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Executive Board Report
2019 was an impactful year, with the Foundation activating the results of the 2018 Antimicrobial Resistance Benchmark and 2018 Access to Medicine Index through technical briefings and multi-stakeholder workshops, and publishing a milestone 10-Year Analysis of action by pharmaceutical companies on access to medicine, using data from six consecutive Indices. The groundwork for the next iterations of the Index and Benchmark were laid through a wide-ranging methodology review and year of data-collection, verification and analysis respectively. Our work with investors intensified with the launch of a collaborative engagement on Sustainable Development Goal 3. The Foundation and its research programmes are independently funded through grants from four funders.

TOWARD THE 2020 AMR BENCHMARK
The first milestone in 2019 was publishing the methodology for the 2020 Antimicrobial Resistance (AMR) Benchmark, which was refined through a wide-ranging multi-stakeholder consensus-building process coordinated by the Foundation. As a result, the 2020 Benchmark tracks pharmaceutical company activity against AMR specifically in relation to antibacterial and antifungal medicines and vaccines, with a finer grained analysis in several key areas, including how AMR strategies relate to a product’s patent status. Strategic guidance was provided by the Benchmark’s Expert Committee (EC), chaired by Hans Hogerzeil, Professor Emeritus of Global Health from the University of Groningen. The EC is an independent body of experts from, among others, WHO, governments, non-governmental organisations (NGOs), patient organisations, the industry, academia and investors. Data-collection for the 2020 AMR Benchmark began in Q2, using publicly available information and data gathered directly from companies. To ensure data quality, a dedicated engagement channel for companies was kept open throughout the year, with regular touchpoints for clarifying data requests and the rationales that underpinned them. This started with training events about the methodology and
data-collection process, as well as in-person workshops in Amsterdam and Mumbai. For companies newly in scope in particular, these engagements built understanding of the actions society expects pharmaceutical companies to take to limit AMR, tailored to their R&D capacities, product portfolios and market presence.

Data verification and analysis continued throughout the year. Robust scoring and analysis algorithms were developed to ensure a fair and objective comparison of company behaviour, with a peer review of the results and analysis being carried out in Q4. In the last weeks of 2019, the Foundation briefed AMR- and government experts on the Benchmark results to inform priorities and policy making. The 2020 AMR Benchmark was launched in January 2020 at the Annual Meeting of the World Economic Forum in Davos.

ENGAGEMENT STREAMS
While developing the 2020 Benchmark, the Foundation continued to raise insights from the first Benchmark report in discussions with governments, pharmaceutical companies and international organisations. These included speaking engagements at the second Netherlands Ministerial Conference on AMR, at The Economist’s 2019 Antimicrobial Resistance Summit, during the UN General Assembly, and at the 2019 World Antimicrobial Resistance Congress. The common thread at these meetings was the failing market for new antibiotics, with the Benchmark findings moving the conversation onto access issues for existing medicines, as well as examples of good practice by pharma companies.

A proven route for the Foundation to stimulate change is to interact with industry executives and share our research and insights directly within companies. In 2019, the Foundation was invited by multiple pharma companies to lead dedicated workshops or speak at townhall events on access and AMR-related issues. This included a company-wide Global Health & Access event at Merck KGaA; a series of topic-specific workshops with Pfizer and Boehringer Ingelheim; and a townhall meeting with Roche’s Global Access department. The Executive Director has also held strategic in-person meetings with executive and board-level leaders for pharma companies evaluated in its research programmes. Such direct engagements send a strong signal across the company that addressing access or AMR is a priority for all departments/employees.

The Foundation also completed a series of 1-1 meetings with companies’ access teams to activate findings from the 2018 Access to Medicine Index. The starting point was the specific opportunities for improvement identified in each company’s Index Report Card. This has led to multiple companies using the Index research in 2019 to update their access approaches, for example to re-structure access planning in R&D and to work toward public disclosure of the registration status of specific products.
Within governments agencies and other organisations working in the access and AMR fields, we built awareness of our findings and metrics through a series of workshops and technical briefings, including on mental health and access to innovation. Foundation spokespeople also addressed experts at key meetings and conferences in 2019, including the Africa Pharma Conference, Politico Health Summit, the Prince Mahidol Award Conference, WHO Fair Pricing Forum South Africa, World Cancer Leaders’ Summit Kazakhstan, during the World Health Assembly, at the World Health Summit, and the World Vaccine Congress. Topics covered include addressing inequities in access to cancer care; Universal Health Coverage (UHC); specific access challenges for products for non-communicable diseases; the role of pharmaceutical companies in building regulatory institutions and other capacities in Africa; and best practices for improving access to quality and essential medicines.

