



2021  
Annual review

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## Highlights

# Foreword from the Chair: 2021 – the search for a new normal

The world entered 2021 with renewed hope. COVID-19 vaccines were in production, having been developed and approved in record time thanks to unprecedented scientific and political collaboration. In February, people in Ghana and Côte d'Ivoire received the first COVAX-supported vaccinations – just weeks after immunisation campaigns had begun in Europe and the US.

Then hope gave way to frustration. Supply constraints and export bans meant deliveries through the COVAX Facility ground to a halt. Many countries were unable to vaccinate more than a few thousand people.

COVID-19's wider impact on global health also became clear. The pandemic threw into reverse progress against infectious diseases. HIV testing was down 22% in low- and middle-income countries while the number of people accessing treatment for drug-resistant tuberculosis fell by 19%. Reductions in the testing and treatment of life-threatening diseases contributed to the 14.9 million excess deaths that WHO estimates were a result of COVID-19.

The pandemic and the war in Ukraine have ravaged economies. Trade and travel remained depressed throughout 2021. Energy and food prices have risen sharply in 2022 following Russia's invasion, leading to fears that widespread famine could follow. The International Monetary Fund projects that global growth will slow to 3.6% in 2022 and 2023.

The difficult economic outlook makes healthcare markets in some countries look even more risky – at the very moment

countries need well-functioning markets delivering lifesaving products.

MedAccess is ideally placed to strengthen markets. By reducing the risks facing all parties our guarantees provide assurance manufacturers need to invest, scale up and reach more people with medical products. They enable procurers to overcome financial constraints and secure high volumes of quality products at lower costs. And they give governments visibility on the long-term availability and costs when introducing new medical products or making existing products more widely available.

Business as usual will not be enough to make up the ground lost to COVID-19. MedAccess is responding to the challenges of supply security and access with new financial tools. Through our debt financing products, MedAccess is able to provide finance to manufacturers and distributors in Africa and Asia at concessional terms to help them expand production and availability, which can help to unlock capacity. Manufacturers will be required to commit to access-related goals to benefit from our investment.

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### Record year for deals

MedAccess launched three new guarantees in 2021, as well as extending its procurement guarantee for UNICEF. This acceleration in activity demonstrated continued demand for MedAccess' innovative finance tools and cemented the company's place in the global health ecosystem. The new partnerships included support for the continued production of the world's first malaria vaccine, access to patient-friendly TB preventive treatment, and a record low price for HIV/syphilis dual rapid diagnostic tests.

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### New strategy approved

In May 2021, the MedAccess Board approved a new five-year strategy. The strategy increases the number of financial tools the company can deploy, provides a roadmap for supporting access to healthcare products for non-communicable diseases, and sets an ambitious agenda to pioneer new initiatives for access to affordable products.



Despite global uncertainties, MedAccess continues to perform strongly. We executed three new guarantees in 2021, including a bespoke agreement to ensure production of the world's first malaria vaccine, and we also extended our guarantee for UNICEF. Our portfolio of guarantees delivers life-changing impact for millions of people at risk from HIV, TB, malaria, COVID-19 and syphilis.

In May, the Board approved a new strategy to expand and accelerate MedAccess' impact. As well as increasing our tools and committing to address access challenges in non-communicable diseases, the strategy puts MedAccess on a sustainable footing with the introduction of a blended finance model. We are now ready to receive grant funding from philanthropists and capital from investors seeking enduring health impact returns.

The MedAccess team and culture drive our success. We have recruited people with high levels of expertise, including our new Chief Financial Officer, Vicky Johnson, who joined in September. MedAccess enjoys high levels of staff retention, and we are committed to being a diverse, equitable and

inclusive workplace. Our team brings a wide range of backgrounds, talents and perspectives, all of which make an essential contribution to our mission.

As I enter my final year as Board chair, I put on record my thanks to our parent company, British International Investment, and the UK's Foreign, Commonwealth & Development Office for their steadfast support for MedAccess and our vision for a world where everyone can access the healthcare products they need.

I am also grateful to Michael and the whole team for their relentless pursuit of remarkable results despite the health, economic and geopolitical uncertainties of the past two years. I am immensely proud of what we have achieved together during my tenure. I look forward to achieving even more in 2022.



**Nigel Keen**  
Board Chair

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### **Transition to a blended finance model**

MedAccess now operates with a blended finance model, enabling grant funding to cover dealmaking costs. MedAccess received its first grant in August 2021, a \$10 million contribution from the UK's Foreign, Commonwealth and Development Office to support the Global Fund's work on HIV, TB and malaria. Further funds will be sought in 2022-25 to increase the number of deals and break into new health spaces.

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### **Team growth**

MedAccess continued to invest in strengthening capability. The company's first Chief Financial Officer joined the Senior Management Team in September while key positions in the Investments and Operations teams were filled during the year. The Health Markets team built on the strong foundations laid in 2020.

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### **Focusing on diversity, equity and inclusion**

Throughout the year MedAccess focused on becoming an even more equitable and inclusive organisation. Inside the company we challenged our biases and reflected on the forms of privilege and inequality that shape our approach. In our partnerships, we seek to ally with the views and health needs of communities on the ground.

## Highlights

# CEO welcome

At MedAccess we aim to be relentless in the pursuit of health impact. Our guarantees are helping to save and protect peoples' lives in more than 90 countries by making life-saving products more accessible. Guarantees accelerate access to innovative, effective products while securing long-term positive change in healthcare markets.

We've demonstrated that market-shaping guarantees can be powerful tools, simultaneously achieving rapid improvements across many countries, with measurable benefits that are self-sustaining. It is a privilege to do this kind of work, and I am proud that in 2021 we picked up the pace, announcing three new guarantees. We have shown that we can be flexible and responsive to the needs of the market and our partners, never losing sight of the end goal of accelerating access now and shaping markets in the future.

Our guarantee arrangement with Gavi and GSK enabled ongoing production of antigen for the world's first malaria vaccine to help protect millions of children against severe malaria. After decades of development, production of the vaccine antigen was at risk while GSK awaited policy and funding decisions. MedAccess provided a financing solution – a backstop that enabled Gavi to fund continued production in anticipation of these decisions. This means doses of the vaccine will be ready for countries to introduce into their routine immunisation schedules with Gavi support as soon as possible, catching children who would otherwise age out of eligibility if production was delayed.

