totalling US\$ 440

million. As presented in the tables below, IFFIm fully disbursed these amounts to Gavi during the year to fund the respective programmes.

From its inception in 2006 to 31 December 2025, IFFIm approved and disbursed the following amounts to help fund Gavi's Country-Specific Programmes:

In Millions of US\$	2025 Approvals	2025 Disbursements	Cumulative Approvals	Cumulative Disbursements	Outstanding Balance Payable
New and underused vaccine support	298	(298)	4,013	(4,013)	-
Health systems strengthening and other	70	(70)	695	(695)	-
Total Country-Specific Programme support	368	(368)	4,708	(4,708)	-

From its inception in 2006 to 31 December 2025, IFFIm approved and disbursed the following amounts to help fund Gavi's Investment Cases:

In Millions of US\$	2025 Approvals	2025 Disbursements	Cumulative Approvals	Cumulative Disbursements	Outstanding Balance Payable
Yellow fever stockpile and eradication	-	-	101	(101)	-
Polio eradication	-	-	191	(191)	-
Measles mortality reduction	-	-	139	(139)	-
Maternal and neonatal tetanus	-	-	62	(62)	-
Meningitis eradication	-	-	68	(68)	-
Vaccine research and development	-	-	316	(316)	-
Malaria vaccine support	72	(72)	72	(72)	-
COVAX ¹	-	-	495	(495)	-
COVAX resource reallocation ¹	-	-	480	(480)	-
Total Investment Cases support	72	(72)	1,924	(1,924)	-

¹ A total amount of US\$ 480 million, previously disbursed by IFFIm to Gavi in support of COVAX, remained unspent by Gavi at the close of the COVAX programme. With the approval of the Grantors, Gavi, and IFFIm, the total unspent amount was reallocated to specified Gavi programmatic activities on a non-country specific basis. Cumulative approvals and disbursements were updated to reflect the reallocation.

Since its inception in 2006, IFFIm has consistently demonstrated its performance as an efficient and flexible mechanism for Gavi to accelerate access to life-saving vaccines for children in the world's lower-income countries. This continued performance is demonstrated by the following key indicators:

- **Maximising value for money:** IFFIm aims to deliver maximum value for money to Gavi for every dollar invested by its Grantors. As a measure of value for money, IFFIm expects that the cumulative total of programme disbursements to Gavi will exceed 90% of total Grantor pledges over IFFIm's lifetime. As an indicator of this measure, as at 31 December 2025, IFFIm's cumulative programme disbursements to Gavi since its inception in 2006 were approximately 96% of its total outlays over the same period.
- **Funding cost:** IFFIm's cost of funding compared to that of its Grantors serves as an indicator of IFFIm's efficiency, subject to macroeconomic factors. At its inception, IFFIm's funding cost was, on average, anticipated to be higher than that of its Grantors and would be considered alongside the utility and impact of its flexible financing structure. IFFIm has successfully accessed the capital markets based on Gavi's needs. As at 31 December 2025, the weighted average cost of all bonds issued by IFFIm since its inception is 36 basis points over the Secured Overnight Financing Rate ("SOFR"). This is 10 basis points higher than the weighted average cost of borrowing of its Grantors, which is 26 basis points over SOFR calculated over the same period.
- **Flexibility:** One of IFFIm's core values is the financial flexibility that it provides Gavi by allowing it to de-link its immunisation programmes from when Grantor payments are received and link them to when funding is needed. This means that Gavi can determine the timing and amount of drawdown from IFFIm based on its needs, for example, whether to frontload resources over a short period of time or draw down on smaller amounts over a longer period, without incurring significant costs in either situation. Because of this flexibility, Gavi was able to drawdown US\$ 440 million of IFFIm funding in 2025.
- **Strategic market access:** IFFIm's funding strategy is premised on the intention to optimise the following three objectives: (1) funding cost; (2) diversification; and (3) raising the profiles of IFFIm and Gavi and increasing awareness of Gavi's immunisation mission. IFFIm continues to achieve this strategy by issuing bonds in different currencies and regions, attracting new investors, and broadening its geographical reach. In April 2025, IFFIm executed a US\$ 250 million tap issuance, which increased its US\$ 1 billion 3-

year fixed rate Vaccine Bond that was issued in October 2024. This issuance provided important additional support for Gavi's life-saving immunisation programmes. In June 2025, IFFIm issued a 3-year 4.25% fixed rate Vaccine Bond in the amount of £ 300 million, which provided Gavi with immediately available funding to support routine immunisation in lower-income countries and respond to infectious disease outbreaks and emergencies. The bond, with which total Vaccine Bond issuances since IFFIm's inception exceeded the US\$ 10 billion milestone, attracted a diverse and high-quality group of investors, demonstrating the continuing high appeal of IFFIm with global investors to support Gavi's immunisation programmes. In April 2026, IFFIm issued a 5-year 4% fixed rate Vaccine Bond in the amount of US\$ 1 billion as further described in the *Recent Developments* section below.

IFFIm continues to engage with existing and prospective donors to attract additional pledges in support of Gavi's immunisation mission. No new donor pledges were recognised by IFFIm during 2024 and 2025. As described in the *Future Plans* section below, at Gavi's high-level pledging summit held in Brussels in June 2025, donors committed a total of US\$ 767 million in new multi-year funding to IFFIm in support of the 2026–2030 strategic period.

As a large charitable company registered in the United Kingdom, IFFIm has considered its energy use and the requirement in the United Kingdom to disclose relevant information on energy and carbon reporting. IFFIm has no physical offices in the United Kingdom. As described above, IFFIm has no employees and outsources all administrative support to Gavi, which is based in Geneva and Washington, DC, and outsources its treasury function, together with accounting support, to the World Bank, which is based in Washington, DC. As such, IFFIm has no directly attributable energy use in the United Kingdom to disclose in this report. Furthermore, based on the nature of outsourced operations at the World Bank and Gavi, any energy use attributable to IFFIm, with respect to the relevant supporting activities, would be impractical to obtain.

FINANCIAL OVERVIEW

Overview of Assets and Liabilities

The following table summarises IFFIm's assets and liabilities as at 31 December 2025 and 2024:

In Millions of US\$	2025	2024	Change
Sovereign pledges	2,097	2,257	(160)
Derivative financial assets	170	531	(361)
Funds held in trust	1,518	1,492	26
Other assets	4	4	-
Total assets	3,789	4,284	(495)
Bonds payable	2,801	2,908	(107)
Derivative financial instruments	120	155	(35)
Other liabilities	1	1	-
Total liabilities	2,922	3,064	(142)
Net assets	867	1,220	(353)
Total liabilities and net assets	3,789	4,284	(495)

Sovereign Pledges: IFFIm's asset base consists primarily of irrevocable and legally binding multi-year sovereign pledges from the Grantors. As at 31 December 2025, the Grantors were the Commonwealth of Australia, the Federative Republic of Brazil, Canada, the Republic of France, the Republic of Italy, the State of the Netherlands, the Kingdom of Norway, the Republic of South Africa, the Kingdom of Spain, the Kingdom of Sweden, and the United Kingdom of Great Britain and Northern Ireland. The amounts pledged by the Grantors, along with the pledge dates, are listed in Note 2 to the financial statements. From inception to 31 December 2025, cumulative payments received from the Grantors totalled US\$ 6 billion.

During 2025, the fair value of IFFIm's sovereign pledges decreased by US\$ 160 million due to the net impact of the following:

- **Receipts from Grantors:** IFFIm received payments from its Grantors totalling US\$ 516 million, which resulted in a decrease in the fair value of IFFIm's sovereign pledges.
- **Fair Value Gains:** IFFIm recorded fair value gains of US\$ 356 million on sovereign pledges primarily due to (1) net foreign exchange gains on pledges denominated in euros, British pounds, and other currencies due to the weakening of the United States dollar against those currencies in 2025, (2) net gains from the unwinding of previously applied discounting as Grantor payments were received and as the remaining duration of outstanding pledges shortened, and (3) net gains from a relatively lower Grant Payment Condition ("GPC") Fair Value Adjustment used in valuing sovereign pledges, as well as from the

unwinding of the GPC Fair Value Adjustment for sovereign pledges for which Grantor payments were received during the year. The GPC Fair Value Adjustment is described further in Note 16 to the financial statements.

Funds Held in Trust and Investment Strategy: IFFIm's funds held in trust represent an investment portfolio denominated in United States dollars and managed by the World Bank. IFFIm has established liquidity and investment policies based on recommendations made by the World Bank.

The World Bank maintains a single, commingled investment portfolio (the "Pool") for IFFIm, certain trust funds and other entities administered by the World Bank, as well as assets held in trust for other World Bank Group institutions. The Pool's assets are maintained separate from the funds of the World Bank Group.

The Pool is divided into sub-portfolios to which allocations are made based on specific investment horizons, risk tolerances and other eligibility requirements set by the World Bank. Under IFFIm's investment strategy approved by the trustees, IFFIm's liquid assets are invested in high-grade fixed-income instruments with interest rate sensitivity matching that of the liabilities funding IFFIm's investment portfolio. No ethical guidelines have been set for the portfolios. IFFIm's trustees regularly review the portfolios within which IFFIm's investments are held. For the years ended 31 December 2025 and 2024, the return on IFFIm's investments portfolio was 4.73% and 5.90%, respectively, outperforming its benchmark by 34 basis points and 53 basis points, respectively.

IFFIm holds sufficient liquidity to satisfy investor expectations and rating agency requirements that a sufficient balance be available to meet interest and principal payments to debt holders. Consistent with these purposes, IFFIm maintains a minimum liquidity equivalent to its cumulative contracted debt service payments for the next 12 months. As at 31 December 2025, the calculated minimum liquidity was US\$ 1.1 billion (2024: US\$ 925 million) and the value of IFFIm's funds held in trust was US\$ 1.5 billion (2024: US\$ 1.5 billion).

During 2025, funds held in trust increased by US\$ 26 million primarily due to (1) bond issuance proceeds of US\$ 655 million, (2) Grantor payments received totalling US\$ 516 million, (3) net swap settlement receipts of US\$ 174 million, and (4) investment income received of US\$ 84 million. These were partially offset by (1) bond redemptions of US\$ 869 million, (2) programme grant disbursements of US\$ 440 million, (3) interest paid of US\$ 89 million, and (4) net outlays of US\$ 5 million for other operating costs.

IFFIm receives its funding from Grantor contributions and borrowings on worldwide capital markets and disburses its funds only to Gavi to finance programmes for a defined portfolio of eligible countries or specified purposes. Therefore, all IFFIm's funds are treated as restricted funds.

Other Assets: IFFIm's other assets comprise prepayments and its cash balances held at depository bank accounts. Cash balances are moved to the investment portfolio on a regular basis.

Bonds Payable: IFFIm has continued to raise funds on the global capital markets. From inception to 31 December 2025, cumulative proceeds from bond issuances totalled US\$ 10.3 billion. During 2025, IFFIm's bonds payable decreased by US\$ 107 million primarily due to a net decrease from bond issuances and redemptions during the year, partially offset by movements in fair value and bond interest payable as described below:

- **Bond Issuances and Redemptions:** IFFIm received proceeds of US\$ 655 million from new bond issuances, and bond redemptions during the year totalled US\$ 869 million. This resulted in a net decrease of US\$ 214 million in bonds payable.
- **Fair Value Losses:** The fair value of bonds payable is highly sensitive to yield and exchange rate movements, which are some of the market observable inputs that are used to fair value IFFIm's bonds. During 2025, IFFIm recorded fair value losses of US\$ 104 million on its bonds, which resulted in an increase in the fair value of bonds payable.
- **Bond Interest Payable:** The fair value of bonds payable includes the outstanding amounts accrued and payable with respect to bond interest. During 2025, IFFIm recorded interest expense on bonds of US\$ 92 million of which US\$ 89 million was paid. This resulted in an increase of US\$ 3 million in the fair value of bonds payable.

As at 31 December 2025, IFFIm's bonds payable balance of US\$ 2.8 billion was comprised of bonds payable falling due within one year of US\$ 1.1 billion and bonds payable falling due after more than one year of US\$ 1.7 billion.

Derivative Financial Instruments: IFFIm's derivative financial instruments represent its net position on interest rate and currency swap contracts. As at 31 December 2025, IFFIm's net balance on its derivative financial instruments was a receivable of US\$ 50 million (derivative financial assets of US\$ 170 million less derivative financial liabilities of US\$ 120 million), which was a decrease of US\$ 326 million from the prior year net receivable balance of US\$ 376 million (derivative financial assets of US\$ 531 million less derivative financial

liabilities of US\$ 155 million). This US\$ 326 million decrease in 2025 was due to net fair value losses of US\$ 152 million and net swap settlement receipts of US\$ 174 million.

As at 31 December 2025, IFFIm's net receivable balance of US\$ 50 million on its derivative financial instruments was comprised of net amounts receivable after more than one year of US\$ 79 million, partially offset by net amounts payable within one year of US\$ 29 million. IFFIm's hedging strategy is described in the *Hedging IFFIm's Market Risks* section of this report and IFFIm's net position is discussed further in Note 8 to the financial statements.

As at 31 December 2025, IFFIm held debt securities totalling US\$ 5 million, which were posted as collateral by a counterparty on IFFIm swap contracts. The posted collateral amount was in accordance with the terms of a Credit Support Annex ("CSA") to the International Swaps and Derivatives Association ("ISDA") Agreement between IFFIm and the counterparty, which provides IFFIm with the right to call for collateral when its exposure to the counterparty exceeds a specified threshold amount at a given credit rating maintained by the counterparty.

Other Liabilities: IFFIm's other liabilities are comprised of amounts payable to service providers and amounts due to Gavi.

Overview of Income and Expenses

The following table summarises IFFIm's income and expenses for the years ended 31 December 2025 and 2024:

In Millions of US\$	2025	2024	Change
Contribution revenue	-	-	-
Net fair value gains	101	142	(41)
Investment income	84	46	38
Other income	1	1	-
Total income	186	189	(3)
Programme grants	440	366	74
Financing costs	93	51	42
Other expenses	6	5	1
Total expenses	539	422	117
Deficit for the year	(353)	(233)	(120)

Contribution Revenue: IFFIm receives its funding from Grantor contributions in the form of long-term legally binding sovereign pledges and converts these pledges into immediately available cash resources by issuing bonds in the international capital markets. IFFIm then disburses the funds to Gavi to support various Gavi vaccine procurement, immunisation, and HSS programmes as described in the *Programmes Funded by IFFIm* section of this report.