**MILESTONE 10-YEAR ANALYSIS**

The Foundation carried out a milestone study in 2019 to assess where pharmaceutical companies have made progress in the past ten years when it comes to access to medicine. For this study, the Foundation crunched data gathered over 10 years of the Access to Medicine Index, from 20 large R&D-based pharmaceutical companies, covering 47 high-burden diseases and conditions, and 106 low- and middle-income countries, home to 73% of the global population. This 10-Year Analysis identified evidence of progress, most notably in R&D, and in how pharmaceutical companies approach access. However, company activity on global health concentrates on a few diseases and countries, with a few companies carrying the load. This concentration of activity was picked up by the New York Times, Financial Times, NRC and STATNews in their reporting of the new study in May. The Foundation is using the findings of the 10-Year Analysis in its ongoing engagements with companies and others to demonstrate what has been achieved over the past decade and to accelerate the scaling up of best practices to more products, countries and people.

The 10-Year Analysis showed how, although they face similar challenges, pharmaceutical companies develop different solutions for improving access. To stimulate the sharing of these solutions, the Foundation convened a workshop in Amsterdam with senior market access and global health leads from large R&D-based pharmaceutical companies and generics companies evaluated in the Foundation’s research programmes, as well as independent experts with global health and investor perspectives. As reported later under the Chatham House rule, the workshop identified common factors for developing robust affordability strategies and systematically integrating access planning into clinical development, as well as tactics for integrating access management into the structure of the business.
PREPARING THE INDEX FOR THE NEXT DECADE

In 2019, the Foundation prioritised the methodology review for the 2020 Access to Medicine Index, building consensus on the role of the pharmaceutical industry in improving access to medicine. For this latest Index cycle, we drew on the findings of the 10-Year Analysis and looked ahead to 2030 and the delivery of the Sustainable Development Goals (SDGs). This led to a refocusing of the Index framework: to track pharmaceutical companies against their core role in access to medicine for the coming decade. Access to safe, affordable and effective medicines is a central pillar for achieving universal health coverage by 2030, and a critical enabler of sustainable development.

As the backbone of the review, the Foundation’s research team held conversations and working sessions with more than 100 experts working to improve access to medicine, including representatives of pharmaceutical companies and industry organisations, the global health and investor communities, as well as low- and middle-income country governments and regulators. Strategic guidance was provided

ANALYTICAL FRAMEWORK FOR THE 2020 ACCESS TO MEDICINE INDEX

<table>
<thead>
<tr>
<th>3 TECHNICAL AREAS</th>
<th>14 PRIORITY TOPICS</th>
<th>Indicators per topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>A GOVERNANCE OF ACCESS 20%</td>
<td>Responsible business practices</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Governance and strategy</td>
<td>3</td>
</tr>
<tr>
<td>B RESEARCH &amp; DEVELOPMENT 25%</td>
<td>Access planning</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Product development</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Building R&amp;D capacity</td>
<td>1</td>
</tr>
<tr>
<td>C PRODUCT DELIVERY 55%</td>
<td>Equitable access strategies</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Intellectual property strategy</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Quality and supply</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Licensing quality</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Product donations</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Registration</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Inclusive business models</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Local manufacturing</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Health systems strengthening</td>
<td>1</td>
</tr>
</tbody>
</table>
by the Expert Review Committee (ERC). Chaired by Professor Emeritus Hans Hogerzeil, the ERC comprises experts from the World Health Organization (WHO), governments, NGOs, patient groups, industry associations, academia and investors.

In parallel, the Foundation performed its cyclic review of the tools and processes used to collect and analyse data for the Access to Medicine Index. This technical review drew on feedback gathered from companies evaluated during previous Index cycles. To improve data quality and efficiency, we built on systems put in place for the 2018 Index, while optimising and simplifying the data-collection flow. The methodological scopes, indicators and questionnaire were shared with companies in Q4 of 2019, in advance of the start of data collection in Q1 2020.