Our volume guarantee agreement with SD Biosensor, an innovative diagnostics company based in South Korea, helps address low syphilis testing rates for pregnant women. Syphilis can have serious negative outcomes for both mother and baby

– including stillbirth and neonatal death. Although testing rates for HIV are high in many countries, syphilis testing is significantly lower, contributing to millions of adverse birth outcomes each year. With support from our guarantee, the company agreed to make its HIV/syphilis dual test available in 138 countries for less than \$1 per test – the lowest price ever offered without sacrificing quality. As one health professional noted, 'this low price is like magic – we can now test for two diseases at a lower price than our previous single test'. So clinicians can scale up access to dual tests and integrate them into existing systems. Now more women and babies will benefit from access to testing for a debilitating illness that can be cured quickly with inexpensive antibiotics.

Our partnership with Macleods is helping to expand the use of 3HP tuberculosis preventive treatment. A course of 3HP is easier for patients to tolerate, it effectively treats latent TB in only three months, rather than the usual 6-9 months, and prevents the development of active TB, the largest killer of people living with HIV. As an effective short-course treatment with improved completion rates, 3HP also reduces the risk of developing resistance. However, the 3HP market has been unstable, with one main supplier that could raise prices or exit the market at any time. The MedAccess guarantee enhanced security of supply: with Macleods increasing its market share and new entrants expected in the next two years, we are seeing a healthier outlook for 3HP pricing and supply.

Our partnership with Hologic, through the Global Access Initiative, has changed the market for viral load testing in Africa. Previously, laboratories faced hidden and unexpected costs when installing



and operating viral load testing technology. With guarantee support from MedAccess, Hologic introduced transparent all-inclusive pricing that covers installation, training, software, spare parts, maintenance, reagents, and all consumables. The low ceiling price of \$12 per patient test is available in 50 countries including most of Africa. So more laboratories can now access the Hologic assays covering HIV, hepatitis and COVID-19 as well as human papillomavirus – the leading cause of cervical cancer. Hologic sales have made waves in the market, with other manufacturers following suit, and key procurers now setting out inclusive pricing as a requirement in their tenders.

Our volume guarantee for BASF is supporting access to 35 million next generation Interceptor® G2 mosquito nets. As mosquito resistance to the chemicals in older nets increases, the Interceptor® G2 uses a class of insecticide new to public health, called chlorfenapyr, to disable mosquitos in a new way. A study from Tanzania, published in the Lancet, showed the Interceptor® G2 to be highly effective, reducing malaria cases by 44% compared with standard nets. Our guarantee secured a low price and ensured access for millions more people via

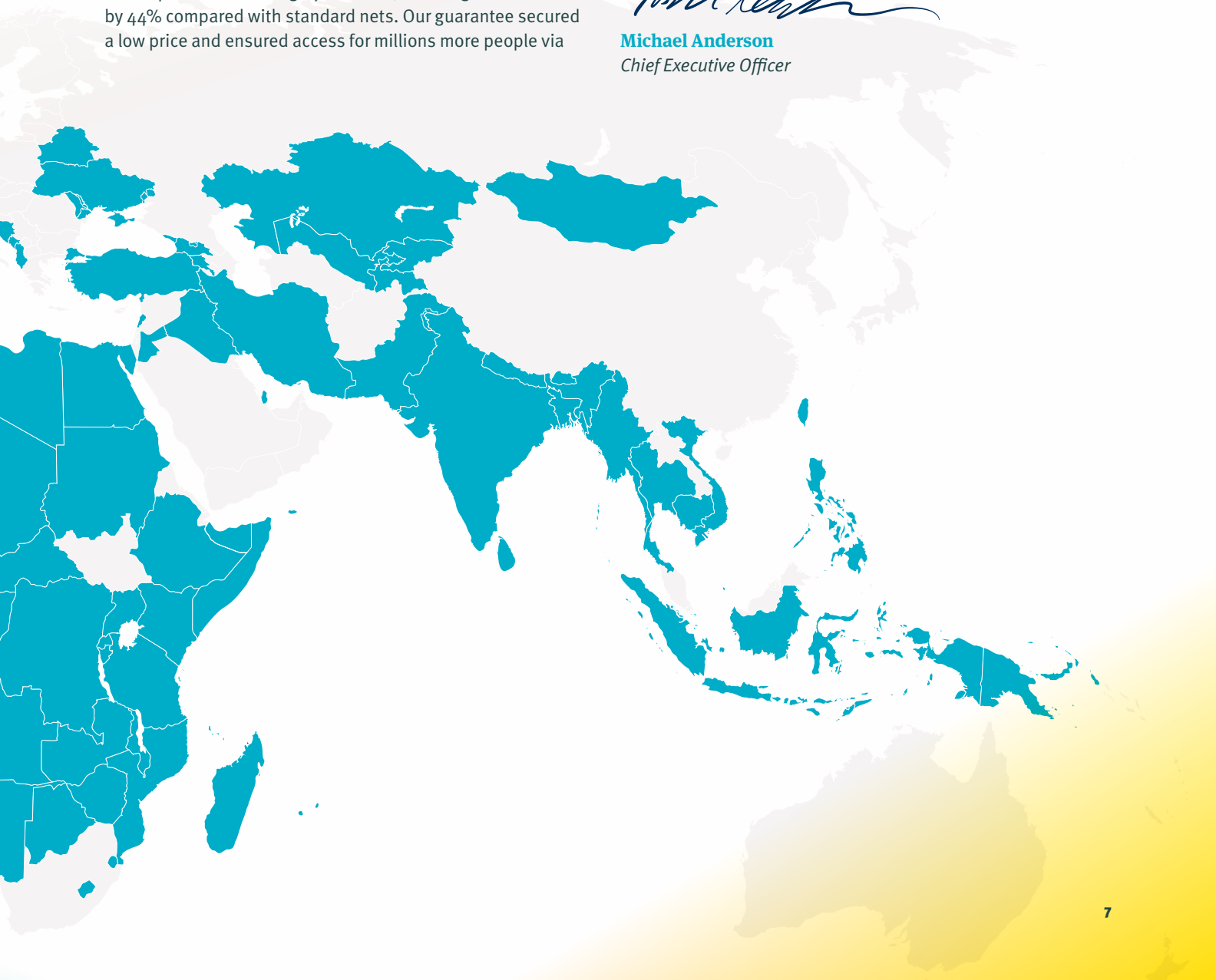
the New Nets Project. The reduction in illness along with lower prices also means the Interceptor® G2 is highly cost effective.

Our partnership with UNICEF, which was extended in March 2021, continued to ensure people around the world could access COVID-19 and non-COVID-19 products, including essential childhood immunisations and nutrition supplements. We are pleased to be able to support UNICEF to leverage its procurement power on behalf of countries, many of whom would have been forced to the back of the queue for vital products early in the pandemic.

We have made solid progress in our first four years. We have proof that our financial tools can be effective at increasing access today and building markets for the future. We will take what we have learned from what has worked – and what hasn't – and continue our tireless pursuit of health impact.