Net Fair Value Gains: During 2025, IFFIm recorded net fair value gains of US\$ 100.8 million primarily due to fair value gains of US\$ 356.4 million on sovereign pledges, fair value gains of US\$ 35.5 million on bond swaps, and other foreign exchange gains of US\$ 0.3 million. These gains were partially offset by fair value losses of US\$ 187.6 million on pledge swaps and fair value losses of US\$ 103.8 million on bonds payable. The *Hedging IFFIm's Market Risks* section below further describes fair value adjustments on pledges, bonds, and swaps, and summarises their impact on IFFIm's income.

Investment Income: Investment income was higher by US\$ 38 million in 2025 compared to 2024 primarily due to a relatively higher weighted average balance of the investment portfolio in 2025 compared to 2024.

Other Income: Other income is comprised of administrative support services donated to IFFIm by Gavi.

Programme Grants: During 2025, IFFIm issued two new indicative funding confirmations of US\$ 368 million and US\$ 72 million to fund Gavi's routine immunisation programmes and to provide advance funding for malaria vaccine support programmes, respectively.

Financing Costs: IFFIm incurred higher financing costs in 2025 compared to 2024 primarily due to a relatively higher weighted average of outstanding bonds in 2025.

Other Expenses: IFFIm's other expenses primarily consist of treasury management fees, legal and audit fees, consulting costs, and administrative support services. The increase in other expense in 2025 was mainly driven by a higher volume of project-based activities undertaken to support replenishment efforts and various strategic initiatives.

IFFIm's policy is to pay its suppliers of the abovementioned services in accordance with those terms and conditions agreed between IFFIm and its suppliers. Payments for services received are usually processed within 30 days upon receipt of invoices.

IFFIm recorded a deficit of US\$ 353 million for the year ended 31 December 2025, as programme grants of US\$ 440 million were recognised and no contribution revenue was recognised during the year. Net fair value gains, investment income, and other income exceeded financing costs and other expenses, partially offsetting the programme grants recognised.

Going Concern

IFFIm's financial statements have been prepared on a going concern basis and approved by its trustees in accordance with applicable law and United Kingdom Generally Accepted Accounting Standards. As IFFIm's credit rating is AA, the World Bank has the right to call for collateral, above a specified threshold amount, and protect its derivative exposure to IFFIm. However, following discussions and agreement with the World Bank, the World Bank has confirmed that it will not call collateral over at least 12 months from the signing date of IFFIm's financial statements, which could cause IFFIm to be unable to meet its required financial obligations. Furthermore, following Gavi's confirmation, IFFIm continues to maintain the ability to defer grant payments to Gavi to the extent that this is required for IFFIm to meet other obligations as they fall due within the next 12 months from the signing date of the financial statements.

In assessing the going concern basis, the trustees have also considered the potential impact of the ongoing United States-Israel-Iran and Russia-Ukraine conflicts and their global impact on economic activity and financial markets whereby, in addition to assessing any potential impact of these conflicts on the factors considered above, the trustees considered (1) the continued stability of funding from Grantors due to its legally binding nature and commitment from the Grantors and (2) measures in place which ensure IFFIm will maintain the required minimum liquidity levels for at least the next 12 months from the signing date of the financial statements as further described in Note 14 to the financial statements. In their assessment, the trustees determined that the ongoing conflicts do not significantly impact the above key factors that IFFIm's going concern basis is primarily reliant upon.

IFFIm recorded a deficit of US\$ 353 million for the year ended 31 December 2025 primarily due to differences in the timing of when IFFIm recognises programme grants and the corresponding Grantor contributions that fund them. Programme grants are recognised as expenses annually when indicative funding confirmations are issued whereas Grantor contributions, which are multi-year in nature, are recognised upfront in full upon assignment of Grantor pledges to IFFIm by Gavi. Due to this difference in timing, programme grant expenses recognised in the year ended 31 December 2025 were greater than recorded contribution revenue, which resulted in a deficit. Despite this deficit, there are measures in place, as indicated above, which ensure IFFIm will maintain the required minimum liquidity levels for at least the next 12 months from the signing date of the financial statements as further described in Note 14 to the financial statements.

Therefore, the trustees concluded that the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about IFFIm's ability to continue as a going concern.

RISK MANAGEMENT

The major risks to which IFFIm is exposed, as identified by the trustees, have been reviewed and systems or procedures have been established to manage these risks. IFFIm has two main areas of risk: financial risks and operational risks.

- **Managing Financial Risks:** IFFIm's activities expose it to three principal types of financial risk: (1) credit risk, (2) liquidity risk, and (3) market risk. IFFIm seeks to mitigate each of these risks based on a risk management strategy approved by its board. IFFIm's mitigation of each type of financial risk is described below:

- (1) **Credit Risk:** IFFIm's credit ratings are closely tied to the credit ratings of Grantors. A change in the outlook for, or a downgrade of, the credit rating of one of the major Grantors may cause one or more of the credit rating agencies to review its outlook or credit rating for IFFIm and to amend such outlooks or credit ratings accordingly. A change in the credit rating of IFFIm may affect the market value of IFFIm's debt. The IFFIm board, working with the World Bank, has put in place measures to manage credit risk. Note 13 to the financial statements describes IFFIm's credit risk and related risk management activities in more detail.

IFFIm's ability to make principal and interest payments to investors, and programme payments to Gavi, depends primarily on receipt by IFFIm of payments from Grantors under the grant agreements. IFFIm does not have any other significant sources of funds available to meet these obligations. In connection with this risk, each Grantor has represented and warranted to IFFIm, and to the other parties to IFFIm's Finance Framework Agreement, that the grant agreement to which it is a party

constitutes valid and legally binding obligations of that Grantor. IFFIm has experienced occasional payment delays by some Grantors, which are administrative in nature. These delays have not been material and have not adversely affected IFFIm's credit ratings nor IFFIm's financial condition.

- (2) **Liquidity Risk:** Under its liquidity policy, IFFIm seeks to maintain an adequate level of liquidity to meet its operational requirements, provide predictability of programme funding and support its credit rating. Taking these factors into account, IFFIm maintains a minimum liquidity equivalent to its cumulative contracted debt service payments for the next 12 months.

IFFIm's bond issuances are managed against the present value of expected future cash flows from Grantor pledges, in view of the GPC and other credit factors. As described in Notes 1 and 16 to the financial statements, the GPC allows the Grantors to reduce their payments to IFFIm if an IFFIm-eligible country falls into protracted arrears on its obligations to the IMF. IFFIm only raises bonds against a percentage of the present value of Grantor pledges. The residual, which is still available to IFFIm over time, creates a cushion to protect bond holders against adverse credit events such as many IFFIm-eligible countries falling into protracted arrears to the International Monetary Fund ("IMF"). The cushion is a percentage of the present value of Grantor pledges, and is established through the Gearing Ratio Limit ("GRL") model. As at 31 December 2025, the GRL model had established that, at a triple-A equivalent confidence level, 76.2% of the present value of Grantor pledges may be used to support the issuance of IFFIm bonds. As at 31 December 2025, the fair value of IFFIm's outstanding bonds, net of bond swaps, cash and investments, was 60.3% of the present value of its Grantor pledges net of pledge swaps.

The World Bank continues to have the right to call for collateral, above a specified threshold amount, to protect against its exposure on IFFIm's derivative positions under the terms of the Credit Support Annex ("CSA") to the International Swaps and Derivatives Association ("ISDA") Agreement between IFFIm and the World Bank. The World Bank has not exercised this right. To mitigate the risk that the World Bank may call collateral, an agreement is in place between the World Bank and IFFIm to apply an additional buffer to the gearing ratio limit to manage the World Bank's exposure under the derivative transactions between IFFIm and the World Bank (the "Risk Management Buffer"). The Risk Management Buffer may be adjusted by the World Bank in its sole discretion. In May 2020, the World Bank recalculated and reset the Risk Management Buffer to 0% from the previous value of 12% following the execution of a swap re-couponsing transaction in the amount of US\$ 200 million, which reduced the World Bank's exposure on IFFIm's derivative positions by the same amount and enabled the World Bank to intermediate new swaps for IFFIm. As at 31 December 2025 and 2024, the Risk Management Buffer was 0% of the present value of expected future cash flows from Grantor pledges.

The World Bank, as IFFIm's treasury manager, continues to monitor IFFIm's funding needs to always ensure that IFFIm maintains sufficient available resources to be able to meet its financial obligations, including debt-service payments and obligations under the CSA and ISDA Agreement. Note 14 to the financial statements describes IFFIm's liquidity risk and related risk management activities in more detail.

- (3) **Market Risk:** IFFIm's market risk is comprised of interest rate and foreign exchange rate risks. IFFIm mitigates these risks using interest rate and currency swaps. Sovereign pledges are swapped into United States dollar floating rate assets and, at issuance, IFFIm's bonds payable are swapped into United States dollar floating rate liabilities. IFFIm's activities to hedge market risks are described further in the *Hedging IFFIm's Market Risks* section below. Note 15 to the financial statements describes IFFIm's market risk and related risk management activities in more detail.
- **Managing Programme Risks:** Key among IFFIm's operational risks are programme risks, which include: (1) the performance risk that IFFIm funds may not be efficiently and effectively applied by implementing countries to meet Gavi's programme objectives, and (2) the risk that implementing countries may misuse funds they receive from IFFIm.

The programme performance risk is mitigated through the Gavi programme monitoring process, which is a multi-step monitoring and evaluation process that includes an initial project assessment and approval, as well as annual monitoring reviews.

The programme risk related to misuse of funds is addressed by management controls and audit processes put in place at Gavi. Gavi has identified cases of misuse of funds in 42 countries since 2009. As at 31 December 2025, the estimated total Gavi funds misused in these countries since 2009 is US\$ 49 million, which is approximately 0.2% of total funds disbursed by Gavi during that period. This includes cases of misuse estimated at US\$ 2 million, which were identified through audit processes that were finalised during 2025. Of this amount, US\$ 108 thousand relates to funds provided by IFFIm. Gavi has a zero-tolerance policy with respect to misuse of funds and actively works to bring all these identified cases to resolution and recover the misused funds from the countries. A total of US\$ 46.4 million in misused funds

was due for reimbursement to Gavi by 31 December 2025, of which US\$ 44.7 million had been reimbursed by the countries as at that date, which represents a recovery rate on amounts due of 96.2%. IFFIm funds have been used in only certain instances of misuse in 22 countries. It is estimated that approximately US\$ 22.7 million of the misuse identified above relates to funds provided by IFFIm, with a recovery rate of 99.5% against amounts due for reimbursement to Gavi by 31 December 2025.

As described in the *Structure, Governance and Management* section of this report, IFFIm's Audit Committee monitors the effectiveness of IFFIm's risk management and internal grant monitoring systems.

Considering the ongoing United States-Israel-Iran and Russia-Ukraine conflicts and their global impact on economic activity and financial markets, management has assessed the potential impact of these conflicts on IFFIm's financial position, performance, and its ability to continue meeting its obligations. IFFIm's sovereign pledges are legally binding contractual obligations, its investments are maintained under a conservative investment strategy, and all its outstanding bonds are fixed rate instruments, which are less susceptible to market volatility. IFFIm uses swaps to mitigate against interest rate and foreign exchange rate risks, which are the key market risks to which IFFIm's sovereign pledges and bonds payable are exposed. There is potential impact to the fair value of IFFIm's sovereign pledges and associated cash flows with respect to the GPC, which is a key variable in the valuation of IFFIm's sovereign pledges. The calculation of the GPC includes assessments of the risk that IFFIm-eligible recipient countries may fall into arrears to the IMF, which, among other factors, considers macroeconomic performance and a geopolitical assessment. As at 31 March 2026, there were no countries in protracted arrears to the IMF. Considering all these factors, management does not expect that IFFIm's overall financial position and performance will be significantly impacted by the adverse effects of these conflicts and IFFIm has measures in place to ensure it maintains sufficient liquidity and capacity to meet its obligations as they fall due and continue undertaking its business activities on an ongoing basis. Management does acknowledge the risk of increased market volatility due to the conflicts and the potential challenges it may involve.

Hedging Market Risks

The majority of IFFIm sovereign pledges and some of its bonds payable are denominated in currencies other than the United States dollar. Therefore, IFFIm is exposed to the risk of financial loss or unpredictable cash flows resulting from fluctuations in foreign exchange rates. Since all IFFIm's programme expenses are incurred in United States dollars and predictability of funding is essential to Gavi's mission, IFFIm has entered into currency swap contracts with counterparties to mitigate the aforementioned risks. Under these contracts, IFFIm has effectively swapped foreign currency receipts from Grantors and payments to bond holders with United States dollar receipts from, and payments to, its swap counterparties.

In addition to the abovementioned foreign exchange risks, IFFIm is also exposed to potential adverse changes in the value of its sovereign pledges and bonds payable resulting from fluctuations in interest rates. To mitigate this risk, IFFIm has entered into interest rate swap contracts with the World Bank. Under these contracts, IFFIm has effectively swapped sovereign pledges into dollar floating rate receivables from the World Bank and bonds payable into floating rate payables to the World Bank.

The following table shows IFFIm's fair value adjustments, including interest expense, for the years ended 31 December 2025 and 2024, before and after the impact of IFFIm's currency and interest rate swaps:

In Millions of US\$	Year Ended 31 December 2025		Year Ended 31 December 2024	
	Pledges	Bonds	Pledges	Bonds
Interest and fair value adjustments before impact of swaps	356	(195)	(21)	(71)
Impact of currency and interest rate swaps	(188)	36	235	(47)
Net interest and fair value adjustments after impact of swaps	168	(159)	214	(118)

As described in Note 1 to the financial statements, IFFIm has elected not to apply hedge accounting. Therefore, the fair value gains and losses on currency and interest rate swaps are recognised in full without any offsetting.