The new analytical framework for the Access to Medicine Index has a tighter structure, with 33 indicators grouped into three areas: Governance of Access, Research & Development and Product Deployment. In line with previous Index methodology reviews, the emphasis has increased on R&D and deployment strategies such as pricing. For the 2020 Index, the analytical criteria per indicator have been tailored to better compare like with like, for example to take account of a company’s market share per product and/or whether markets are being shaped by external incentives such as pooled procurement mechanisms. As a result, the 2020 Index will make more sensitive comparisons of the access approaches being used by pharma companies in different markets.

INVESTORS
The Foundation intensified its investor engagement activities in 2019, responding to investors’ interest by coordinating a collaborative engagement initiative on access to medicine and SDG 3. The collaborative engagement is enabling investors to align with each other as well as with Foundation research before engaging with companies. As a result, investors collectively encourage companies to act upon the opportunities highlighted in the 2018 Access to Medicine Index, and then track their progress accordingly. Since the launch of the collaborative engagement in Q4, ten collaborative engagement dialogues between investors and then directly with companies have taken place, with more planned for 2020.

The Foundation also focused on bringing its research to a wider group of large institutional investors, presenting in meetings with top shareholders of pharmaceutical companies, as well as at larger conferences, such as the Positive Investors Forum in Paris, the Canadian Responsible Investor Association (RIA) and at Responsible Investor (RI) New York, Tokyo and London.

In 2019, the Foundation increased the number of its signatory investors from 84 in 2018 to a new high of 102, collectively managing assets of more than USD 13 trillion. Most of the new signatories have started integrating the Foundation’s research
into their analysis and engagement. Their investments range from healthcare sector funds to impact investing funds.

**ORGANISATIONAL DEVELOPMENT**

In 2019, the Foundation maintained its structure and the number of employees across teams. At the end of 2019, the Foundation consists of 28 employees representing 17 nationalities. In operational management, the Foundation began transitioning from an output- to an outcome-based approach to project management, to manage progress toward strategic engagement and change-making goals more effectively. Plus, as part of the continuous process of policy updates, we updated our conflict of interest policy and our safeguarding policy to maintain and protect the integrity of the organisation.

**FINANCIALS**

The Foundation ended 2019 with a positive net result of EUR 87,783. The equity position of the Foundation at the end of the year is EUR 274,164 (positive equity). The Foundation’s income in 2019 was EUR 2.5 million. Total expenses were EUR 2.4 million. The most significant variances between actuals and budget are in the following categories.

**Income/deferred income:** Some activities planned for 2019 will take place in 2020, including the publication of the Access to Medicine Index Methodology report and engagement activities with companies and stakeholders. This means that income has been deferred to 2020.

**Salaries:** The budget included new positions to strengthen research, investor engagement, company engagement and communications capacities. Some vacancies have been filled later than originally budgeted, moving expenses from 2019 to 2020 (length of contracts).

**Travel expenses:** Trips related to company training and engagement activities for the Access to Medicine Index Methodology planned for 2019 will take place in 2020. Also, the Foundation keeps costs low by planning its trips as early as possible and using the travel budget conservatively.

**Consultants and similar expenses:** The Foundation limited the use of external consultants, for instance, in terms of strategic support and external research.

**Supplies and similar expenses:** The Foundation managed to get some software donations, resulting in lower expenses for this category.
CONTINUITY
During the year, the Foundation received grant instalments from the UK Department for International Development, the Bill & Melinda Gates Foundation, the Dutch Ministry of Foreign Affairs and the Dutch Ministry of Health, Welfare and Sport. In 2020, these funders will continue to support the Foundation. The Foundation is also pursuing additional funding streams to ensure that the level of funding in 2020 and beyond can meet the Foundation’s goals and mandate.

OUTLOOK
2020 marks the start of a new decade of change-making within the pharmaceutical industry on AMR and access. We will be working toward the 2020 Access to Medicine Index throughout the year, using the new analytical framework to tease apart the factors that work best across different markets and for different products. Our engagement streams will activate the findings of the 2020 AMR Benchmark, including the first indication of the rate of progress by companies. In a targeted study, we will evaluate company action against resistance in HIV/AIDS and malaria. The findings will inform our third cycle of consensus building on the role of pharma in AMR, as we review the methodology ready for the next AMR Benchmark. With the surge of investor interest in Environmental Social & Governance (ESG) issues, we will further strengthen investor awareness and action through our collaborative engagement on access to medicine and through the Investor Year of Action on AMR. We are ten years away from the 2030 deadline for delivering on the SDGs. Achieving them depends on having a diverse range of pharmaceutical companies taking sustained action at scale across all products and markets. We will apply this lens across all our mechanisms of influence in 2020.