**Michael Anderson**  
Chief Executive Officer



Impact to date

**554k**

Patients not virally suppressed identified

**271k**

Patients switched to 2nd line treatment

**10 countries**

switched to all-inclusive tender process

**\$27m**

Direct procurement savings for governments, donors, and public bodies

**12 countries**

with more than two suppliers of viral load testing

### The challenge

Viral load testing is core to HIV care. It indicates whether treatment is controlling the levels of virus in a person's body. People living with HIV whose viral load is suppressed have the best chance of living longer, healthier lives and cannot transmit the infection. However, UNAIDS estimates that one third of people living with HIV are not virally suppressed. In July 2020, the agency reported that the world had missed the 90-90-90 target for people reaching viral load suppression. Countries have been cautious about investing in viral load testing equipment due to high and non-transparent prices with hidden costs, poor instrument



servicing and maintenance, and uncoordinated and under-resourced patient sample transport networks.

### Our response

In 2018, MedAccess announced a volume guarantee to increase access to viral load testing via Hologic's Panther® platform. The platform provides viral load testing for HIV, viral Hepatitis and, since 2020, COVID-19. It also

provides diagnostic testing for HPV, the leading cause of cervical cancer. Our guarantee with Hologic set a per patient test ceiling price of \$12. It was also the first all-inclusive price, covering other essentials such as installation, reagents and maintenance. Hologic's commitment helped shift the market – procurement in HIV high burden countries in Africa now requires all-inclusive pricing.



Impact to date

**8.6m**

Cases averted, of which **1.5 million** is additional to standard nets

**69,300**

Severe malaria cases averted, of which **14,200** is additional to standard nets

**10,300**

Deaths averted, of which **2,100** is additional to standard nets

**\$19m**

Procurement savings for public bodies

**10 countries**

ordering Interceptor® G2 nets

### The challenge

Malaria claimed 627,000 lives in 2020, 96% of whom lived in sub-Saharan Africa. Children under five accounted for 80% of the malaria deaths in Africa. Despite progress in recent decades, the malaria response faces the challenge of increasing mosquito resistance to the pyrethroid insecticides in standard nets. Of 38 countries reporting the intensity of pyrethroid resistance to WHO, 27 reported high intensity resistance across 293 sites. Millions more people are at risk as the nets become less effective in high resistance areas. While the price of standard nets has reduced substantially over the past decade, next-generation nets are more expensive. Many countries were cautious about buying next-generation nets as data from randomised controlled trials in Tanzania and Benin were being collected.

### Our response

In 2019, MedAccess teamed up with the Bill & Melinda Gates Foundation to provide a four-year volume guarantee to BASF to increase access to Interceptor® G2



mosquito nets, including through the New Nets Project. Interceptor® G2 is a next-generation net combining pyrethroids with chlorfenapyr, an active ingredient new to public health, so it is more effective where mosquito resistance is prevalent. BASF committed to higher production volumes, while offering price reductions of c. 40% for at least 35 million nets. By the end of 2021, 14 countries in sub-Saharan Africa had ordered the nets.

### Modelling health benefits – update

To assess the health benefits of introducing the new nets, MedAccess commissioned independent modelling based on entomological and epidemiological data. As new research

Interceptor® G2 benefits highlighted in Lancet-published randomised controlled trial:

- ▶ 44% reduction in clinical malaria episodes over the study period compared to standard pyrethroid net
- ▶ Reductions in hospitalisations due to malaria mean Interceptor® G2 is highly cost-effective as well as cost saving
- ▶ 24-month study in areas of Tanzania with moderate-to-high mosquito resistance

emerges, estimates of malaria cases and deaths averted can change. The estimates for health benefits were adjusted down in 2021, based on new entomological hut trials. So far, only one 'gold standard' randomised controlled trial, conducted in Tanzania, has been completed (see above).

Partnering for impact  
**3HP preventive treatment  
for latent tuberculosis**



Impact to date

**101k**

Additional people living with HIV will complete treatment with 3HP, when compared to the current standard of care

**25,500**

Hospitalisations of people living with HIV experiencing side effects of latent TB treatment will be prevented

**213k**

(Approximate) cases of latent TB averted in household contacts

**6 countries**

newly registered for 3HP

**32%**

Average price reduction

**\$11.7m**

In procurement savings

**The challenge**

In 2020 tuberculosis (TB) was the second-leading cause of death from an infectious disease, after COVID-19, claiming 1.5 million lives. Latent TB is often cited as the reservoir of the TB epidemic. Worldwide, an estimated 1.7 billion people are living with latent TB, usually without symptoms. Without treatment, 5-10% of people with latent TB will develop active TB in their lifetimes, with children under 5 and people living with HIV at higher risk. In the past, TB preventive treatments to tackle latent TB have required patients to take multiple pills daily for six to nine months or more. The pills often have unpleasant and toxic side effects. Newer short-course treatments are more patient friendly, have better completion



rates – which reduces the risk of increasing resistance to TB treatment – and are less likely to cause liver damage, but they are more expensive than the current standard of care. The nascent market for short-course treatment was dominated by one supplier, which had indicated it was looking to exit the market in the next couple of years.

**Our response**

MedAccess provided a volume guarantee to Macleods for its three-

month latent TB treatment (known as 3HP). Under the terms of the agreement, Macleods agreed to scale up production capacity to 1.5 million patient courses in 2021 and is looking to increase production further to meet anticipated demand. The company also offered to make 3HP available for \$15 per course for 138 low- and middle-income countries. MedAccess' guarantee helps ensure that the 3HP supply remains stable as countries introduce this important product into TB prevention programmes.

## Partnering for impact

# Dual rapid diagnostic tests for HIV and syphilis



SD BIOSENSOR

Projected impact (for guaranteed volumes)

At least  
**285k**  
Pregnant women with syphilis identified

At least  
**38,000**  
Fewer babies born with congenital syphilis

At least  
**51,500**  
Stillbirths and miscarriages avoided

At least  
**15 countries**  
to scale use of dual test beyond pilot

**<\$1**  
First HIV/syphilis dual test to be offered for under \$1, bringing it closer to price parity with HIV single tests

**21%**  
Reduction in the average market price of dual RDTs

### The challenge

Pregnant women with syphilis are 52% more likely to suffer adverse birth outcomes such as stillbirth, neonatal death, prematurity and low birth weight. Globally, 8% of stillbirths are attributable to syphilis. Pregnant women who are diagnosed with syphilis can be treated with low-cost antibiotics. However, without screening many women do not know they have the illness. While antenatal testing rates for HIV are above 95% in many low- and middle-income countries, they remain around 50% for syphilis. Using one diagnostic test that tests for both HIV and syphilis (dual rapid diagnostic test,



RDT) is an efficient way to screen women for both diseases in one clinic visit, but it is more expensive than single tests for HIV.