As shown above, IFFIm recorded fair value gains on pledges and fair value losses on pledge swaps in 2025 due to several factors as discussed below. The following table further analyses fair value adjustments on pledges and pledge swaps:

In Millions of US\$	Year Ended 31 December 2025			Year Ended 31 December 2024		
	Pledges	Pledge Swaps	Total	Pledges	Pledge Swaps	Total
Fair value gains due to GPC Fair Value Adjustment	47	-	47	49	-	49
Interest rate fair value gains	53	25	78	27	96	123
Foreign currency fair value gains (losses)	256	(214)	42	(97)	134	37
Net debit valuation adjustment	-	1	1	-	5	5
Net fair value gains (losses)	356	(188)	168	(21)	235	214

Each component of fair value adjustments on pledges and pledge swaps is discussed below:

- **Fair value gains due to GPC Fair Value Adjustment:** When calculating the fair values of Grantor pledges, the expected future cash inflows from Grantors are reduced by an estimated percentage due to the GPC (the “GPC Fair Value Adjustment”). The GPC Fair Value Adjustment is calculated by the World Bank using a probabilistic model, which estimates the likelihood and duration that any implementing country might fall into arrears with the IMF over the life of the Grantor pledges. During 2025, the GPC Fair Value Adjustment decreased from 5.9% to 4.6%. This decrease resulted in fair value gains on pledges. Additional gains were realised upon unwinding of the GPC Fair Value Adjustment with respect to sovereign pledges for which Grantor payments were received during the year. No actual GPC reduction was applied to Grantor payments received in 2025 as there were no reference portfolio countries in protracted arrears to the IMF, which resulted in fair value gains. The spread between the actual GPC reduction and the GPC Fair Value Adjustment and the year-on-year decrease in the GPC Fair Value Adjustment, as described above, resulted in fair value gains on pledges of US\$ 47 million in 2025.
- **Interest rate fair value gains:** As described in Note 16 to the financial statements, both pledges and pledge swaps are valued using the discounted cash flow method. In 2025, interest rate fair value gains on pledges of US\$ 53 million were primarily due to the unwinding of previously applied discounting as Grantor payments were received and as the remaining duration of outstanding pledges shortened. Fair value gains on pledge swaps of US\$ 25 million were primarily due to interest accrued on the floating rate receive legs of pledge swaps, which exceeded mark to market losses recorded on pledge swaps as the remaining duration to maturity shortened.
- **Foreign currency fair value gains (losses):** The majority of IFFIm’s pledges are denominated in euros and British pounds. In addition, IFFIm has smaller foreign currency pledges denominated in Australian dollars, Canadian dollars, Norwegian kroner, and Swedish kronor. The United States dollar weakened against the British pound, euro, and most of the other currencies in 2025, which resulted in net fair value gains on pledges of US\$ 256 million and losses on pledge swaps of US\$ 214 million due to foreign currency movements.
- **Net debit valuation adjustment:** IFFIm includes a credit valuation adjustment and a debit valuation adjustment in the valuation of its derivative portfolio to account for counterparty credit risk and its own credit risk, respectively. A net credit valuation adjustment of US\$ 2 million was included in the valuation of pledge swaps in 2025, compared to a net credit valuation of US\$ 3 million in 2024, which resulted in a fair value gain of US\$ 1 million in 2025.

As shown above, IFFIm recorded fair value losses on bonds and fair value gains on bond swaps due to several factors as discussed below. The following table further analyses fair value adjustments on bonds and bond swaps:

In Millions of US\$	Year Ended 31 December 2025			Year Ended 31 December 2024		
	Bonds	Bond Swaps	Total	Bonds	Bond Swaps	Total
Interest expense	(92)	(53)	(145)	(50)	(69)	(119)
Interest rate fair value (losses) gains	(64)	62	(2)	(39)	31	(8)
Foreign currency fair value (losses) gains	(39)	27	(12)	18	(4)	14
Net credit valuation adjustment	-	-	-	-	(5)	(5)
Net interest and fair value (losses) gains	(195)	36	(159)	(71)	(47)	(118)

Each component of fair value adjustments on bonds and bond swaps is discussed below:

- **Interest expense:** In 2025, IFFIm recorded net interest expense on bonds and bond swaps of US\$ 92 million and US\$ 53 million, respectively. As described in the *Overview of Income and Expenses* section above,

IFFIm incurred higher financing costs in 2025 compared to 2024 primarily due to a relatively higher weighted average of outstanding bonds in 2025. The interest expense on bond swaps was due to interest accrued on the floating rate pay legs of the bond swaps.

- **Interest rate fair value (losses) gains:** As described in Note 16 to the financial statements, both bonds and bond swaps are valued using the discounted cash flow method. In 2025, fair value losses of US\$ 64 million and gains of US\$ 62 million on bonds and bond swaps, respectively, were primarily due to the amortisation of previously applied discounted amounts as some bonds were redeemed, bond swaps were settled, and the remaining duration to maturity of outstanding bonds shortened. As at 31 December 2025, the notional amounts of IFFIm's bonds and bond swaps were US\$ 2.8 billion and US\$ 2.7 billion, respectively, with remaining durations to maturity ranging from 0.3 to 4.3 years.
- **Foreign currency fair value (losses) gains:** Some of IFFIm's issued bonds are denominated in British pound, South African rand, and Norwegian krone. The United States dollar weakened against these currencies during 2025, which resulted in foreign currency fair value losses of US\$ 39 million on bonds and gains of US\$ 27 million on bond swaps.
- **Net credit valuation adjustment:** IFFIm includes a credit valuation adjustment and a debit valuation adjustment in the valuation of its derivative portfolio to account for counterparty credit risk and its own credit risk, respectively. A net debit valuation adjustment of US\$ 0.7 million was included in the valuation of bond swaps in 2025, compared to a net debit valuation of US\$ 0.5 million in 2024, which resulted in a fair value gain of US\$ 0.2 million in 2025.

SECTION 172 (1) STATEMENT

This statement describes how the Board of Directors (the "Board" and the "Directors", respectively) of the International Finance Facility for Immunisation ("IFFIm") fulfil their obligations under section 172 of the Companies Act 2006. All directors of the company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long-term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between shareholders of the company."

(the "s.172 (1) matters").

Principal Activity and Board Approach

IFFIm is a public benefit entity that provides public benefit through supporting the charitable aims of Gavi, the Vaccine Alliance ("Gavi"). It does not work directly with the public and has no employees. Its business relationships are managed by the World Bank and Gavi as it outsources its treasury function to the World Bank and all administrative support to Gavi. As a registered charity, IFFIm directors promote the effective use of its resources for charitable purposes by providing services and facilities which assist Gavi. All applicable s.172 (1) matters are duties owed by each director personally. Board induction materials provided upon appointment include an explanation of directors' duties and the Companies Act 2006.

In relation to the Board's obligations to s.172 (1) matters, the Directors have agreed to consider the impact of its decisions on four identified key stakeholders. They are: investors, Grantors, the World Bank, and Gavi. The Board engages with these stakeholders by various means and address matters which concern them, both within board meetings and through other reports and engagements. The board receives regular reports, including strategic updates, financial performance, business updates, regulatory updates, legal matters, risk, and Gavi programmatic updates.

The Board also gives consideration of s.172 (1) matters in board meeting papers, encouraging authors to identify the interests of key stakeholders in the topic under discussion and clearly demonstrating how recommendations for decisions and requests for guidance put forward to the Board have taken stakeholder interests and other s.172 (1) matters into account. Stakeholder interests are considered prior to principal decisions being taken by the Board, often with IFFIm's stakeholders routinely participating directly in board meeting discussions.

High Standards of Business Conduct and Culture

The Board has a Board Charter and Code of Conduct which sets out the main principles relevant to IFFIm and its Directors in order to develop, implement and maintain a culture and standard of good corporate governance. The matters set out in the Charter are subject to the Companies Act 2006, charities' legislation and regulations, and IFFIm's statutes. Incorporated into the Charter are formal procedures to help ensure that IFFIm and the Board act in a transparent and dutiful manner, along with criteria against which IFFIm's stakeholders can assess the performance of IFFIm from a corporate governance perspective.

Compliance with section 172 of the Companies Act 2006 is largely evidenced by IFFIm's board minutes and accompanying reports presented to the Board. In addition to the annual financial statements, IFFIm produces an IFFIm resource guide and updates its website and issues press releases and newsletters on a regular basis.

IFFIm's Directors are invited to attend meetings of the Gavi Board and are routinely available to meet with Grantors, investors and other stakeholders. The Board also meets with Grantors and conducts bilateral discussions separately as appropriate. Directors relay feedback from stakeholder engagements in board meetings and in monthly informal virtual meetings. The World Bank and Gavi Secretariat participate in all IFFIm board meetings. Gavi's board secretary or delegated representative also attends all board, nominating and audit committee meetings and fulfils the role of company secretary envisaged under section 172.

Stakeholder Engagement

IFFIm's financing model for global health is built upon partnerships with Grantors, private investors, the World Bank, and Gavi, which is why IFFIm considers these to be the key stakeholders. IFFIm receives long-term, legally binding pledges from Grantors and, with the help of the World Bank, converts these pledges into immediately available cash resources through the issuance of bonds. Money raised by IFFIm through bond issuances provides immediate funding for Gavi's immunisation programmes.

Investors: The Board engages with bond holders as circumstances require although engagement is generally conducted through the World Bank in its capacity as IFFIm's treasury manager. The Board receives reports on investor engagement regularly and there is disclosure to investors through bond issuances, and the annual update of IFFIm's prospectus listed with the Luxembourg Stock Exchange Euro MTF.

Grantors: The Board routinely engages with the sovereign government donors funding IFFIm. The Board receives reports on donor engagement regularly, hosts donor meetings and engages in calls with the donor community as appropriate.

World Bank: The World Bank is IFFIm's treasury manager and actively engages with IFFIm's board and audit committee and the Gavi Secretariat in relation to IFFIm. The treasury manager provides routine reports to the Board.

Gavi: Gavi is the sole member of IFFIm. The Gavi Secretariat actively participates in all meetings of the Board and audit committee. Gavi's Chief Executive Officer regularly participates in meetings of the Board, as an observer, and Directors routinely participate in Gavi Board meetings also in an observer status. The Gavi Board is comprised of representative members from donors, implementing countries, multilateral development agencies, and civil society, as well as experts from the pharmaceutical industry and research and technical health communities.

Key Decisions of the Company

The Board routinely seeks to ensure the interests of its key stakeholders are considered in its decision-making processes recognising that these stakeholders may have differing views on decisions taken by the Board. The World Bank and Gavi Secretariat participate in every IFFIm board meeting and interests of Investors and Grantors are discussed routinely in each meeting. The impact of decisions and choices taken by the Board are routinely evaluated in the relevant papers submitted to the Board for guidance or decision and recorded in the board minutes accordingly.

Key decisions made by the Board during 2025 include:

- Approval of Gavi programme funding
- Approval of the annual budget
- Approval of the annual strategic direction
- Approval of updated board nomination policy
- Approval of Transactions and Issuances
- Approval of change in Risk Tolerance Level
- Appointment of a Chair-Elect and Director

In 2025, IFFIm agreed to increase the IFFIm Eligible Amount and Approved Programmes amount for NVS/INS and HSS IFFIm eligible programmes. The Board sought advice and expertise from Gavi and the World Bank and sought alignment of stakeholder interests which helped influence the Board's decision to provide funding to support equitable and rapid access of vaccines to developing countries.

Consequences of decisions in the long term.

The Board takes a long-term approach to its decision-making to ensure IFFIm can deliver on its strategy of providing flexible, long-term financing to Gavi. It sets an annual strategy and assesses progress against corresponding deliverables at every board meeting. In 2025, an external strategic review of IFFIm was initiated by the Board to ensure that IFFIm remains fit-for purpose and aligned with Gavi's evolving needs, while identifying improvements that make it more agile, effective, and attractive to donors. The Board also regularly engages in risk management to understand long-term implications of its actions and decisions. The IFFIm risk framework is reviewed and discussed at every board meeting.

Impact on the Community and Environment

IFFIm is a public benefit entity that supports the charitable aims of Gavi, the Vaccine Alliance. IFFIm accelerates the delivery of vaccines by making the money from long term government donor pledges available immediately. Through this funding mechanism, IFFIm has helped Gavi to immunise more children sooner and has made vaccines more widely available. By creating a larger market and by stimulating greater competition from manufacturers, Gavi has played a notable role in driving down the cost of vaccines for lower-income countries since 2000.

As described in the *Achievements and Performance* section of this report, IFFIm has considered its energy use and obligations to disclose relevant information on energy and carbon reporting. With no physical offices and considering the nature of outsourced operations at the World Bank and Gavi, any energy use attributable to IFFIm would be impractical to obtain.

RECENT DEVELOPMENTS

In April 2026, IFFIm issued US\$ 1 billion of 5-year fixed rate Vaccine Bonds, providing immediately available funding to Gavi to support routine immunisation programmes in lower-income countries, including efforts to reach zero-dose and under-immunised children, expand access to new and underused vaccines, and strengthen global health security through more resilient health systems and targeted market-shaping initiatives. The transaction will mature on 29 April 2031, has a re-offer price of 99.695%, and carries a semi-annual coupon of 4%.

FUTURE PLANS

IFFIm has continued to demonstrate its effectiveness in aligning Grantor pledges with the evolving demand for vaccines and immunisation-related services. The multi-year nature of existing sovereign pledges has strengthened long-term planning for Grantors, Gavi, and implementing countries, providing predictable and flexible financing. Throughout 2025, IFFIm remained actively engaged with Gavi and its Grantors to shape potential future roles that deliver additional value to Gavi as it prepares for the next strategic period beginning in 2026.

In June 2025, the European Union and the Bill & Melinda Gates Foundation co-hosted Gavi's high-level pledging summit in Brussels, with strong support from donor governments and implementing countries. The replenishment marked a critical milestone for the 2026–2030 strategic period, and IFFIm's flexible financing model played a central role in enabling donors to commit US\$ 767 million in new multi-year pledges to IFFIm. Gavi continues to encourage donors to channel new pledges through IFFIm to maximise the predictability and front-loading potential of their contributions for the 2026–2030 strategy.

DECLARATIONS BY IFFIm DIRECTORS

In accordance with section 418 of the Companies Act 2006, each person who is a director of IFFIm at the date of approval of this report confirms that:

- so far as he or she is aware, there is no relevant audit information of which IFFIm's auditor is unaware, and
- he or she has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that IFFIm's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with section 418 of the Companies Act 2006.