Amsterdam, 20 March, 2020
Stichting Access to Medicine Foundation
The Executive Board

Jayasree K. Iyer
Executive Director
Financial Statements
## Balance Sheet as at December 31, 2019
(after appropriation of result)

<table>
<thead>
<tr>
<th></th>
<th>31 December 2019</th>
<th>31 December 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td>EUR</td>
<td>EUR</td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>19,072</td>
<td>28,594</td>
</tr>
<tr>
<td>Financial fixed assets</td>
<td>22,436</td>
<td>22,436</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables, prepayments and accrued income</td>
<td>80,404</td>
<td>70,990</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>1,236,864</td>
<td>1,713,537</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>1,358,776</td>
<td>1,835,557</td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General reserve</td>
<td>274,164</td>
<td>186,381</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payables</td>
<td>67,827</td>
<td>80,324</td>
</tr>
<tr>
<td>Taxes and social security contributions</td>
<td>54,564</td>
<td>53,587</td>
</tr>
<tr>
<td>Deferred income</td>
<td>650,000</td>
<td>1,260,495</td>
</tr>
<tr>
<td>Other debts and accruals</td>
<td>312,221</td>
<td>254,770</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>1,084,612</td>
<td>1,649,176</td>
</tr>
<tr>
<td><strong>Total Equity and Liabilities</strong></td>
<td>1,358,776</td>
<td>1,835,557</td>
</tr>
</tbody>
</table>
### Statement of Income and Expenses

for the year ended December 31, 2019

<table>
<thead>
<tr>
<th></th>
<th>Budget 2019</th>
<th>Results 2019</th>
<th>Results 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and subsidies</td>
<td>2,883,101</td>
<td>2,468,480</td>
<td>2,554,268</td>
</tr>
<tr>
<td>Financial income</td>
<td>-</td>
<td>115</td>
<td>140</td>
</tr>
<tr>
<td>Exchange difference</td>
<td>-</td>
<td>-8,642</td>
<td>4,844</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>2,883,101</td>
<td>2,459,953</td>
<td>2,559,252</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>1,713,009</td>
<td>1,533,579</td>
<td>1,496,490</td>
</tr>
<tr>
<td>Social security and pension contributions</td>
<td>269,640</td>
<td>287,520</td>
<td>273,223</td>
</tr>
<tr>
<td>Other personnel expenses</td>
<td>109,895</td>
<td>76,164</td>
<td>80,195</td>
</tr>
<tr>
<td>Depreciation of plant, property and equipment</td>
<td>23,310</td>
<td>13,538</td>
<td>17,909</td>
</tr>
<tr>
<td>Book loss disposals</td>
<td>-</td>
<td>676</td>
<td>300</td>
</tr>
<tr>
<td>Travel expenses</td>
<td>176,400</td>
<td>80,035</td>
<td>145,756</td>
</tr>
<tr>
<td>Financial expenses</td>
<td>1,260</td>
<td>1,060</td>
<td>1,232</td>
</tr>
<tr>
<td>Housing expenses</td>
<td>115,725</td>
<td>102,932</td>
<td>99,227</td>
</tr>
<tr>
<td>Consultants and similar expenses</td>
<td>305,744</td>
<td>217,241</td>
<td>286,844</td>
</tr>
<tr>
<td>Supplies and similar expenses</td>
<td>99,934</td>
<td>59,425</td>
<td>69,385</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>2,814,917</td>
<td>2,372,170</td>
<td>2,470,561</td>
</tr>
<tr>
<td><strong>Net result</strong></td>
<td>68,184</td>
<td>87,783</td>
<td>88,691</td>
</tr>
<tr>
<td><strong>Distribution of net result</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Addition to general reserve</td>
<td></td>
<td>87,783</td>
<td>88,691</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements

1. GENERAL INFORMATION

1.1 Activities
Stichting Access to Medicine Foundation (the ‘Foundation’), with a statutory seat in Haarlem, the Netherlands, is a foundation (‘stichting’) incorporated according to Dutch law. The Foundation’s registered office is Naritaweg 227-A, 1043 CB Amsterdam. The Foundation is registered with the Chamber of Commerce under number 34185938.