### Our response

MedAccess' volume guarantee for SD Biosensor enabled the manufacturer to offer its dual RDT for less than \$1 per test – the lowest ever price for a HIV/

syphilis dual RDT, and closer to single HIV test pricing. The guarantee will also secure significant cost efficiencies, with a ceiling price that is 21% below the projected weighted average price for this product. It is estimated that more than 50,000 stillbirths and miscarriages will be averted due to the increased access to syphilis testing supported by the guarantee.

Partnering for impact

## Accelerating access to essential COVID-19 and non-COVID-19 supplies

Impact to date

### >75m

COVID-19 and other childhood vaccines supplied

### >3.7m

COVID-19 tests and diagnostics equipment supplied

### Nearly 1.8b

syringes secured for 2021 and beyond using special contracts

### 95 countries

received pre-financing support for essential products in 2021

### 7 months

faster (on average) to access supplies than without pre-financing support through standard subscriptions

#### The challenge

The first wave of COVID-19 led to unprecedented demand for medical supplies, which fuelled price volatility and supply shortages as manufacturers battled to meet demand. Countries with greater purchasing power were better able to absorb higher prices and place large orders while low- and middle-income countries were forced to the back of the queue for essential supplies. In addition, COVID-19 affected routine health services such as immunisation and maternal and child health provision. Major procurers were able to negotiate lower prices for high volume COVID-19 orders, but they were only able to place orders on behalf of countries when



funding or finance was in place. This threatened to leave lower-income countries waiting months for vital supplies.

#### Our response

MedAccess provided a \$50 million procurement guarantee to the UNICEF Supply Division. The guarantee enables UNICEF to procure essential COVID-19 and non-COVID-19 supplies on behalf

of countries. Procuring through UNICEF enables countries to expedite delivery of COVID-19 supplies and access the lower prices negotiated by UNICEF, which is the largest purchaser of health supplies in the world. The guarantee initially ran from July 2020 for one year. It was extended for a further year in March 2021.

## Partnering for impact

# Supporting production of the world's first malaria vaccine

### Future impact

MedAccess' support for continued production of the RTS,S antigen in advance of key policy and funding decisions will enable more children to be vaccinated. With visibility on volumes, Gavi, the Vaccine Alliance was able to invite countries to apply to introduce the vaccine shortly after securing Board approval. Children will

receive the malaria vaccine as part of their routine immunisation schedule alongside other childhood vaccines such as pneumococcal and pentavalent. If production had been halted and introductions delayed, millions of children may have been at risk of severe malaria having missed out on the vaccine as part of their routine shots.



### The challenge

The RTS,S malaria vaccine has the potential to prevent the deaths of hundreds of thousands of children. The vaccine received regulatory approval from the European Medicines Agency in 2015 following three decades of development by GSK, with support from global health funders. However, due to the complex nature of the disease, the vaccine profile, and the requirement for a new four-dose schedule, WHO required a multi-country pilot implementation programme before providing a recommendation for large-scale use. Without a policy recommendation from WHO and a funding decision from Gavi, the Vaccine Alliance, there was

a risk to continued production. A halt in production could have significantly delayed country rollouts following positive policy and funding decisions.

### Our response

MedAccess, Gavi and GSK agreed an innovative financing arrangement to ensure the continued production of RTS,S bulk antigen. The agreement saw Gavi provide funding to GSK for ongoing

production ahead of policy and financing decisions. MedAccess provided Gavi with a guarantee to replenish its funds in the event of a negative policy or funding decision. In October 2021, WHO recommended RTS,S for broad use among children in sub-Saharan Africa and Gavi agreed to open a funding window at its Board meeting two months later.

## Coming in 2022: Increasing access to vaccines through COVAX

COVAX

The COVAX Facility is at the forefront of supporting access to COVID-19 vaccines in lower-income countries. As supply constraints ease in 2022, the Facility can support countries to accelerate access and meet their national vaccination targets.

The COVAX Facility is at the forefront of supporting access to COVID-19 vaccines in lower-income countries. As supply constraints ease in 2022, the facility can support countries to accelerate access and meet their national vaccination targets.

In December 2021, the MedAccess Investment Committee approved a proposal to provide a guarantee to enable countries to access additional COVID-19 vaccines through the COVAX Facility. The guarantee supports COVAX's cost-sharing mechanism, which enables countries receiving vaccines through the COVAX Advance Market Commitment to procure additional doses using funds from multilateral development banks.

In April 2022, MedAccess, the Open Society Foundations (OSF) and Gavi, the Vaccine Alliance announced a \$200 million risk sharing facility to support COVAX's cost-sharing mechanism. MedAccess and OSF both provided \$100 million guarantees to the facility.

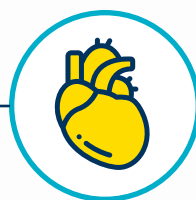
The COVAX cost-sharing mechanism is designed to help countries meet their national COVID-19 vaccination targets. COVAX projects that more than four billion doses will be available in 2022, including 134 million through cost-sharing. The Facility also provides additional assurance in case of future spikes and variants leading to a surge in demand for vaccines.





## Our strategy

In May 2021, the MedAccess Board approved a new strategy for 2021–2025 to increase our scope and impact while ensuring long-term sustainability.



The strategy builds on the successful proof of concept since MedAccess was founded in 2017. It is driven by our ambition to achieve more impact – to serve a larger number of people across a wider range of health areas. The strategy lays out a path to accelerate impact, contributing directly to the objectives of the 2030 Sustainable Development Goals. To achieve this, we will build in five areas:

### **Do more on infectious disease and vaccines.**

We have increased the amount of risk we are prepared to take in individual partnerships, and British International Investment has agreed to a higher leverage ratio so we can derive more impact from their invested capital. We have streamlined the investment approval process without sacrificing rigour, so we can be nimbler in responding to fresh opportunities.

### **Expand work to new areas including non-communicable diseases.**

The success of market-shaping in HIV, TB, malaria, vaccines, and family planning can be extended to the ‘non-donor’ areas with high health needs. MedAccess is already moving into work on products for non-communicable diseases such as diabetes, cardiovascular disease, and cancer. We will offer market-shaping finance for upstream manufacturing inputs as well as downstream distribution channels. And we will seek to improve markets for private purchasers as well as public procurement, including in upper middle-income countries where access to medicines is often restricted.