So far as each of the trustees is aware, applicable accounting standards have been followed.


INDEPENDENT AUDITOR

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

This report has been prepared in accordance with the *Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS 102))*, (second edition – October 2019), and in accordance with the provisions of the Companies Act 2006.

The Annual Report of the Trustees, which includes the Strategic Report, was approved by the trustees and signed on their behalf by:

Signed by:


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Georgina Baker
IFFIm Board Chair
29 May 2026

Signed by:


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Bertrand de Mazières
Audit Committee Chair
29 May 2026

ANNUAL FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2025



STATEMENT OF FINANCIAL ACTIVITIES

In Thousands of US\$	Note	Year Ended 31 December 2025 Restricted Funds	Year Ended 31 December 2024 Restricted Funds
<u>Income from:</u>			
Donated services	2	1,297	1,150
Investments	3	83,921	45,873
Total income		85,218	47,023
<u>Expenditure on:</u>			
Raising funds	4	95,970	54,071
Charitable activities	4	442,672	368,141
Total expenditure		538,642	422,212
Net expenditure before gains and losses		(453,424)	(375,189)
Net fair value gains on pledges, bonds, and swaps	5	100,836	141,753
Net movement in funds		(352,588)	(233,436)
<u>Reconciliation of funds:</u>			
Total funds at the beginning of the year		1,220,364	1,453,800
Net movement in funds		(352,588)	(233,436)
Total funds at the end of the year		867,776	1,220,364

The accompanying notes are an integral part of these financial statements.

All incoming resources and resources expended derive from continuing operations and there are no gains or losses other than those included in this statement.

STATEMENT OF INCOME AND EXPENDITURES

In Thousands of US\$	Note	Year Ended 31 December 2025 Restricted Funds	Year Ended 31 December 2024 Restricted Funds
<u>Turnover</u>			
Contribution revenue	2	-	-
<u>Operating expenses</u>			
Programme grants	4	440,000	365,836
Treasury manager's fees	4	2,922	2,373
Governance costs	4	2,672	2,305
Total operating expenses		445,594	370,514
<u>Other operating income</u>			
Donated services	2	1,297	1,150
Total other operating income		1,297	1,150
Net operating expenses		(444,297)	(369,364)
<u>Financing and investment income (expenses)</u>			
<u>Financing income (expenses) on bonds and bond swaps:</u>			
Net fair value losses on bonds and bond swaps	5	(68,281)	(67,773)
Interest expense on bonds	4	(91,540)	(49,887)
Net financing expenses on bonds and bond swaps		(159,821)	(117,660)
<u>Other financing income (expenses):</u>			
Net fair value gains on pledges and pledge swaps	5	168,825	214,239
Other foreign exchange gains (losses)	5	292	(4,713)
Other financing charges	4	(1,508)	(1,811)
Net other financing income		167,609	207,715
<u>Investment income:</u>			
Investment and interest income	3	83,921	45,873
Total financing and investment income		91,709	135,928
Deficit for the year		(352,588)	(233,436)

The accompanying notes are an integral part of these financial statements.

BALANCE SHEET

In Thousands of US\$	Note	As at 31 December 2025	As at 31 December 2024
<u>Fixed assets</u>			
Sovereign pledges due after more than one year	6	1,526,317	1,804,465
Derivative financial instruments due after more than one year	8	134,869	468,225
Total fixed assets		1,661,186	2,272,690
<u>Current assets</u>			
Sovereign pledges due within one year	6	570,553	452,078
Derivative financial instruments due within one year	8	34,878	62,694
Prepayments		170	522
Funds held in trust	7	1,518,087	1,492,128
Cash		4,318	3,922
Total current assets		2,128,006	2,011,344
<u>Current liabilities</u>			
Creditors falling due within one year	9	1,076,937	900,342
Derivative financial instruments due within one year	8	64,271	10,205
Total current liabilities		1,141,208	910,547
Net current assets		986,798	1,100,797
Total assets less current liabilities		2,647,984	3,373,487
<u>Liabilities due after more than one year</u>			
Creditors falling due after more than one year	10	1,724,344	2,008,318
Derivative financial instruments due after more than one year	8	55,864	144,805
Total liabilities due after more than one year		1,780,208	2,153,123
Net assets		867,776	1,220,364
Restricted funds		867,776	1,220,364

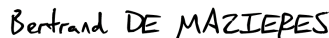
The accompanying notes are an integral part of these financial statements.

Approved and authorised for issue by the trustees and signed on their behalf by:

Signed by:

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Georgina Baker
IFFIm Board Chair
29 May 2026

Signed by:

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Bertrand de Mazières
Audit Committee Chair
29 May 2026

Registered company number 5857343

STATEMENT OF CASH FLOWS

In Thousands of US\$	Note	Year Ended 31 December 2025 Restricted Funds	Year Ended 31 December 2024 Restricted Funds
<u>Cash flows from operating activities</u>			
Net cash provided by operating activities		242,651	46,452
<u>Cash flows from investing activities</u>			
Investment and interest income received	3	83,921	45,873
Increase in funds held in trust	17	(25,959)	(970,037)
Net cash provided by (used in) investing activities		57,962	(924,164)
<u>Cash flows from financing activities</u>			
Proceeds from bond issuances	17	655,046	996,300
Redemption of bonds	17	(868,648)	(74,140)
Interest paid on bonds	17	(89,348)	(42,969)
Net cash (used in) provided by financing activities		(302,950)	879,191
Net change in cash		(2,337)	1,479
Cash at the beginning of the year		3,922	7,088
Effect of exchange rate changes		2,733	(4,645)
Cash at the end of the year		4,318	3,922

Reconciliation of net change in funds to net cash flows from operating activities:

In Thousands of US\$	2025	2024
Net change in funds	(352,588)	(233,436)
<u>Adjustments for:</u>		
Investment and interest income	(83,921)	(45,873)
Bond interest expense	91,540	49,887
Bond issuance costs amortisation	562	1,274
Fair value (gains) losses on sovereign pledges	(356,448)	20,580
Fair value losses on bonds	103,829	20,788
Unrealised (gains) losses on cash balances	(2,733)	4,645
Payments received from donors	516,121	520,749
Decrease (increase) in prepayments	352	(234)
Decrease (increase) in amounts due under derivative financial instruments	326,297	(292,172)
(Decrease) increase in trade creditors and amounts due to related parties ¹	(360)	244
Net cash provided by operating activities	242,651	46,452

¹Trade creditors are comprised of amounts due to service providers.

The accompanying notes are an integral part of these financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. SIGNIFICANT ACCOUNTING POLICIES

The International Finance Facility for Immunisation Company (“IFFIm”) is a private company limited by guarantee and incorporated and domiciled in the United Kingdom. The GAVI Alliance (“Gavi”) is the sole member of IFFIm and exercises direction over the timing and extent of IFFIm’s fundraising and programme disbursement activities. Gavi’s mission is to save children’s lives and protect people’s health by increasing equitable use of vaccines in lower-income countries. Gavi is domiciled in Switzerland and is recognised as an international institution under the Swiss Host State Act. Its principal address is Chemin du Pommier 40, 1218 Grand-Saconnex, Geneva, Switzerland. Gavi’s Annual Financial Reports, including its Consolidated Financial Statements, are published on its website: <https://www.gavi.org/news-resources/document-library/financial-reports>.

The principal accounting policies of IFFIm are summarised below. These accounting policies were consistently applied from prior years. IFFIm’s financial statements have been prepared on a going concern basis and approved by its trustees in accordance with applicable law and United Kingdom Generally Accepted Accounting Standards. As IFFIm’s credit rating is AA, the World Bank has the right to call for collateral, above a specified threshold amount, and protect its derivative exposure to IFFIm. However, following discussions and agreement with the World Bank, the World Bank has confirmed that it will not call collateral over at least 12 months from the signing date of these financial statements, which could cause IFFIm to be unable to meet its required financial obligations. Furthermore, following Gavi’s confirmation, IFFIm continues to maintain the ability to defer grant payments to Gavi to the extent that this is required for IFFIm to meet other obligations as they fall due within the next 12 months from the signing date of these financial statements.

In assessing the going concern basis, the trustees have also considered the potential impact of the ongoing United States-Israel-Iran and Russia-Ukraine conflicts and their global impact on economic activity and financial markets whereby, in addition to assessing any potential impact of these conflicts on the factors considered above, the trustees considered (1) the continued stability of funding from Grantors due to its legally binding nature and commitment from the Grantors and (2) measures in place which ensure IFFIm will maintain the required minimum liquidity levels for at least the next 12 months from the signing date of these financial statements as further described in Note 14. In their assessment, the trustees determined that the ongoing conflicts do not significantly impact the above key factors that IFFIm’s going concern basis is primarily reliant upon.

IFFIm recorded a deficit of US\$ 353 million for the year ended 31 December 2025 primarily due to differences in the timing of when IFFIm recognises programme grants and the corresponding Grantor contributions that fund them. Programme grants are recognised as expenses annually when indicative funding confirmations are issued whereas Grantor contributions, which are multi-year in nature, are recognised upfront in full upon assignment of Grantor pledges to IFFIm by Gavi. Due to this difference in timing, programme grant expenses recognised in the year ended 31 December 2025 were greater than recorded contribution revenue, which resulted in a deficit. Despite this deficit, there are measures in place, as indicated above, which ensure IFFIm will maintain the required minimum liquidity levels for at least the next 12 months from the signing date of these financial statements as further described in Note 14.

Therefore, the trustees concluded that the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about IFFIm’s ability to continue as a going concern.

Basis of Accounting: The financial statements are prepared:

- on the accruals basis of accounting, under the historical cost convention, with the exception of sovereign pledges, funds held in trust, derivative financial instruments, and bonds payable, which are included at fair value;
- in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (“Charities SORP (FRS 102)”), the Financial Reporting Standard 102 applicable in the United Kingdom and Republic of Ireland (“FRS 102”), the Charities Act 2011, and the Companies Act 2006. The financial statements have been prepared to give a true and fair view of the state of IFFIm’s affairs as at 31 December 2025, and of IFFIm’s incoming resources and application of resources for the year then ended; and
- in accordance with International Accounting Standard 39 Financial Instruments: Recognition and Measurement (IAS 39), as permitted by FRS 102, sovereign pledges, funds held in trust, derivative financial

instruments, and bonds payable are measured at fair value with changes in fair value recognised in the Statement of Income and Expenditures. These assets and liabilities are recorded at fair value based on the methodologies described in Note 16.

Contribution Revenue: Income received by way of contributions and grants that are for a defined portfolio of programme implementing countries or specified purposes is recognised as revenue in the restricted net asset class when there is evidence of entitlement, it can be measured reliably, and receipt is probable. Contributions and grants are reported as contribution revenue at fair value in the year in which payments are received or unconditional promises to give or pledges are made. See Notes 2 and 6 for more details on revenue calculation and recognition of pledges.

Donated Services: Donated services are included at the value to IFFIm of the service provided.

Charitable Activities: Charitable expenses comprise the direct costs of programmes funded by IFFIm. They are recognised as expenses in the Statement of Financial Activities when indicative funding confirmations to Gavi have been signed by any trustee on behalf of the IFFIm board. Charitable expenses also include support costs and governance costs associated with meeting the constitutional and statutory requirements of IFFIm and include audit fees, legal fees, as well as the costs of providing strategic direction to IFFIm. No support costs are allocated to expenditure on raising funds as such costs are not considered material.

Expenditure on Raising Funds: Any costs of securing the sovereign pledges that are borne by IFFIm are expensed through its Statement of Financial Activities in the periods in which they are incurred. Consequently, IFFIm's costs of generating funds comprise the treasury manager's fees, for managing IFFIm's funds held in trust that generate its investment income and for managing IFFIm's borrowings that generate the funds IFFIm grants to Gavi for its programmes, and finance charges.

The bond issuance costs are presented as finance charges in the Statement of Financial Activities.

Interest Income and Expense: Investment and interest income is recognised during the period in which it is earned. Interest expense is recognised during the period in which it is incurred.

Sovereign Pledges: Sovereign pledges are recognised as contribution revenue and as receivables upon assignment of donor contributions to IFFIm by Gavi. Sovereign pledges are initially recognised at fair value then subsequently remeasured at fair value as at each reporting date. Gains and losses due to changes in fair market values are reported in fair value gains (losses) in the Statement of Financial Activities. Contribution amounts received from sovereign government donors (the "Grantors") depend on a Grant Payment Condition (the "GPC") which allows the Grantors to reduce such amounts. See Note 16 for details of the GPC.

Funds Held in Trust: Funds held in trust represent IFFIm's investments in a portfolio maintained by the World Bank in its capacity as IFFIm's treasury manager. IFFIm's share in the pooled investment portfolio is measured at fair value on initial recognition, and then subsequently remeasured at fair value at the reporting date in accordance with IAS 39, as permitted by FRS 102. Gains or losses due to changes in fair market values are reported in fair value gains (losses) in the Statement of Financial Activities. See Notes 7 and 16 for further details.

Cash: Cash consists of cash at depository bank accounts. Cash does not include IFFIm's pooled investment portfolio, which is presented separately as funds held in trust in the Balance Sheet.

Derivative Financial Instruments: IFFIm uses derivatives to manage its assets and liabilities. In applying IAS 39, as permitted by FRS 102, IFFIm has elected not to apply hedge accounting. Derivative financial instruments are accounted for at fair value. Changes in the fair values of derivatives are recognised as changes in restricted net assets in the years of the changes and reported in fair value gains (losses) in the Statement of Financial Activities. Derivative contracts with positive fair values are recognised as financial assets while those with negative fair values are recognised as financial liabilities. Derivative assets and liabilities are not offset in the Balance Sheet when there is no legally enforceable right or intention to do so.

As detailed in Note 8, as at 31 December 2024, derivative financial instruments included the effects of a swap re-couponsing transaction. IFFIm evaluated the transaction and determined that it resulted in a hybrid financial instrument comprised of the amended swap contracts as an embedded derivative and the modified cash flows corresponding to a separate financial instrument as the host. As permitted by IAS 39, IFFIm elected to designate the entire hybrid instrument as a financial instrument through profit or loss. As both components of the hybrid instrument had closely related economic characteristics and risks, they were not separated in IFFIm's financial statements and were reported as part of derivative financial instruments as the principal cash flows were primarily related to the embedded derivative component. The swap re-couponsing transaction was fully settled in 2025 and has no effect on derivative financial instruments as at 31 December 2025.