The Access to Medicine Foundation is primarily involved in the promotion of access to health care (in the widest sense) and, in particular, to encourage the pharmaceutical industry to accept a larger role regarding access to medicine in low- and middle-income countries. To achieve this, the Foundation develops and publishes the Access to Medicine Index, the Access to Vaccines Index and the Antimicrobial Resistance Benchmark.

The Foundation was established on February 5, 2003 and its first accounting period ended on December 31, 2003. Thereafter, the Foundation has reported its figures on a calendar-year basis (12 months). The current reporting period covers the period from January 1 to December 31, 2019.

1.2 Going concern
The equity of the Foundation amounts to EUR 274,164 as at December 31, 2019.

The budget for the next year is covered by grant agreements with the UK Department for International Development, the Dutch Ministry of Foreign Affairs, the Bill & Melinda Gates Foundation and the Dutch Ministry of Health, Welfare and Sport.

The continuity of the Foundation depends to a significant extent on the willingness of funding organisations to continue or renew these financing facilities. The accounting principles applied to the valuation of assets and liabilities and the determination of results in these financial statements are based on the assumption of continuity of the Foundation.

1.3 Estimates
In applying the principles and policies for drawing up the financial statements, the management of the Foundation sometimes needs to make estimates and judgments that may be essential to the amounts disclosed in the financial statements. To provide the transparency required under Book 2, article 362, paragraph 1 of the Dutch Civil Code, the nature of these estimates and judgments, including related assumptions, is disclosed where necessary in the notes to the relevant financial statement item.
2 ACCOUNTING POLICIES FOR THE BALANCE SHEET

2.1 General information
The financial statements have been prepared in accordance with the Guideline for Annual Reporting 640 ‘Non-profit Institutions’ of the Dutch Accounting Standards Board.

Assets and liabilities are generally valued at historical cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet, statement of income and expenses, references are made to the notes.

2.2 Prior-year comparison
The accounting policies have been consistently applied to all the years presented.

2.3 Foreign currencies

2.3.1 Functional currency
The financial statements are presented in Euros (€), which is the functional and presentation currency of the Foundation.

2.3.2 Transactions, assets and liabilities
Foreign currency transactions in the reporting period are translated into the functional currency using the exchange rates prevailing on the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing on the balance sheet date (31 December 2019: 0.8539 GBP = 1 EUR; 31 December 2018: 0.8969 GBP = 1 EUR). Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognised in the income statement.

Translation differences on non-monetary assets held at cost are recognised using the exchange rates prevailing on the dates of the transactions.

2.4 Property, plant and equipment
Property, plant and equipment are stated at historical cost plus expenditure that is directly attributable to the acquisition of the items, less straight-line depreciation over their estimated future useful lives. Allowance is made for any impairment losses expected on the balance sheet date.

2.5 Financial fixed assets
Financial fixed assets like deposits are valued at historical cost. Impairment losses are deducted from amortised cost and expensed in the income statement.

2.6 Receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.
2.7 **Cash and cash equivalents**
Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are valued at nominal value.

2.8 **Current liabilities and deferred income**
Liabilities are initially recognised at fair value, net of transaction costs incurred. Liabilities are subsequently stated at amortised cost, being the amount received taking into account any premium or discount, less transaction costs.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest in the income statement over the period of the borrowings using the effective interest method.

All donor payments received by the Access to Medicine Foundation for activities that have not been performed yet are presented as ‘deferred income’ under current liabilities.

### 3 ACCOUNTING POLICIES FOR THE INCOME STATEMENT

3.1 **General information**
The result is determined as the difference between total income and total expenses. Income and expenses are recognised in the income statement in the period that they are realised.

3.2 **Grants and subsidies**
Grants and subsidies are recognised as income when there is reasonable assurance that they will be received and that the Foundation will comply with the conditions associated with these contributions. Grants and subsidies that compensate the Foundation for expenses incurred are recognised as income on a systematic basis in the same periods in which the expenses are recognised.

3.3 **Financial income**
Interest income is recognised on a time-weighted basis, taking into account the effective interest rate of the assets concerned.

3.4 **Exchange differences**
Exchange differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they arise.