### **Mobilise blended finance to achieve more impact.**

MedAccess will continue to operate with business income and commercial rigour. At the same time, we will mobilise grant funding to invest in long-term market-shaping partnerships, to cover some deal development costs, and to unlock guarantee finance for high-impact transactions.

The first grant of c. \$10 million over three years was received from the UK's Foreign, Commonwealth & Development Office in August 2021.



### **Provide debt products and a wider range of guarantees.**

With the aim of achieving more impact, MedAccess will offer loans for capital investment, working capital, and loan guarantees in addition to the volume guarantees and procurement guarantees already available. We will remain focused on improving access to affordable products while the new financial tools will allow more flexible support for initiatives such as local manufacturing and improved distribution.



### **Build long-term partnerships to strengthen health outcomes.**

While MedAccess will continue to concentrate on market-shaping finance for particular products, we will expand our time horizons beyond the individual transaction. We will support select initiatives designed to shape health delivery for particular therapeutic areas where markets are weak, for example oxygen supplies or primary health care.

## About MedAccess

We believe in a world where everyone can access the medicines and healthcare they need to lead healthy lives.

We live in a golden age of medical innovation. Diseases that were once fatal are now preventable, treatable and even curable. But only if you live in certain parts of the world or have the privilege of wealth. Investments by national governments, donors, and multilateral agencies combined with the efforts of civil society have improved access to healthcare but many life-saving medical products remain out of reach for millions of people living in lower-resource communities.

**COVID-19 brought unequal access to healthcare into sharp focus.** Richer countries secured deals for billions of doses of COVID-19 vaccines, with the first people receiving shots before the end of 2020. Lower resource countries expecting deliveries through COVAX found themselves at the back of the queue as supply dried up following India's ban on vaccine exports. By the end of 2021, while Europe had started providing booster doses of COVID-19

vaccines, just 33% of people in Africa had received a first dose.

**Market inefficiency leads to unequal access to healthcare.** Manufacturers, procurers and governments are unwilling or unable to commit to high product volumes without certainty on long-term demand and pricing. In most cases if one partner decides the market is too risky, products are simply not made available. When products are made available in riskier markets, they are often at low volumes with higher price points – putting them out of the reach of most of the people who need them.

Risk perception is at the heart of market failure. Manufacturers will not invest in creating, manufacturing and scaling supply of products without a clear path to sales. Countries cannot commit limited health budgets to new products without assurance that they will be affordable and available in the long term. Procurers need to balance price, funding

and demand forecasts before placing orders, often with limited information on each. This inhibits their ability to meet shifting priorities.

The real-life impact of market inefficiency can be calculated in the cost to human health. People are unable to access the products they need when they need them, leading to worse health outcomes and, in far too many cases, death.

**MedAccess is uniquely positioned to address these market inefficiencies.**

Our innovative finance tools help to de-risk market entry and scale access to products at affordable prices. This supports a healthy market in the long term, giving manufacturers the assurances they need to invest, and generates a security of supply for countries and governments.



## Our financial tools

We deploy financial tools designed to increase access to healthcare by reducing risks and strengthening markets.

Our financial tools enable suppliers and procurers to get products to health workers and patients more quickly. They reduce the commercial risks that make suppliers reluctant to enter or scale up distribution in uncertain markets. Procurers can place high volume orders to benefit from lower prices and shorter lead times. Ultimately, we aim to make products affordable, available and accessible in underserved markets.

Our approach draws heavily on the lessons learned from global health and development organisations including the Bill & Melinda Gates Foundation, CHAI, Gavi, Unitaid and USAID, and our experience to date.

### What is a volume guarantee?

Volume guarantees reduce manufacturers' risks of low sales volumes in uncertain markets in return for lower prices and stable supply agreements.

MedAccess enters into legally binding volume guarantee agreements with manufacturers. In return for assured sales volumes for the duration of the agreement, manufacturers commit to a ceiling price – the maximum price they will charge during the period – and to meeting projected demand for the product. Procurers and national governments enter into separate agreements to purchase the product at or below the ceiling price. MedAccess compensates the manufacturer losses if sales fall below the guaranteed level.

Volume guarantees build confidence among all partners. Manufacturers can enter or scale up in uncertain markets with the assurance that a minimum level of sales volumes is secure. Procurers have predictability on price and supply when placing orders. And countries have visibility on long-term availability when deciding which products to purchase.

### What is a procurement guarantee?

Procurement guarantees enable global health procurers to accelerate and increase high-volume procurement and distribution – so that supplies reach those who need them more quickly.

Many healthcare procurement agencies have strict procurement and disbursement rules. For example, orders can only be placed when funding – sometimes committed years earlier by donors – has been received by the organisation. Procurement guarantees provide a bridge between the time an order is placed and the arrival of funds – enabling the

procurer to place orders in line with country need rather than when funds are received. Procurement guarantees also enable procurers to enter into long-term agreements with manufacturers, securing allocations on preferential terms.

MedAccess enters into an agreement with a procurer to support its procurement or market shaping activity. The types of risks covered vary by guarantee as our support is tailored to the partner's needs. We are flexible and innovative when developing bespoke agreements that help accelerate and maximise access and affordability.

Our guarantees help give procurers confidence to realise potential demand or operate at greater capacity than would otherwise be the case. Purchasers benefit from the terms agreed upon by the procurers and the manufacturers in the form of improved value for money, reduced lag time and quality assurance on purchased products. Patients benefit from faster and wider availability of affordable high-quality health commodities.

### How does MedAccess use debt finance?

MedAccess provides debt finance to enable suppliers to make investments that will expand access to healthcare products or services. For example, capital to upgrade production facilities and achieve better quality standards or increase capacity, or liquidity to finance working capital needs.

Many healthcare suppliers and providers servicing low- and middle-income countries struggle to access financing to invest in their businesses. Financing may not be available because commercial lenders do not have expertise in the health markets, or it may be offered at prohibitively high interest rates or short tenors.

MedAccess offers debt finance on favourable terms (e.g. lower interest rates or longer tenors) to promote improved access to affordable products. Leveraging our understanding of global health markets, MedAccess can tailor its debt finance to the needs of the market.

By linking debt finance to explicit development impact targets, we aim to secure health returns while maintaining a financially sustainable approach. At the same time, capital investment in healthcare providers and suppliers will help to build stronger and more sustainable supply chains, make products more affordable and ultimately shape markets for better outcomes.

## About MedAccess

# Living our values

Everything we do at MedAccess is underpinned by our five core values. Individually and collectively, we strive to live by our values every day.



### We are mission-driven

We make decisions based on the development impact that MedAccess can achieve.

We go further than expected in the pursuit of our mission.

We actively seek out knowledge on emerging trends and ideas in health and social finance.