Bonds Payable: Bonds payable are recognised at fair value at the time of issuance and subsequently remeasured at fair value at each reporting date. Bonds payable have been elected to be fair valued as IFFIm manages all its assets and liabilities on a fair value basis. The bond issuance costs are written off in the year

of issue and reported in expenditure on raising funds in the Statement of Financial Activities. Gains or losses due to changes in fair market values are reported in fair value gains (losses) in the Statement of Financial Activities. As IFFIm's bonds payable are measured at fair value with changes in fair value recognised in the income statement, bond issuance costs are expensed as incurred.

Grants Payable: Grants payable are initially recognised at board approved amounts when an indicative funding confirmation to Gavi has been signed by one of IFFIm's trustees on behalf of the IFFIm board. They are subsequently remeasured at amortised cost where settlement is delayed and the effect of the time value of money is material.

Classification of Current and Non-Current Assets and Liabilities: Sovereign pledges and derivative financial assets are classified in the Balance Sheet as current assets when they are due to be received or settled within a period of 12 months or less after the reporting date. They are classified as fixed assets when they are due to be received or settled after more than 12 months after the reporting date. Bonds payable, grants payable, and derivative financial liabilities are classified in the Balance Sheet as current liabilities when they fall due within a period of 12 months or less after the reporting date. They are classified as liabilities due after more than one year when they fall due after more than 12 months after the reporting date.

Funds: Funds, revenues, gains, and losses are classified based on the existence of Grantor-imposed restrictions. IFFIm receives its funding from Grantors or by raising funds by borrowing in worldwide capital markets. Proceeds are used to fund Gavi programmes for a defined portfolio of eligible countries or specified purposes. Therefore, all funds are treated as restricted funds. Where a Grantor requests funds be made available to a specific Gavi programme, this further restriction is maintained. There are currently no unrestricted or designated funds. See Note 16 for IFFIm's defined portfolio of eligible countries.

Foreign Currency Remeasurement: The financial statements are presented in United States dollars which is IFFIm's functional and reporting currency. All financial assets are monetary assets. As such, foreign currency transactions are translated into the functional currency using the exchange rates in effect on the dates on which they occur. Exchange gains and losses arising on settled transactions are included in other incoming funds in the Statement of Financial Activities. Gains and losses on the translation of foreign currency denominated assets and liabilities at year end exchange rates are included in fair value gains (losses) in the Statement of Financial Activities.

Use of Estimates: The preparation of the financial statements in conformity with United Kingdom accounting standards involves the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of the revenues and expenses during the year. Actual results could differ from these estimates. Significant estimates and judgements are used in determining the fair values of IFFIm's sovereign pledges receivable, bonds payable, and derivative financial instruments. The natures of these significant estimates and judgements are described in Note 16 and Note 20.

2. CONTRIBUTION REVENUE

Contribution Revenue: Grantors have entered into legally binding obligations ("Grantor pledges") to make scheduled grant payments to Gavi over periods of up to 20 years. Gavi has assigned the right to receive these grant payments to IFFIm in consideration for IFFIm's agreement to assess for approval programmes presented to IFFIm by Gavi, and to use its reasonable endeavours to raise funds for such programmes if approved.

The details of the grant obligations entered into by the Grantors are as follows:

Grantor	Grant Date	Payment Period ⁵	Grant Amount, in Thousands	Grant Amount, in Thousands of US\$ ¹
Canada	28 February 2023	7 years	C\$ (CAD) 125,000	91,204
Commonwealth of Australia	28 March 2011	19 years	A\$ (AUD) 250,000	167,138
Commonwealth of Australia ²	3 June 2016	5 years	A\$ (AUD) 37,500	25,071
Commonwealth of Australia	17 August 2021	8 years	A\$ (AUD) 86,000	57,495
Total - Commonwealth of Australia			A\$ (AUD) 373,500	249,704
Federative Republic of Brazil	10 October 2018	20 years	US\$ (USD) 20,000	20,000
Republic of France ²	2 October 2006	15 years	€ (EUR) 372,800	437,928
Republic of France	7 December 2007	19 years	€ (EUR) 867,160	1,018,653
Republic of France	4 May 2017	4 years ³	€ (EUR) 150,000	176,205
Total - Republic of France			€ (EUR) 1,389,960	1,632,786
Republic of Italy ²	2 October 2006	20 years	€ (EUR) 473,450	556,162
Republic of Italy ²	14 November 2011	14 years	€ (EUR) 25,500	29,955
Republic of Italy ²	30 November 2020	1 month	€ (EUR) 5,000	5,874
Republic of Italy	1 December 2020	10 years	€ (EUR) 150,000	176,205
Total - Republic of Italy			€ (EUR) 653,950	768,196
State of the Netherlands ²	4 May 2017	4 years	US\$ (USD) 66,667	66,667
State of the Netherlands ²	18 December 2009	7 years	€ (EUR) 80,000	93,976
State of the Netherlands	17 December 2020	10 years	€ (EUR) 250,000	293,675
Total - State of the Netherlands			€ (EUR) 330,000	387,651
Kingdom of Norway ²	2 October 2006	5 years	US\$ (USD) 27,000	27,000
Kingdom of Norway ²	31 August 2010	10 years	kr (NOK) 1,500,000	149,124
Kingdom of Norway ²	15 May 2019	5 years	kr (NOK) 600,000	59,650
Kingdom of Norway	12 June 2020	10 years	kr (NOK) 2,000,000	198,832
Kingdom of Norway	18 December 2020	10 years	kr (NOK) 1,000,000	99,416
Kingdom of Norway	14 July 2021	8 years	kr (NOK) 4,000,000	397,664
Total - Kingdom of Norway			kr (NOK) 9,100,000	931,686
Republic of South Africa	13 March 2007	20 years	US\$ (USD) 20,000	20,000
Kingdom of Spain	2 October 2006	20 years	€ (EUR) 189,500	222,606
Kingdom of Spain	28 November 2022	13 years	€ (EUR) 100,000	117,470
Kingdom of Spain	19 December 2023	12 years	€ (EUR) 75,000	88,103
Total - Kingdom of Spain			€ (EUR) 364,500	428,179
Kingdom of Sweden ²	2 October 2006	15 years	kr (SEK) 276,150	30,038
Kingdom of Sweden	17 August 2021	8.5 years	kr (SEK) 2,250,000	244,745
Kingdom of Sweden	17 August 2021	9 years	kr (SEK) 250,000	27,194
Total - Kingdom of Sweden			kr (SEK) 2,776,150	301,977
United Kingdom	2 October 2006	20 years	£ (GBP) 1,380,000	1,856,928
United Kingdom	5 August 2010	19 years	£ (GBP) 250,000	336,400
United Kingdom	23 December 2020	9 years	£ (GBP) 500,000	672,800
United Kingdom	10 June 2022	3 years ⁴	£ (GBP) 461,000	620,322
Total - United Kingdom			£ (GBP) 2,591,000	3,486,450
Total cumulative grantor pledges since inception				8,384,500

¹ United States dollar equivalent amounts of Grantor pledges at the exchange rates as at 31 December 2025.

² These grant obligations were fully paid and were not outstanding as at 31 December 2025.

³ Corresponds to a payment period from 31 March 2022 to 31 March 2026.

⁴ Corresponds to a payment period from 15 October 2026 to 15 October 2029.

⁵ Payment Period is the duration from the first to last payment date per the grant payment schedule.

No new sovereign pledges were received during 2025 and 2024.

Donated Services: IFFIm received donated administrative services from Gavi in 2025 and 2024. The services donated by Gavi were valued by using a comprehensive cost allocation model to calculate a single administrative support amount.

The following donated services were recorded as both income and expense and valued at an amount equal to the cost incurred by Gavi:

In Thousands of US\$	2025	2024
Administrative support	1,297	1,150
Total donated services	1,297	1,150

3. INVESTMENT AND INTEREST INCOME

In Thousands of US\$	2025	2024
Income from funds held in trust	83,921	45,873
Total investment and interest income	83,921	45,873

4. TOTAL EXPENDITURE

In Thousands of US\$	2025	2024
<u>Expenditure on raising funds</u>		
<u>Treasury manager's fees:</u>		
Financial operations management	2,922	2,373
<u>Finance charges:</u>		
Bond interest expense	91,540	49,887
Other financing charges	1,508	1,811
Total finance charges	93,048	51,698
Total expenditure on raising funds	95,970	54,071

Expenditure on charitable activities

Programme grants:

Country-specific programmes:

New and underused vaccines	298,000	288,100
Health systems strengthening and immunisation services	70,000	33,900

Investment cases:

Vaccine research and development	-	43,836
Malaria vaccine support	72,000	-

Total programme grants	440,000	365,836
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Governance costs

Professional services:

Consultancy fees	350	305
Gavi administrative support fee	1,297	1,150
Legal fees	348	259
Tax compliance services	22	22

Auditor's remuneration:

Statutory audit	500	459
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Other governance costs:

Trustees' indemnity insurance premiums	3	3
Trustees' meeting and travel expenses	152	107

Total governance costs	2,672	2,305
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Total expenditure on charitable activities	442,672	368,141
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Administrative and Financial Management Support: Pursuant to the Finance Framework Agreement entered into among IFFIm, the Grantors, the World Bank, and Gavi, IFFIm has no employees. IFFIm outsources all administrative support to Gavi, and outsources its treasury function, together with certain accounting and financial reporting support, to the World Bank.

Auditor's Remuneration: Statutory audit expenses relate to the audit of financial information included in these financial statements and in the special purpose reporting package prepared by the World Bank in its capacity as IFFIm's treasury manager. Other financing charges include fees of US\$ 68 thousand and US\$ 60 thousand that were paid to IFFIm's auditor in 2025 and 2024, respectively, for services related to IFFIm's bond

issuances.

Trustees' Expenses: IFFIm's trustees are not remunerated. They are, however, reimbursed for expenses they incur in attending meetings and performing other functions directly related to their duties as trustees. IFFIm also incurs professional indemnity insurance premium expenses for the trustees. IFFIm had eight trustees as at 31 December 2025 and 2024. All eight trustees were reimbursed by IFFIm for travel expenses they incurred to attend some IFFIm board meetings in 2025 and 2024.

5. FAIR VALUE GAINS AND LOSSES

In Thousands of US\$	2025	2024
Fair value gains (losses) on bonds and bond swaps		
Fair value losses on bonds	(103,829)	(20,788)
Net fair value gains (losses) on bond swaps	35,548	(46,985)
Net fair value losses on bonds and bond swaps	(68,281)	(67,773)
Fair value gains (losses) on pledges and pledge swaps		
Fair value gains (losses) on sovereign pledges ¹	356,448	(20,580)
Net fair value (losses) gains on pledge swaps	(187,623)	234,819
Net fair value gains on pledges and pledge swaps	168,825	214,239
Other foreign exchange gains (losses)	292	(4,713)
Net fair value gains on pledges, bonds, and swaps	100,836	141,753

¹ When calculating the fair values of Grantor pledges, the expected future cash inflows from Grantors are reduced by an estimated percentage due to the GPC (the "GPC Fair Value Adjustment"). In 2025, fair value gains on sovereign pledges include fair value movements of US\$ 47 million (2024: US\$ 49 million) attributable to the GPC Fair Value Adjustment.

6. SOVEREIGN PLEDGES

IFFIm's sovereign pledges represent grants from the Grantors. These legally binding payment obligations are irrevocable by the Grantors and are paid in instalments according to predetermined fixed payment schedules. The total amounts paid by the Grantors to IFFIm are impacted by the GPC. See Note 16 for further details.

Sovereign pledges, like contribution revenue, are recognised upon assignment of the Grantor contributions to IFFIm by Gavi. Fair value adjustments due to changes in interest rates, the GPC, including when Grantors choose to make grant payments in full without applying any GPC reduction, discounting, and exchange rates are recognised from inception until year end.

Sovereign pledges were comprised of:

In Thousands of US\$	2025	2024
Balance at the beginning of the year	2,256,543	2,797,872
Payments received from donors	(516,121)	(520,749)
Fair value gains (losses)	356,448	(20,580)
Balance at the end of the year	2,096,870	2,256,543
Comprised of:		
Sovereign pledges due within one year	570,553	452,078
Sovereign pledges due after more than one year	1,526,317	1,804,465
Total sovereign pledges	2,096,870	2,256,543

The fair values of currency and interest rate swaps related to sovereign pledges are disclosed in Note 8.

7. FUNDS HELD IN TRUST

The World Bank maintains a single investment portfolio (the "Pool") for IFFIm and other trust funds it administers. The World Bank maintains the Pool's assets separate and apart from the funds owned by the World Bank Group. Funds held in trust represent cash, money market instruments, government and agency obligations, asset-backed securities and corporate securities (together "Liquid Assets") that are managed by the World Bank.

The Pool is divided into sub-portfolios to which allocations were made based on fund specific investment horizons, risk tolerances and other eligibility requirements set by the World Bank. Under an investment strategy approved by IFFIm's trustees, IFFIm's Liquid Assets were invested in high-grade fixed-income

instruments with interest rate sensitivity matching that of the liabilities funding the portfolio.

In Thousands of US\$	2025	2024
IFFIm's share in the Pool's fair value	1,518,087	1,492,128

The Pool's fair value is based on market quotations. Gains, losses, and investment income are recognised in the year in which they occur and are allocated to IFFIm on a daily basis. These net gains totalled US\$ 83.9 million and US\$ 45.9 million for the years ended 31 December 2025 and 2024, respectively, and were reported as investment income in the Statement of Financial Activities.

8. DERIVATIVE FINANCIAL INSTRUMENTS

IFFIm entered into interest rate and currency swaps that economically hedged certain risks as discussed below. For financial reporting purposes, IFFIm elected not to define any qualifying hedge relationships as defined by IAS 39. All derivatives were valued at fair value recognising the resulting gains and losses in the Statement of Comprehensive Income during the year in which they occur. IFFIm applies overnight indexed swap discounting rates to value its interest rate and currency swaps for the major currencies. IFFIm includes a credit valuation adjustment and a debit valuation adjustment in the valuation of its derivative portfolio to account for counterparty credit risk and its own credit risk, respectively. These adjustments are determined by applying counterparty and own probabilities of default, based on the respective credit default swap spreads, to the market value of the derivative portfolio. The debit valuation adjustment is calculated based on the threshold amount, above which the World Bank, as a counterparty on IFFIm's interest rate and currency swap contracts, has a right to call for collateral.