### We are humble

We recognise the remarkable achievements by countries, multilateral agencies and civil society groups in the global health space and we seek to learn from their experiences.

We actively solicit feedback on our work.

We always seek to champion the work of our partners and others committed to improving lives and livelihoods around the world.



### We are relentless about rigour

We base our decisions on the highest quality data available.

We are continuously curious; asking questions and challenging assumptions to deepen our understanding.

We embrace scrutiny; reviewing and refining our work to ensure we deliver the best possible outcomes.



### We build trust

We are open, honest and transparent in all areas of our business.

We keep our word and are fully accountable, as individuals and as a team, for our decisions.

We promote respectful and inclusive environments, acting to reduce bias and discrimination.



### We invest in people

We invest in the emotional wellbeing of others and support each other in our quest for growth.

We seek out a diverse range of views and voices.

We build and nurture positive relationships.

## Development impact: the heart of our mission

Our mission is to increase access to affordable healthcare. We measure the impact of our work using a Development Impact Framework comprising three indicators:



### Lives changed

How many people will gain access to the product?

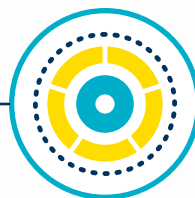
How will their health improve and how many premature deaths will be averted?



### Money saved

How much has our guarantee reduced the price of the product?

What does this mean in direct cost savings for procurers?



### Markets shaped

Will the guarantee sustainably improve affordability and procurement practices?

Will increased demand visibility improve long-term supply security?

### Projecting impact for decision-making

We estimate the impact of each opportunity against all three indicators by comparing the expected outcomes against a counterfactual situation, where we are not involved. This ensures we only capture the additional impact generated by a MedAccess guarantee.

Our framework is based on four principles:

- 1 Balancing rigour and pragmatism, making careful, evidence-based assumptions where required.
- 2 Focusing on the direct outcomes resulting from our involvement, rather than the impacts that follow.
- 3 Focusing on our contribution to the change, rather than attribution, as we always work in partnerships.
- 4 Accompanying quantitative data with qualitative evidence.

We use the framework to identify and prioritise high impact opportunities, to ensure we deploy our capital in the most valuable way. All opportunities must meet a minimum

development impact threshold to be considered. Once we enter into an agreement with our partners, we use the framework to estimate the impact. We use these findings to support the implementation of existing agreements and to guide our future strategy by considering how we can identify other impactful opportunities.

### Reporting impact

When calculating the results in this report, we estimated the total impact achieved through the guarantee and related activities undertaken by partners, including MedAccess. No deductions have been made for impact that may have occurred without a guarantee, although MedAccess does calculate this for investment decision making purposes. For more on our methodology see our website.

We reviewed our approach to assessing Development Impact in late 2020 to ensure it continues to be fit-for-purpose as we build and expand our portfolio of transactions.

All of our health outcomes are estimates based on the best available data to us. We do not track distribution and use of individual products sold under guarantee terms.

## About MedAccess

# How we work

Our approach focuses on deploying the appropriate financial product for the market, for our partners and ultimately for patients. We select high-quality partnerships and apply rigorous standards of due diligence when providing guarantees and debt finance.



## Our contribution to the Sustainable Development Goals

The SDGs comprise 17 goals adopted by all United Nations Member States in 2015, with the aim of advancing the equitable development of people and the planet by 2030.

Michael Anderson served as the UK Prime Minister's Special Envoy for the UN Development Goals and he was intimately involved in drafting the

goals and their associated targets. Our work is aligned with the SDG agenda, particularly through the realisation of the following goals.



03

### Ensure healthy lives and promote well-being for all at all ages

Medical products can save and change lives. But only if they reach the people who need them, when they need them. Nearly two billion people are currently living without access to basic medicines. Our innovative finance tools – including volume guarantees – work specifically to accelerate access to modern and effective healthcare supplies for people in low- and middle-income countries.

05

### Achieve gender equality and empower all girls and women

Women and girls who are denied access to sexual and reproductive health are at greater risk of unplanned pregnancy and sexually transmitted infections, both of which pose severe dangers to their health. Our support for dual HIV/syphilis testing is helping to diagnose pregnant women living with syphilis so that they can be treated quickly, reducing the risks to their babies.

10

### Reduce inequality within and among countries

Market failures lead to unequal healthcare provision within and among countries. People in high-income countries are typically able to access newer products more quickly, while people in low- and middle-income countries often wait years – or even decades – for access to the same medicines, tests and treatments. Our guarantees seek to ensure countries can introduce new healthcare products more quickly.

17

### Strengthen the means of implementation and revitalise the global partnership for sustainable development

With overseas development assistance declining, alternative funding methods and long-term cost savings are becoming

increasingly important. Our guarantees catalyse partnerships between countries, procurers, manufacturers and distributors, by reducing risks and lowering prices. Although we primarily contract with manufacturers, all our transactions are supported by strong partnerships that ensure products get from the production line to the people that need them.

## The MedAccess Senior Management Team

Our Senior Management Team has collective responsibility and oversight of all aspects of our business and operations, and for delivering on the MedAccess business plan. The team brings high levels of expertise in public health, market shaping, financial analysis and risk assessment.

Hema Srinivasan, Chief Access Officer, leads our **Health Markets** team. The team analyses and develops pipeline opportunities for the deployment of innovative finance tools, manages monitoring and implementation of guarantees post-execution, and analyses development impact throughout the partnership development and execution process.

Michelle Teo, Chief Investment Officer, leads our **Investments** team. The team manages our guarantee portfolio and capital investments, the treasury investment portfolio and MedAccess' Environment, Sustainability and Business Integrity Framework (with the Operations team). The team also provides rigorous risk analysis and due diligence on our partnerships.

Vicky Johnson, Chief Financial Officer, leads our **Finance** team. The team is responsible for all aspects of financial management and reporting. Vicky is also responsible for business planning, risk management and core business services, including Facilities and IT.

Jonathan Hutchins, Chief Operating Officer and General Counsel, leads our **Operations** team. The team provides transaction services, business operations support, human resources and external relations. Jonathan is also responsible for the development and execution of legal documents relating to our guarantees.

Deal teams are assembled to work on proposed transactions that progress from our pipeline. These teams leverage skills and experience from across MedAccess and will typically include staff from the Health Markets, Investments and Operations Teams.



**Michael Anderson CB**  
*Chief Executive Officer  
and Board member*

Before joining MedAccess, Michael was CEO of the Children's Investment Fund Foundation, having previously served as Director General at DFID, Special Envoy for the UK Prime Minister on International Development, and on the UN Commission for Life-Saving Commodities.





**Hema Srinivasan**

*Chief Access Officer*

Hema joined MedAccess from Gilead Sciences, where she was Senior Director for South Asia. Hema previously served as Associate Director of the Global Markets Team at CHAI, leading negotiations to increase access to life-saving supplies in LMICs. Hema started her career in Equity Research at Morgan Stanley and Goldman Sachs.



**Dr. Michelle Teo**

*Chief Investment Officer*

Before joining MedAccess, Michelle was a Managing Director at Bank of America Merrill Lynch. Michelle's career began in the field of medicine, after graduating from the University of Oxford with a BA in Physiological Sciences and a BM, BCh.



**Vicky Johnson**

*Chief Financial Officer*

Vicky was Global Director of Finance at Dalberg Advisors prior to joining MedAccess in September 2021. She is a qualified chartered accountant and has held senior financial positions at McKinsey and Boston Consulting Group during her 30-year career.



**Jonathan Hutchins**

*Chief Operating Officer  
and General Counsel*

Jonathan began his career at Clifford Chance before moving on to COO and GC roles at Globeleq, Actis Energy Fund and the Nigeria Sovereign Investment Authority. Before joining MedAccess, Jonathan worked as Legal Consultant for IFC InfraVentures.

## Governance structure and Board

The Board and its committees are actively involved in the oversight of our organisation. Board members and Committee members take a close interest in our success, providing guidance, scrutiny and approval on key activities.

### Board composition

MedAccess is governed by an independent Board of Directors, chaired by Nigel Keen. Board members are drawn from the fields of public health, pharmaceuticals and finance.

The Board had a total of seven Directors as at 31 December 2021, including MedAccess CEO Michael Anderson who is also a Board member.

### Making decisions

The Board delegates specific tasks and decisions to three standing committees, which have Committee Chairs that report on their activities to the Board:

- ▶ **The Project Investment Committee** screens potential transactions and can provide approval on proposals up to \$75 million. Membership of the Committee includes John Kelting, an independent member.
- ▶ **The Audit & Finance Committee** provides oversight on MedAccess financial activities. Made up of a minimum of three members, this Committee approves the organisation's annual accounts, provides guidance on financial risk and compliance with all applicable laws and standards.
- ▶ **The Remuneration Committee** is responsible for approving and monitoring our remuneration policy.



### Nigel Keen

Nigel brings decades of experience in healthcare and commerce to the governance of MedAccess, having been involved in the formation of high technology businesses for more than 30 years.



### Violet Mordichai

Violet is apprentice to the Board as part of TheBoardroom Africa's Apprentice Programme. She brings senior executive experience in building strategy and leading diverse teams with complex operations across East Africa.



**Michael Anderson CB**

Before joining MedAccess, Michael was CEO of the Children’s Investment Fund Foundation, having previously served as Director General at DFID, Special Envoy for the UK Prime Minister on International Development, and on the UN Commission for Life-Saving Commodities.



**Diana Noble CBE**

Diana brings more than 30 years of experience in private equity, venture capital and international development. She combines Board responsibilities with chairing the MedAccess Project Investment Committee.



**Dr. Egbe Osifo-Dawodu**

Egbe is a Partner at the Anadach Group, and a member of the UK Royal College of Physicians. Egbe’s 30 years of healthcare experience covers policy, provision and financing in Africa, Asia, Europe and Latin America.



**Daniel Camus**

Daniel joined the Board in April 2020 after serving as CFO of the Global Fund to Fight AIDS, Tuberculosis and Malaria. He brings more than 25 years’ experience to his role, having previously held CFO roles at Aventis and EDF.



**Holger Rothenbusch**

Holger is Managing Director & Head of the Infra and Climate Group at British International investment. Holger has spent 20 years in development finance in Latin America, Africa, Asia and Eastern Europe, working across emerging markets, sectors and products.



**Willem Verhoofstad**

Willem has three decades’ experience in the pharmaceutical industry, holding leadership roles in product development, business development, strategic marketing, R&D strategy and portfolio management.

**“Business performance was robust with the signing of three new deals and the extension of a fourth. In a challenging year with the pandemic and global macroeconomic trends, the investment portfolio returns were less than anticipated but MedAccess retains a strong balance sheet and good liquidity.”**

Victoria Johnson  
Chief Financial Officer

## Financial report

# Financial review

Summary of results	2021 \$	2020 \$
Fair value gains on investment portfolio	<b>522,069</b>	<b>9,202,303</b>
Realised fee income from guarantee portfolio	2,184,457	1,170,935
Fair value of guarantee portfolio	(837,277)	709,274
Fair value gains on guarantee portfolio	<b>1,347,180</b>	<b>1,880,209</b>
Administrative and other expenses	(7,016,265)	(7,221,527)
Operating (loss)/profit	(5,147,016)	3,860,985
Finance income	1,967	14,621
Other operating income	2,333,435	-
Net foreign exchange (loss)/gain	(98,027)	241,586
(Loss)/profit before tax	<b>(2,909,641)</b>	<b>4,117,192</b>
Taxation	753,573	(782,504)
Total comprehensive (expense)/income for the year	<b>(2,156,068)</b>	<b>3,334,688</b>
<b>Net Assets</b>	<b>204,253,655</b>	<b>206,409,723</b>

### Review of results

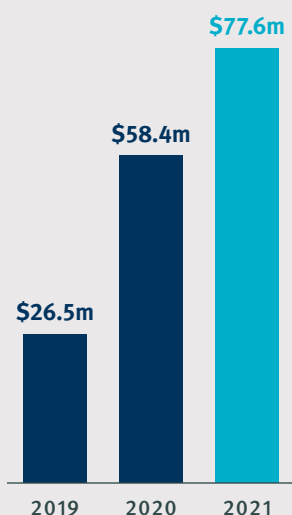
Business performance for the year was strong with the signing of three new deals, the extension of the UNICEF procurement guarantee and three deals coming off risk. Other operating income includes the receipt of grant funds from the FCDO. The fair value gains on the short-term investments in the treasury portfolio was substantially lower than the previous year due to the impact of global events on the bond markets.

Reported fair value gains on the Company's investment portfolio was \$1.9 million (2020: \$11.1 million), comprising fair value gains on the guarantee portfolio (\$1.3 million) and the treasury portfolio (\$0.5 million).

Of the \$1.3 million of fair value gains generated by the guarantee portfolio, \$2.2 million was realised fees due from counterparties and a decrease of \$0.8 million from the change in fair value.