The World Bank, as IFFIm's treasury manager, executed a comprehensive swap programme to mitigate IFFIm's exposure to movements in foreign currency and interest rates. IFFIm swap contracts under the comprehensive swap programme were executed: (1) using the market exchange and interest rates at the time the swap contracts were written, (2) considering the different payment profiles in different grant currencies and, (3) assuming that the reduction amounts due to the GPC will remain at the levels they were as of the time the swap contracts were written, (4) assuming no Grantor defaults. Under the swap programme, Grantor pledges are swapped into United States dollar floating rate assets and, at issuance, IFFIm's fixed rate bond obligations are swapped into floating rate liabilities.

As described in Note 14, IFFIm maintains a minimum liquidity equivalent to its cumulative contracted debt service payments for the next 12 months.

The notional amounts and fair values of the interest rate and currency swaps were:

In Thousands of US\$	31 December 2025		31 December 2024	
	Notional Amount	Fair Value	Notional Amount	Fair Value
Currency and interest rate swaps receivable related to sovereign pledges	1,521,801	162,348	2,153,989	516,971
Currency and interest rate swaps receivable related to bonds payable	1,655,990	7,399	300,175	13,948
Total currency and interest rate swaps receivable		169,747		530,919
Currency and interest rate swaps payable related to sovereign pledges	731,480	(74,819)	340,674	(55,769)
Currency and interest rate swaps payable related to bonds payable	1,058,520	(45,316)	2,555,694	(99,241)
Total currency and interest rate swaps payable		(120,135)		(155,010)
Total fair value of interest rate and currency swaps		49,612		375,909
Comprised of:				
Amounts receivable within one year		34,878		62,694
Amounts payable within one year		(64,271)		(10,205)
Amounts receivable after more than one year		134,869		468,225
Amounts payable after more than one year		(55,864)		(144,805)
Total fair value of interest rate and currency swaps		49,612		375,909

The above US\$ 50 million net receivable on swaps is comprised of an amount of US\$ 51 million due from the counterparties on IFFIm's currency and interest rate swap contracts, partially offset by a net credit valuation adjustment of US\$ 1 million.

As a counterparty on IFFIm swaps, the World Bank has the right to call for collateral, above a specified threshold amount, to protect against its exposure on IFFIm's derivative positions under the terms of a Credit Support Annex ("CSA") to the International Swaps and Derivatives Association ("ISDA") Agreement between IFFIm and the World Bank. As described in Note 1, the World Bank has not exercised this right and has confirmed that it will not call collateral over at least 12 months from the signing date of these financial statements. Note 14 describes measures in place to mitigate the risk that the World Bank may call collateral.

As at 31 December 2024, derivative financial instruments included the effects of a swap re-couponsing transaction in the amount of US\$ 200 million, which was executed in May 2020 between IFFIm and the World Bank, acting as counterparty on IFFIm swap contracts. The transaction, which reduced the World Bank's derivative exposure, amended certain swap contracts between IFFIm and the World Bank by modifying their cash flows such that IFFIm made an additional upfront payment of US\$ 200 million to the World Bank in May 2020 and the World Bank agreed to make scheduled repayments to IFFIm in 2023, 2024, and 2025 totalling US\$ 200 million plus interest. With the World Bank's completion of the final scheduled repayment in 2025, the swap re-couponsing transaction was fully settled and has no effect on derivative financial instruments as at 31 December 2025.

As at 31 December 2025, IFFIm held debt securities totalling US\$ 5 million, which were posted as collateral by a counterparty on IFFIm swap contracts. The posted collateral amount was in accordance with the terms of a Credit Support Annex ("CSA") to the International Swaps and Derivatives Association ("ISDA") Agreement between IFFIm and the counterparty, which provides IFFIm with the right to call for collateral when its exposure to the counterparty exceeds a specified threshold amount at a given credit rating maintained by the counterparty.

9. CREDITORS FALLING DUE WITHIN ONE YEAR

In Thousands of US\$	2025	2024
Bonds payable falling due within one year	1,076,310	899,355
Trade creditors ¹	453	437
Amounts due to Gavi	174	550
Total creditors falling due within one year	1,076,937	900,342

¹ Trade creditors are comprised of amounts due to service providers.

As at 31 December 2025 and 2024, all grants payable to Gavi were fully disbursed. The table below shows changes in grants payable:

In Thousands of US\$	2025	2024
Grant approvals during the year:		
New and underused vaccines programme support	298,000	288,100
Health systems strengthening support	70,000	33,900
Vaccine research and development support	-	43,836
Malaria vaccine support	72,000	-
Grant payments during the year:		
New and underused vaccines programme support	(298,000)	(288,100)
Health systems strengthening support	(70,000)	(33,900)
Vaccine research and development support	-	(43,836)
Malaria vaccine support	(72,000)	-
Balance at the end of the year	-	-

10. CREDITORS FALLING DUE AFTER MORE THAN ONE YEAR

Creditors falling due after more than one year are comprised of bonds payable. IFFIm issues bonds on worldwide capital markets to meet IFFIm's primary objective of funding Gavi's immunisation, vaccine procurement, and HSS programmes. IFFIm's outstanding bonds payable were:

Issue Date	Maturity Date	Coupon Interest Rate	Nominal Amount, in Thousands		Fair Value at 31 December 2025, in Thousands of US\$	Fair Value at 31 December 2024, in Thousands of US\$
28 June 2012	29 June 2027	0.50%	R (ZAR)	520,000	28,826	23,041
18 July 2019	15 March 2025	0.00%	kr (NOK)	120,000	-	10,504
7 July 2020	5 April 2030	0.00%	¹ kr (NOK)	1,000,000	91,016	94,557
21 April 2021	21 April 2026	1.00%	US\$ (USD)	750,000	745,311	720,358
26 November 2021	21 April 2026	1.00%	US\$ (USD)	250,000	248,437	240,119
26 July 2022	7 June 2025	2.75%	£ (GBP)	250,000	-	315,671
3 November 2022	3 November 2025	4.75%	US\$ (USD)	500,000	-	505,683
30 October 2024	29 October 2027	4.125%	US\$ (USD)	1,000,000	1,016,598	997,740
10 June 2025	29 October 2027	4.125%	US\$ (USD)	250,000	254,150	-
30 April 2025	28 February 2028	4.25%	£ (GBP)	300,000	416,316	-
Total bonds payable					2,800,654	2,907,673
Bonds payable falling due within one year					(1,076,310)	(899,355)
Bonds payable falling due after more than one year					1,724,344	2,008,318

¹ Amortising bond with nominal amount of kr 1 billion and kr 1.2 billion as at 31 December 2025 and 2024, respectively.

As at 31 December 2025 and 2024, the fair values of bonds falling due after more than five years totalled nil and US\$ 14 million, respectively.

11. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The table below shows the carrying amount of each category of IFFIm's financial assets and liabilities:

In Thousands of US\$	As at 31 December 2025	As at 31 December 2024
<u>Financial assets:</u>		
<u>Mandatorily measured at fair value through profit or loss:</u>		
Sovereign pledges	2,096,870	2,256,543
Funds held in trust	1,518,087	1,492,128
Derivative assets	169,747	530,919
Cash	4,318	3,922
<u>Financial liabilities:</u>		
<u>Designated as at fair value through profit or loss upon initial recognition:</u>		
Bonds payable	(2,800,654)	(2,907,673)
Derivative liabilities	(120,135)	(155,010)

The table below shows the net fair value gains or losses on each category of IFFIm's financial assets and liabilities:

In Thousands of US\$	Year Ended 31 December 2025	Year Ended 31 December 2024
<u>Net gains (losses) on financial assets</u>		
<u>Mandatorily measured at fair value through profit or loss:</u>		
Fair value gains (losses) on sovereign pledges	356,448	(20,580)
Income from funds held in trust	83,921	45,873
Fair value (losses) gains on derivative assets ¹	(138,684)	98,831
Other foreign exchange gains (losses)	292	(4,713)
<u>Net gains (losses) on financial liabilities</u>		
<u>Designated as at fair value through profit or loss upon initial recognition:</u>		
Fair value losses on bonds	(103,829)	(20,788)
Fair value (losses) gains on derivative liabilities ¹	(13,391)	89,003

¹ Fair value gains (losses) on derivative assets and liabilities are derived by prorating the net gains (losses) on derivative financial instruments in proportion to the changes in derivative assets and liabilities during the year.

12. MOVEMENT OF FUNDS

In Thousands of US\$	As at 31 December 2024	Incoming Resources	Resources Expended	As at 31 December 2025
Sovereign pledges assigned from Gavi	6,464,245	-	(1,375)	6,462,870
Investment and interest income	252,970	83,921	-	336,891
Other gains and other income	695,012	100,836	(95,970)	699,878
<u>Donated services:</u>				
Administrative support	-	1,297	(1,297)	-
<u>Programme funding to Gavi:</u>				
Country-specific programmes	(4,159,194)	-	(368,000)	(4,527,194)
Yellow fever stockpile investment case	(57,140)	-	-	(57,140)
Polio eradication investment case	(191,280)	-	-	(191,280)
Measles mortality reduction investment case	(139,000)	-	-	(139,000)
Maternal and neonatal tetanus investment case	(61,620)	-	-	(61,620)
Pentavalent payment guarantee	(181,050)	-	-	(181,050)
Yellow fever continuation investment case	(43,881)	-	-	(43,881)
Meningitis eradication investment case	(67,719)	-	-	(67,719)
Vaccine research and development	(315,979)	-	-	(315,979)
Malaria vaccine support	-	-	(72,000)	(72,000)
COVAX ¹	(495,000)	-	-	(495,000)
COVAX resource reallocation ¹	(480,000)	-	-	(480,000)
Total restricted funds	1,220,364	186,054	(538,642)	867,776

In Thousands of US\$	As at 31 December 2023	Incoming Resources	Resources Expended	As at 31 December 2024
Sovereign pledges assigned from Gavi	6,465,400	-	(1,155)	6,464,245
Investment and interest income	207,097	45,873	-	252,970
Other gains and other income	607,330	141,753	(54,071)	695,012
<u>Donated services:</u>				
Administrative support	-	1,150	(1,150)	-
<u>Programme funding to Gavi:</u>				
Country-specific programmes	(3,837,194)	-	(322,000)	(4,159,194)
Yellow fever stockpile investment case	(57,140)	-	-	(57,140)
Polio eradication investment case	(191,280)	-	-	(191,280)
Measles mortality reduction investment case	(139,000)	-	-	(139,000)
Maternal and neonatal tetanus investment case	(61,620)	-	-	(61,620)
Pentavalent payment guarantee	(181,050)	-	-	(181,050)
Yellow fever continuation investment case	(43,881)	-	-	(43,881)
Meningitis eradication investment case	(67,719)	-	-	(67,719)
Vaccine research and development	(272,143)	-	(43,836)	(315,979)
COVAX ¹	(975,000)	-	480,000	(495,000)
COVAX resource reallocation ¹	-	-	(480,000)	(480,000)
Total restricted funds	1,453,800	188,776	(422,212)	1,220,364

¹ A total amount of US\$ 480 million, previously disbursed by IFFIm to Gavi in support of COVAX, remained unspent by Gavi at the close of the COVAX programme. With the approval of the Grantors, Gavi, and IFFIm, the total unspent amount was reallocated to specified Gavi programmatic activities on a non-country specific basis.

In 2025, programme funding to Gavi of US\$ 440 million was comprised of indicative funding confirmations of US\$ 368 million and US\$ 72 million to fund Gavi core programmes and to provide advance funding for malaria vaccine support programmes, respectively.

13. CREDIT RISK

Credit risk is the risk that IFFIm may suffer financial loss should the Grantors, market counterparties or implementing countries fail to fulfil their contractual obligations. Implementing countries are the eligible countries where Gavi programmes, including those funded by IFFIm, are implemented. The carrying amounts of financial assets represent IFFIm's maximum credit exposures. These maximum exposures were:

In Thousands of US\$	As at 31 December 2025	As at 31 December 2024
Sovereign pledges	2,096,870	2,256,543
Cash and investments	1,522,405	1,496,050
Total credit exposure	3,619,275	3,752,593

IFFIm's derivative assets are excluded from its credit exposure as they would be netted against its derivative liabilities. As at 31 December 2025 and 2024, IFFIm had a net receivable balance of US\$ 50 million and US\$ 376 million, respectively, on its interest rate and currency swap contracts. As at 31 December 2025, the counterparties on IFFIm swaps had credit ratings of AAA and AA-.

The IFFIm board, working with the World Bank, has put in place measures to manage credit risk as described below.

Credit Risk Related to Sovereign Pledges: IFFIm was exposed to Grantor credit risk on pledges from its Grantors. This exposure is detailed by Grantor in Note 2 above. In connection with this risk, each Grantor has represented and warranted to IFFIm, and to the other parties to IFFIm's Finance Framework Agreement, that the grant agreement to which it is a party constitutes valid and legally binding obligations of the Grantor.

The Grantors were rated between BB and AAA as at 31 December 2025. The Grantors' credit ratings, as determined by Standard and Poor's Ratings Service ("S&P"), were:

Grantor	As at 31 December 2025	As at 31 December 2024
Canada	AAA	AAA
Commonwealth of Australia	AAA	AAA
Federative Republic of Brazil	BB	BB
Republic of France	A+	AA-
Republic of Italy	BBB+	BBB
State of the Netherlands	AAA	AAA
Kingdom of Norway	AAA	AAA
Republic of South Africa	BB	BB-
Kingdom of Spain	A+	A
Kingdom of Sweden	AAA	AAA
United Kingdom	AA	AA

IFFIm was also indirectly exposed to implementing country credit risk embodied in the GPC. IFFIm took this risk into account when determining the fair value of sovereign pledges. See Note 16 for details.

Credit Risk Related to Cash and Investments: To manage credit risk related to investments, the World Bank invests in highly rated Liquid Assets. The World Bank was limited to investments with the following minimum credit ratings at the time of purchase:

- Investments in money market instruments were limited to instruments issued or guaranteed by financial institutions whose senior debt securities were rated at least A- by the major rating agencies.
- Investments in government and agency obligations were limited to obligations issued or unconditionally guaranteed by government agencies rated at least AA- by the major rating agencies if denominated in a currency other than the issuers' home currencies. Obligations denominated in issuers' home currencies required no rating. Obligations issued by an agency or instrumentality of a government, a multilateral organisation or any other official entity required a minimum credit rating of AA-.
- Investments in asset-backed securities and corporate securities were limited to securities with a minimum rating of AAA.

In order to achieve greater diversification of portfolio risks and generate value, the World Bank has made investments in the short term domestic debt of new sovereign markets offering potential to generate excess yields over SOFR, mainly from currency basis arbitrage. Investments in these sovereign markets are subject

to specific approvals from the financial governing committees of the World Bank and prudent credit limits.

IFFIm's investments in money market instruments, government and agency obligations, asset-backed securities and corporate securities had the following credit ratings:

In Thousands of US\$	As at 31 December 2025	As at 31 December 2024
Instruments and securities rated AAA	835,854	713,223
Instruments and securities rated AA+	204,466	87,919
Instruments and securities rated AA	147,512	146,517
Instruments and securities rated AA-	160,582	214,588
Instruments and securities rated A+	81,741	202,469
Instruments and securities rated A	87,940	127,412
Instruments and securities with no rating	(8)	-
Total funds held in trust	1,518,087	1,492,128

Cash, receivables, and payables included in IFFIm's funds held in trust are reported in the AAA category as they are held by the World Bank, which is an AAA credit-rated institution.

During 2025, IFFIm's credit ratings by Fitch Ratings, Moody's Investor Service, and Standard and Poor's Ratings Service ("S&P") remained unchanged at AA-, Aa1, and AA, respectively. In the fourth quarter of 2025, (1) S&P maintained its outlook on IFFIm as stable, (2) Moody's Investor Service changed its outlook on IFFIm to stable from negative on the basis of the balance between the high concentration of Grantor pledges, particularly the United Kingdom which accounted for approximately 42% of remaining Grantor pledges, and IFFIm's strong liquidity position and risk management practices, and (3) Fitch Ratings revised its outlook on IFFIm to negative from stable following a similar revision in outlook for the Republic of France which is a major Grantor to IFFIm.

14. LIQUIDITY RISK

Liquidity risk is the risk that IFFIm may be unable to meet its obligations, when they fall due, because of a sudden, and potentially protracted, increase in cash outflows. Under its liquidity policy, IFFIm seeks to maintain an adequate level of liquidity to meet its operational requirements, provide predictability of programme funding and support its credit rating. Taking these factors into account, IFFIm maintains a minimum liquidity equivalent to its cumulative contracted debt service payments for the next 12 months. This minimum liquidity level is recalculated and reset on a quarterly basis. As at 31 December 2025, the calculated minimum liquidity was US\$ 1.1 billion (2024: US\$ 925 million) and the value of IFFIm's Liquid Assets was US\$ 1.5 billion (2024: US\$ 1.5 billion).

Based on factors such as the strength of its financial base, its conservative financial policies, and the strong support of the Grantors, IFFIm's Global Debt Issuance Programme is rated AA by S&P, AA- by Fitch Ratings, and Aa1 by Moody's Investor Service.

To help maintain IFFIm's credit ratings and ensure the lowest possible cost of funds, bond issuances are managed against the present value of expected future cash flows from Grantor pledges, in view of the GPC and other credit factors. To provide comfort to the rating agencies and bond holders that IFFIm will always be able to service its bonds, IFFIm only raises bonds against a percentage of the present value of Grantor pledges. The residual, which is still available to IFFIm over time, creates a cushion to protect bond holders against adverse credit events such as many IFFIm-eligible countries falling into protracted arrears to the International Monetary Fund ("IMF"). The cushion is a percentage of the present value of Grantor pledges and is established through the Gearing Ratio Limit ("GRL") model. The present value of Grantor pledges used in the GRL model is not reduced by the GPC Fair Value Adjustment, which is described in Note 16.

To mitigate the risk that the World Bank may call collateral, an agreement is in place between the World Bank and IFFIm to apply an additional buffer to the GRL to manage the World Bank's exposure under the derivative transactions between IFFIm and the World Bank (the "Risk Management Buffer"). The Risk Management Buffer may be adjusted by the World Bank in its sole discretion. As at 31 December 2025 and 2024, the Risk Management Buffer was 0% of the present value of expected future cash flows from Grantor pledges. The World Bank recalculated and reset the Risk Management Buffer to 0% from the previous value of 12% following the execution of a swap re-couponsing transaction in May 2020 in the amount of US\$ 200 million, which reduced the World Bank's exposure on IFFIm's derivative positions by the same amount and enabled the World Bank to intermediate new swaps for IFFIm.

The following were the contractual undiscounted maturities of IFFIm's financial liabilities, including estimated interest payments:

As at 31 December 2025, in Thousands of US\$	Total Cash Outflows	Due in Less than One Year	Due in 2027	Due in 2028	Due from 2029 through 2035
Bonds payable	(2,939,487)	(1,088,898)	(1,370,103)	(440,720)	(39,766)
Derivative financial liabilities	(127,842)	(70,809)	(40,113)	(6,953)	(9,967)
Total undiscounted maturities	(3,067,329)	(1,159,707)	(1,410,216)	(447,673)	(49,733)

As at 31 December 2024, in Thousands of US\$	Total Cash Outflows	Due in Less than One Year	Due in 2026	Due in 2027	Due from 2028 through 2035
Bonds payable	(3,129,039)	(925,403)	(1,064,057)	(1,086,571)	(53,008)
Derivative financial liabilities	(164,410)	(71,033)	(46,842)	(41,042)	(5,493)
Total undiscounted maturities	(3,293,449)	(996,436)	(1,110,899)	(1,127,613)	(58,501)

As at 31 December 2025 and 2024, the contractual undiscounted maturities of IFFIm's derivative financial liabilities totalling US\$ 128 million and US\$ 164 million, respectively, were approximately US\$ 8 million and US\$ 9 million higher than their fair values as at 31 December 2025 and 2024, respectively, as shown in Note 8.

As at 31 December 2025 and 2024, the contractual undiscounted maturities of IFFIm's bonds payable totalling US\$ 2,939 million and US\$ 3,129 million, respectively, were approximately US\$ 138 million and US\$ 221 million higher than their fair values as at 31 December 2025 and 2024, respectively, as shown in Note 10.

The trustees expect that IFFIm will receive cash inflows over the lives of its derivative financial assets. The following are the expected undiscounted inflows from derivative financial assets and the expected undiscounted cash outflows from derivative financial liabilities:

As at 31 December 2025, in Thousands of US\$	Total Cash Inflows (Outflows)	Due in Less than One Year	Due in 2027	Due in 2028	Due from 2029 through 2035
Derivative financial assets	308,531	38,176	42,550	144,774	83,031
Derivative financial liabilities	(127,842)	(70,809)	(40,113)	(6,953)	(9,967)
Net cash inflows (outflows)	180,689	(32,633)	2,437	137,821	73,064

As at 31 December 2024, in Thousands of US\$	Total Cash Inflows (Outflows)	Due in Less than One Year	Due in 2026	Due in 2027	Due from 2028 through 2035
Derivative financial assets	756,117	254,331	68,931	68,928	363,927
Derivative financial liabilities	(164,410)	(71,033)	(46,842)	(41,042)	(5,493)
Net cash inflows	591,707	183,298	22,089	27,886	358,434

15. MARKET RISK

Market risk is the risk that IFFIm's net assets or deficit for the year, or its ability to meet its objectives, may be adversely affected by changes in foreign exchange rates and interest rates. Other price risk, in relation to IFFIm's funds held in trust, is not a significant market risk to IFFIm as IFFIm's liquid assets are invested in high grade fixed-income instruments. IFFIm's market risk objectives are: (1) understanding the components of IFFIm's market risk, (2) controlling IFFIm's market risk through the use of currency and interest swaps, and (3) facilitating predictable funding of Gavi programmes within a controlled and transparent risk management framework.

IFFIm's market risk is comprised of foreign exchange rate risk and interest rate risk. Each of these is described further below.

Foreign Exchange Rate Risk: IFFIm was exposed to foreign exchange risks from currency mismatches as well as timing differences between receipt of Grantor payments, payment of bond obligations, disbursements to Gavi and issuance of IFFIm bonds. To mitigate these risks, some Grantor pledges were swapped into United

States dollar floating rate assets and, at issuance, some IFFIm bonds payable were swapped into United States dollar floating rate liabilities.

The carrying amounts of IFFIm's foreign currency assets and liabilities, including derivatives, were:

As at 31 December 2025, in Thousands of US\$	Foreign Currency Assets	Foreign Currency Liabilities	Net Exposure
Australian dollar	73,006	(74,726)	(1,720)
British pound	1,331,001	(1,366,709)	(35,708)
Canadian dollar	65,529	(68,960)	(3,431)
Euro	559,775	(582,627)	(22,852)
Japanese yen	5	-	5
New Zealand dollar	0	-	0
Norwegian krone	359,055	(372,724)	(13,669)
South African rand	28,897	(28,825)	72
Swedish krona	125,847	(131,988)	(6,141)
Swiss franc	1	-	1

As at 31 December 2024, in Thousands of US\$	Foreign Currency Assets	Foreign Currency Liabilities	Net Exposure
Australian dollar	78,824	(81,980)	(3,156)
British pound	1,263,521	(1,316,540)	(53,019)
Canadian dollar	66,038	(70,763)	(4,725)
Euro	653,626	(690,630)	(37,004)
Japanese yen	29	(25)	4
New Zealand dollar	1	-	1
Norwegian krone	382,791	(399,136)	(16,345)
South African rand	23,267	(23,041)	226
Swedish krona	123,010	(130,111)	(7,101)
Swiss franc	1	-	1

The following exchange rates applied during the year:

In US\$	Average Rate for the Year Ended 31 December 2025	Spot Rate as at 31 December 2025	Average Rate for the Year Ended 31 December 2024	Spot Rate as at 31 December 2024
Australian dollar	0.6447	0.6686	0.6600	0.6211
British pound	1.3184	1.3456	1.2781	1.2540
Canadian dollar	0.7156	0.7296	0.7303	0.6953
Euro	1.1301	1.1747	1.0821	1.0410
Japanese yen	0.0067	0.0064	0.0066	0.0064
New Zealand dollar	0.5818	0.5769	0.6052	0.5620
Norwegian krone	0.0964	0.0994	0.0931	0.0883
South African rand	0.0560	0.0604	0.0546	0.0530
Swedish krona	0.1022	0.1088	0.0946	0.0909
Swiss franc	1.2065	1.2621	1.1362	1.1050

Sensitivity to Foreign Exchange Rates: Strengthening and weakening of the United States dollar, against the above currencies, as at 31 December 2025 and 2024 would have increased (decreased) IFFIm's net assets and surpluses for those years by the amounts shown below. This analysis is based on foreign currency exchange rate variances that IFFIm considered to be reasonably possible at the end of the year. The analysis assumes that all other variables, in particular interest rates, remain unchanged:

In Thousands of US\$	Increase (Decrease) in Surplus for the Year Ended and Net Assets as at 31 December 2025 ¹		Increase (Decrease) in Surplus for the Year Ended and Net Assets as at 31 December 2024 ¹	
	10%	10%	10%	10%
	Strengthening of US\$	Weakening of US\$	Strengthening of US\$	Weakening of US\$
Australian dollar	197	(241)	316	(386)
British pound	3,638	(4,447)	5,067	(6,193)
Canadian dollar	312	(381)	430	(525)
Euro	2,297	(2,807)	3,511	(4,291)
Norwegian krone	1,245	(1,522)	1,485	(1,816)
South African rand	(7)	8	(21)	25
Swedish krona	562	(687)	648	(792)
Net increase (decrease)	8,244	(10,077)	11,436	(13,978)

¹Excludes impact to funds held in trust balances.

Interest Rate Risk: IFFIm was exposed to interest rate risk from differences in the interest rate bases of the bonds payable and funds held in trust. IFFIm used interest rate swaps to mitigate this exposure. The interest rate profiles of IFFIm's interest-bearing financial instruments, including derivatives, with the exception of funds held in trust, were:

In Thousands of US\$	Carrying Amount as at 31 December 2025	Carrying Amount as at 31 December 2024
Fixed rate instruments		
Financial assets	551,999	492,657
Financial liabilities	(4,891,819)	(5,177,796)
Net fixed rate instruments	(4,339,820)	(4,685,139)
Variable rate instruments		
Financial assets	2,180,377	2,734,044
Financial liabilities	(590,644)	(578,453)
Net variable rate instruments	1,589,733	2,155,591

Sensitivity to Interest Rates: Changes of 50 basis points and 100 basis points in interest rates as at 31 December 2025 and 2024, respectively, would have increased (decreased) IFFIm's net assets and surpluses for those years by the amounts shown below. This analysis is based on interest rate variances that IFFIm considered to be reasonably possible at the end of the year. This analysis assumes that all other variables, in particular foreign currency rates, remain unchanged:

In Thousands of US\$	Increase (Decrease) in Surplus for the Year Ended and Net Assets as at 31 December 2025	Increase (Decrease) in Surplus for the Year Ended and Net Assets as at 31 December 2024
50 basis point increase	1,015	-
50 basis point decrease	(1,083)	-
100 basis point increase	-	3,465
100 basis point decrease	-	(3,799)

Interest rate benchmark reform: Specific interest rate benchmarks, including LIBOR, were discontinued and replaced with alternative benchmark rates which meet new regulatory and market requirements. Accordingly, IFFIm currently has no exposure to LIBOR or any other interest rate benchmarks that were discontinued. With respect to IFFIm's investments in the Pool, all IFFIm liquidity is now linked to the Secured Overnight Financing Rate ("SOFR") and all new funding is executed against a SOFR benchmark. With the transition to SOFR, IFFIm's investments portfolio continued to outperform its benchmark. For the years ended 31 December 2025 and 2024, the return on IFFIm's investments portfolio was 4.73% and 5.90%, respectively, outperforming its benchmark by 34 basis points and 53 basis points, respectively. With respect to IFFIm's legacy swap contracts, all positions that had LIBOR fixings after 30 June 2023 were transitioned automatically to the SOFR upon the discontinuation of the United States 3-month LIBOR on 30 June 2023 in accordance with the ISDA 2020 IBOR Fallbacks Protocol, which IFFIm and its swap counterparties adhered to. Details of IFFIm's interest rate and currency swaps as at 31 December 2025 and 2024 are included in Note 8 above and details of net fair value gains and losses recorded by IFFIm on its swaps are included in Note 5 above. Besides

the exposure to SOFR in its investments portfolio and its legacy swap contracts, IFFIm has no exposure to other interest rate benchmarks.