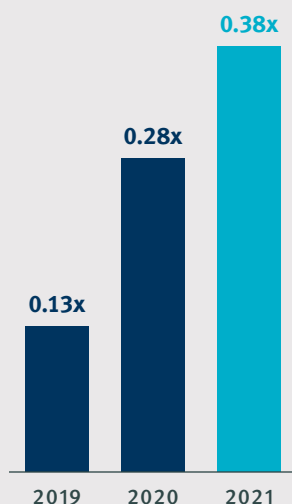
The year-end net guarantee exposure was \$77.6 million (2020: \$58.4 million), reflecting the addition of the three guarantees executed in 2021 (exposure: \$87.9 million) and the discharge of \$57.6 million of commitments over the year.

### Net guarantee exposure



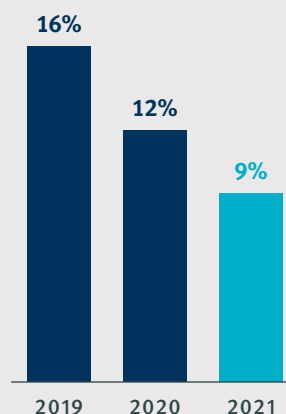
Net guarantee exposure increase due to addition of three new guarantees more than replacing discharge of guarantee commitments.

### Leverage<sup>1</sup>



Robust balance sheet continues to support growth in the guarantee portfolio.

### Operating costs / Net guarantee exposure



With the growth of the Company's portfolio and stabilised headcount, operating costs as a percentage of net guarantee exposure is expected to continue declining.

The key metrics of financial success for MedAccess are its balance sheet strength and liquidity. In any year, its comprehensive income would fluctuate due to the unrealised valuation gains and losses in its investment portfolio.

### Balance sheet highlights

MedAccess retains a strong balance sheet and good liquidity. The marginal movement in net assets from \$206.4 million in 2020 to \$204.3 million in 2021, was primarily due to less cash reserves being held at year end.

Total liabilities in 2021 were \$4.9 million, compared to \$3.5 million in 2020. This increase is reflective of grants held as deferred income until milestones are met.

## Short-term investments

	2021 \$	2020 \$
At 1 January, at fair value	198,928,134	203,277,866
Additions	-	-
Cash withdrawals	(776,566)	(13,552,035)
Fair value gains	522,069	9,202,303
<b>At 31 December, at fair value</b>	<b>198,673,637</b>	<b>198,928,134</b>

MedAccess is in a stable position to meet the continuing needs of clients and stakeholders.

## Net assets

As at 31 December 2021 and 2020.

	2021 \$	2020 \$
Total Assets	209,106,457	209,952,414
Total Liabilities	(4,852,802)	(3,542,691)
<b>Net Assets</b>	<b>204,253,655</b>	<b>206,409,723</b>

## Liquid assets

(\$ millions)



At year-end, the leverage ratio was 0.38x (2020: 0.28x). The liquidity position is strong, with \$203.7 million of total liquid assets<sup>2</sup>, and no external debt.

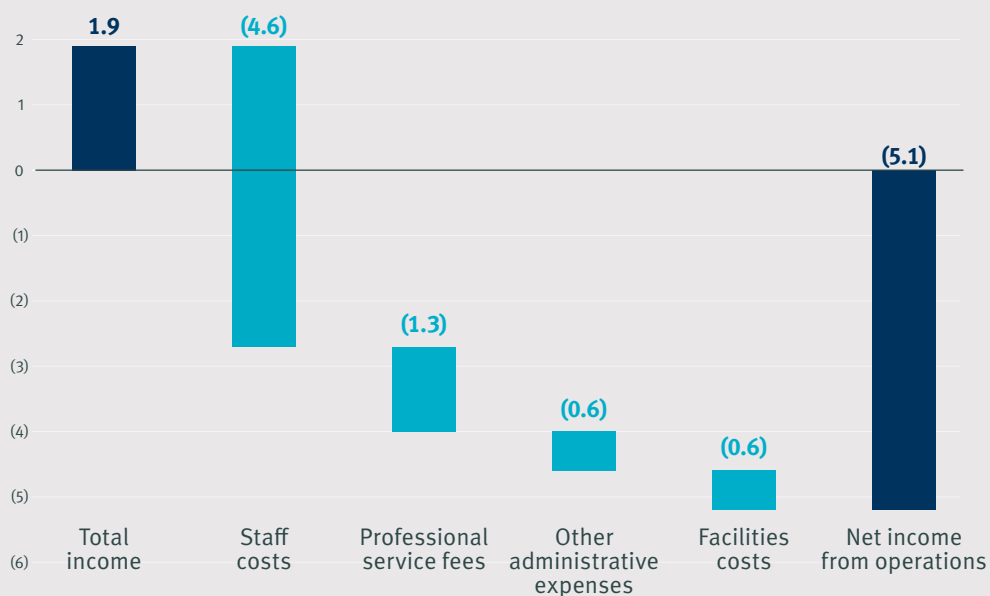
### Cash flow highlights

The Company maintains sufficient cash to meet its operational overheads and regularly reviews its cash levels to ensure adequate liquidity for unforeseen cash commitments. The cash requirements of the business are funded from grants received, fees generated and investments.

There was a net cash outflow of \$3.2 million in 2021, resulting in year-end cash and cash equivalents of \$5.0 million (2020: \$8.2 million).

## 2021 net income from operations (before tax and finance) waterfall

(\$ millions)



### Income and expenditure

Reported income from operations before tax and finance costs was a deficit of \$5.1 million (2020: profit \$3.9 million).

Operating costs decreased slightly by 3% to \$7.0 million in 2021 (2020: \$7.2 million).

In 2021 MedAccess invested in staff capacity with the recruitment of several key positions. Headcount increased to 21 in 2021 (2020: 17) with staff costs representing 65% of the operating costs.

Operating costs represent 9% of MedAccess' net guarantee exposure

(2020: 12%). As the Company grows its guarantee portfolio and levels the growth in headcount, operating costs as a percentage of net guarantee exposure is expected to continue declining.



For more information on the Company's financial performance for the year, please see the 2021 MedAccess Annual Report and Financial Statements.





# Endnotes

- 1 Assets/Equity. Assets, for the purpose of the leverage ratio, is not an accounting definition.
- 2 \$5.0 million of cash and cash equivalents and \$198.7 million of short-term investments.

## Photography credits

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## Acknowledgements

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Technical coordination and supervision  
**Rob Kelly, Michelle Teo & Vicky Johnson**

Writer/Editor  
**Alice Eyers-York**

Design and art direction  
**Chris Wells** ([chris@chris-wells.com](mailto:chris@chris-wells.com))

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25 Wilton Road  
London  
SW1V 1LW  
England

**T** +44 (0)20 3998 9350

**F** +44 (0)20 7963 4750

[info@medaccess.org](mailto:info@medaccess.org)

[www.medaccess.org](http://www.medaccess.org)

Registered in England no 11080032