16. FAIR VALUES OF FINANCIAL INSTRUMENTS

The fair values of IFFIm's financial assets and liabilities are equal to their carrying amounts shown in IFFIm's Balance Sheet.

Fair Value Hierarchy: The table below analyses IFFIm's financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- **Level 1:** Financial instruments that were valued using unadjusted prices quoted in active markets for identical assets and liabilities.
- **Level 2:** Financial instruments that were valued using inputs, other than quoted prices included with Level 1, which were observable for the asset or liability, either directly or indirectly.
- **Level 3:** Financial instruments whose valuation incorporated inputs for the asset or liability that were not based on observable market data.

As at 31 December 2025, in Thousands of US\$	Level 1	Level 2	Level 3	Total
Financial assets				
Sovereign pledges	-	-	2,096,870	2,096,870
Funds held in trust	-	1,518,087	-	1,518,087
Derivative financial instruments	-	169,747	-	169,747
Total financial assets	-	1,687,834	2,096,870	3,784,704
Financial liabilities				
Bonds payable	-	2,800,654	-	2,800,654
Derivative financial instruments	-	120,135	-	120,135
Total financial liabilities	-	2,920,789	-	2,920,789

As at 31 December 2024, in Thousands of US\$	Level 1	Level 2	Level 3	Total
Financial assets				
Sovereign pledges	-	-	2,256,543	2,256,543
Funds held in trust	-	1,492,128	-	1,492,128
Derivative financial instruments	-	530,919	-	530,919
Total financial assets	-	2,023,047	2,256,543	4,279,590
Financial liabilities				
Bonds payable	-	2,907,673	-	2,907,673
Derivative financial instruments	-	155,010	-	155,010
Total financial liabilities	-	3,062,683	-	3,062,683

The changes in the aggregate fair value of IFFIm's Level 3 financial assets and liabilities were:

In Thousands of US\$	2025	2024
Balance as at the beginning of the year	2,256,543	2,797,872
Donor payments	(516,121)	(520,749)
Fair value gains (losses)	356,448	(20,580)
Balance as at the end of the year	2,096,870	2,256,543

For the year ended 31 December 2025, total fair value gains on sovereign pledges of US\$ 356 million (2024: total fair value losses of US\$ 20.6 million) are recognised in *Net fair value gains on pledges and pledge swaps* in the Statement of Financial Activities and are comprised of realised gains of US\$ 126 million (2024: realised gains of US\$ 113.6 million) and unrealised gains of US\$ 230 million (2024: unrealised losses of US\$ 134.2 million).

For its financial assets and liabilities, IFFIm determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period. There were no transfers between levels in the current or prior year.

The bases for techniques that IFFIm applied in determining the fair values of financial assets and liabilities

are summarised below.

Funds Held in Trust: The World Bank, as treasury manager, maintains IFFIm’s investments on a pooled accounting basis and the pooled investments are reported at fair value. IFFIm’s share in pooled cash and investments represents IFFIm’s allocated share of the Pool’s fair value at the end of the year. The fair value is based on market quotations where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. The corresponding proportionate interest income and investment gains or losses are recognised by IFFIm in the year in which they occur.

Sovereign Pledges Receivable: Fair values are estimated using a discounted cash flow method. Each cash flow is reduced by the GPC Fair Value Adjustment, except when a Grantor irrevocably commits to make grant payments in full without applying any reduction due to the GPC, and the reduced cash flows are discounted to present value using observable Grantor-specific interest rates.

The GPC allows the Grantors to reduce their payments if an IFFIm-eligible country falls into protracted arrears on its obligations to the International Monetary Fund (the “IMF”). Each implementing country has been ascribed a weight in a reference portfolio that will remain static for the life of IFFIm. Grantors reduce the amounts they pay IFFIm by the aggregate percentage weights of countries that are in protracted arrears to the IMF. When countries clear their arrears to the IMF, future amounts payable by Grantors to IFFIm are increased by the respective weights of those clearing countries. The reference portfolio comprises 71 predetermined IFFIm-eligible countries. Each implementing country has been given a weighting of either 0.5%, 1%, 3% or 5%, totalling of 100%, as shown in the table below. The amount of each Grantor payment is determined 25 business days prior to the due date of such payment.

The reference portfolio as at 31 December 2025 was as follows:

Country	Country Weighting	Total Share
South Sudan, Sudan	0.50%	1%
Afghanistan, Angola, Armenia, Azerbaijan, Benin, Bhutan, Bolivia, Burkina Faso, Burundi, Cambodia, Cameroon, Central African Republic, Chad, Comoros, Congo, Republic of Côte d’Ivoire, Djibouti, Eritrea, The Gambia, Georgia, Ghana, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Kenya, Kiribati, Kyrgyzstan, Republic Lao PDR, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Moldova, Mongolia, Mozambique, Myanmar, Nepal, Nicaragua, Niger, Papua New Guinea, Rwanda, Sao Tome & Principe, Senegal, Sierra Leone, Solomon Islands, Somalia, Sri Lanka, Tajikistan, Tanzania, Timor-Leste, Togo, Uganda, Ukraine, Uzbekistan, Yemen Republic, Zambia, Zimbabwe.	1%	61%
Vietnam	3%	3%
Bangladesh, Congo DR., Ethiopia, India, Indonesia, Nigeria, Pakistan	5%	35%

The GPC Fair Value Adjustment is calculated using a probabilistic model, which estimates the likelihood and duration that any implementing country might fall into arrears with the IMF over the life of the Grantor pledges. This probabilistic model assumes that the performance of the implementing countries since 1981 is a reasonable proxy for their future performance.

The initial GPC Fair Value Adjustment used in October 2006 was 17.6%, and it was 4.6% and 5.9% as at 31 December 2025 and 2024 respectively. Considering 1% as a reasonably possible variance in assessing the impact of changes in GPC Fair Value Adjustment, 1% decreases in the GPC Fair Value Adjustment as at 31 December 2025 and 2024 would have resulted in increases in the fair values of sovereign pledges of US\$ 20 million and US\$ 22 million, respectively. 1% increases in the GPC Fair Value Adjustment would have had equal but opposite effects on the fair values of sovereign pledges.

As at 31 December 2025 and 2024, no reference portfolio country was in protracted arrears to the IMF.

For the above sovereign pledges as at 31 December 2025, market-based discount rates ranging from 1.9% to 6.4% were applied, as appropriate, depending on the Grantor, payment schedule and currency of the grant payments. Considering 1% as a reasonably possible variance in assessing the impact of changes in market-based discount rates, 1% decreases in the discount rates applied as at 31 December 2025 and 2024 would have resulted in increases in the fair values of sovereign pledges of US\$ 51 million and US\$ 64 million, respectively. 1% increases in the discount rates applied as at 31 December 2025 and 2024 would have resulted in decreases in the fair values of sovereign pledges of US\$ 49 million and US\$ 62 million, respectively.

Bonds Payable: The fair values of IFFIm’s bonds payable are determined using a discounted cash flow method, which relies on market observable inputs such as yield curves, foreign exchange rates, basis spreads and funding spreads.

As at 31 December 2025 and 2024, the cumulative change in the fair value of bonds payable that was attributable to IFFIm’s own credit spreads was an increase of US\$ 9.4 million and US\$ 8.9 million, respectively.

During the years ended 31 December 2025 and 2024, the change in the fair value of bonds payable that was attributable to IFFIm's own credit spreads was an increase of US\$ 0.5 million and US\$ 1.6 million, respectively. Changes in the fair value of bonds payable due to IFFIm's own credit spreads are measured by revaluing each outstanding bond liability to determine the movement in its fair value arising from changes in IFFIm's cost of funding relative to the relevant reference rate.

Derivative Financial Instruments: The fair values of derivatives are estimated using a discounted cash flow method representing the estimated cost of replacing these contracts on that date. All model inputs are based on readily observable market parameters such as yield curves, foreign exchange rates, and basis spreads.

As at 31 December 2025 and 2024, the cumulative change in the fair value of derivative financial instruments that was attributable to changes in credit risk was a net decrease of US\$ 1 million and US\$ 2.2 million, respectively. During the years ended 31 December 2025 and 2024, the change in the fair value of derivative financial instruments that was attributable to changes in credit risk was a net increase of US\$ 1.2 million and US\$ 0.6 million, respectively. The methodology used to determine changes in the fair value of derivative financial instruments due to changes in credit risk is described in Note 8 to the financial statements.

With respect to cash and grants payable, their carrying amounts, reported in the financial statements, are reasonable approximations of their fair values due to their short-term nature.

17. NOTES TO THE STATEMENT OF CASH FLOWS

The following table analyses changes in net debt:

In Thousands of US\$	Fair Value as at 31 December 2024	Cash Flows and Fair Value Movements	Fair Value as at 31 December 2025
Bonds payable	(2,907,673)	107,019	(2,800,654)
Funds held in trust	1,492,128	25,959	1,518,087
Cash	3,922	396	4,318
Total	(1,411,623)	133,374	(1,278,249)

In Thousands of US\$	Fair Value as at 31 December 2023	Cash Flows and Fair Value Movements	Fair Value as at 31 December 2024
Bonds payable	(1,956,533)	(951,140)	(2,907,673)
Funds held in trust	522,091	970,037	1,492,128
Cash	7,088	(3,166)	3,922
Total	(1,427,354)	15,731	(1,411,623)

The following table reconciles net cash flows to movement in net debt:

In Thousands of US\$	2025	2024
Net debt at the beginning of the year	(1,411,623)	(1,427,354)
Increase (decrease) in cash	396	(3,166)
Increase in funds held in trust	25,959	970,037
Proceeds from bond issuances	(655,046)	(996,300)
Redemption of bonds	868,648	74,140
Fair value losses on bonds	(103,829)	(20,788)
Interest expense on bonds	(91,540)	(49,887)
Interest paid on bonds	89,348	42,969
Bond issuance costs amortisation	(562)	(1,274)
Movement in net debt in the year	133,374	15,731
Net debt at the end of the year	(1,278,249)	(1,411,623)

18. RELATED PARTY TRANSACTIONS

IFFIm's related party is:

- **Gavi:** Gavi is a Swiss foundation that is accorded international institution status in Switzerland with certain privileges and immunities like those accorded to international intergovernmental organisations. Gavi is IFFIm's sole member.

Balances due to or from related parties are non-secured and non-interest bearing and do not have specific terms of repayment.

IFFIm's related party balances as at 31 December 2025 and 2024 were:

In Thousands of US\$	2025	2024
Amounts due to Gavi	174	550

IFFIm recorded programme grants to Gavi of US\$ 440 million and US\$ 366 million during the years ended 31 December 2025 and 2024, respectively. IFFIm recorded donated services from Gavi of US\$ 1,297 thousand and US\$ 1,150 thousand during the years ended 31 December 2025 and 2024, respectively.

19. COMMITMENTS AND CONTINGENCIES

The trustees are not aware of any commitments or contingencies as at 31 December 2025 or 2024.

20. ACCOUNTING ESTIMATES AND JUDGEMENTS

IFFIm manages its sovereign pledges, funds held in trust, derivative financial instruments, and bonds payable on a fair value basis. Therefore, these assets and liabilities are measured at fair value in the Balance Sheet. When available, IFFIm generally uses quoted market prices to determine fair value. If quoted market prices are not available, fair value is determined using internally developed valuation models, which are often based on the discounted cash flow method and use market parameters such as interest rates and currency rates.

IFFIm applied the following key accounting estimate in the valuation of its sovereign pledges:

As described in Note 1, certain contribution amounts received from Grantors depend on a Grant Payment Condition ("GPC"), which allows the Grantors to reduce their payments if an IFFIm-eligible country falls into protracted arrears on its obligations to the IMF. Therefore, the fair values of IFFIm's sovereign pledges are estimated using a discounted cash flow method, which includes the application of an estimated reduction amount due to the GPC ("GPC Fair Value Adjustment"). The GPC Fair Value Adjustment is calculated using a probabilistic model, which estimates the likelihood and duration that any implementing country might fall into arrears with the IMF over the life of the Grantor pledges. See Note 16 for more details on the GPC Fair Value Adjustment and other estimates applied in determining the fair values of IFFIm's financial assets and liabilities.

IFFIm made the following critical judgement in the valuation of its derivative portfolio:

As described in Note 8, IFFIm includes a credit valuation adjustment and a debit valuation adjustment in the valuation of its derivative portfolio to account for counterparty credit risk and its own credit risk, respectively. The debit valuation adjustment is typically applied to the uncollateralised portion of a derivative portfolio. However, IFFIm has not posted any collateral as the World Bank has not exercised its right to call collateral and protect its derivative exposure to IFFIm, as described in Notes 1 and 8 above. After due consideration, consistent with market practice, IFFIm calculated the debit valuation adjustment based solely on the uncollateralised portion of its derivative portfolio.

21. CURRENT TAX

IFFIm is a registered United Kingdom charity and, as such, is exempt from United Kingdom taxation of income and gains falling within s478-489 Corporation Tax Act 2010 and s256 Taxation of Chargeable Gains Act 1992 on its charitable activities. No tax charges arose during the years ended 31 December 2025 or 2024.

22. SUBSEQUENT EVENTS

In April 2026, IFFIm issued US\$ 1 billion of 5-year fixed rate Vaccine Bonds, providing immediately available funding to Gavi to support routine immunisation programmes in lower-income countries, including efforts to reach zero-dose and under-immunised children, expand access to new and underused vaccines, and strengthen global health security through more resilient health systems and targeted market-shaping initiatives. The transaction will mature on 29 April 2031, has a re-offer price of 99.695%, and carries a semi-annual coupon of 4%.

INDEPENDENT AUDITOR'S REPORT
YEAR ENDED 31 DECEMBER 2025