3.5 **Expenses**
Development costs for the Access to Medicine Index, the Access to Vaccines Index and the Antimicrobial Resistance Benchmark are recognised as expenses, since no future benefits are expected.

The Foundation is the owner of the intellectual property rights of the Access to Medicine Index, the Access to Vaccines Index and the Antimicrobial Resistance Benchmark. These rights are internally developed and on that basis not capitalised (in accordance with Dutch law).

3.6 **Employee benefits**
Salaries, wages and social security contributions are reported on the income statement based on the terms of employment, where they are due to employees.
3.7 Depreciation
Property, plant and equipment are depreciated over their estimated useful lives from the inception of their use. Future depreciation is adjusted if there is a change in estimated future useful life.

3.8 Financial expenses
Interest paid is recognised on a time-weighted basis, taking into account the effective interest rate of the liabilities concerned. When recognising interest paid, allowance is made for transaction costs on loans received as part of the calculation of effective interest.

3.9 Taxes
The Foundation is exempt from both income taxes and VAT. For services purchased outside of the EU yet consumed in the Netherlands, the reverse charge mechanism applies. The Foundation must then self-assess and pay VAT on these services.

4 MANAGEMENT REMUNERATION

During the reporting period, the Foundation paid EUR 155,853 as remuneration for the Executive Director (2018: EUR 157,986). Members of the Supervisory Board of the Foundation are not remunerated.

<table>
<thead>
<tr>
<th></th>
<th>Results 2019</th>
<th>Results 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR</td>
<td>EUR</td>
<td></td>
</tr>
<tr>
<td>Gross wage salary (including vacation allowance)</td>
<td>138,561</td>
<td>141,138</td>
</tr>
<tr>
<td>Social charges</td>
<td>10,917</td>
<td>10,661</td>
</tr>
<tr>
<td>Pension charges</td>
<td>6,375</td>
<td>6,187</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>155,853</strong></td>
<td><strong>157,986</strong></td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITOR’S REPORT

To: the Board of Stichting Access to Medicine Foundation

Our opinion
The summary of the audited financial statements 2019 of Stichting Access to Medicine Foundation based in Haarlem is derived from the audited financial statements 2019 of Stichting Access to Medicine Foundation.

In our opinion the accompanying summary of the audited financial statements are consistent, in all material respects, with the audited financial statements 2019, on the basis described in the notes and in accordance with the accounting policies and other explanatory information that are adopted in de audited financial statements of Stichting Access to Medicine Foundation for the year ended 31 December 2019. The summary financial statement are in accordance with the Guideline for annual reporting 640 “Not-for-profit organisations” of the Dutch Accounting Standards Board.

Summary of the audited financial statements
The accompanying summary financial statements do not contain all the disclosures required by the Guideline for annual reporting 640 "Not-for-profit organisations" of the Dutch Accounting Standards Board. Reading the summary of the audited financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements of Stichting Access to Medicine Foundation and our auditor’s report thereon. The summary of the audited financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our auditor’s report on those financial statements of 20 March, 2020.

Responsibilities of management and the supervisory board for the summary financial statements
Management is responsible for the preparation of the summary of the audited financial statements on the basis as described in the notes of the related explanatory notes.

The supervisory board is responsible for overseeing the company’s financial reporting process.

Our responsibilities
Our responsibility is to express an opinion on whether the summary of the audited financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which we conducted in accordance with Dutch law, including the Dutch Standard 810 ‘Opdrachten om te rapporteren betreffende samengevatte financiële overzichten’ (Engagements to report on summary financial statements).

Report on other legal and regulatory requirements
Pursuant to the Guideline for annual reporting 640 “Not-for-profit organisations” of the Dutch Accounting Standards Board, we report, to the extent of our competence, that the executive board report (as set out on pages 5 until 14) is consistent with the financial statements as required by the Guideline for annual reporting 640 “Not-for-profit organisations” of the Dutch Accounting Standards Board.

Heemstede, 20 March, 2020

JPA Van Noort Gassler & Co B.V.

Original signed by
R. van Dijck MSc RA
Chartered public accountant
Our organisation on 31 December 2019

SUPERVISORY BOARD

John Schaetzl
Chair of the Supervisory Board

Wilfred Griekspoor
Member of the Supervisory Board

Hans Hogerzeil
Member of the Supervisory Board

Joelle Tanguy
Member of the Supervisory Board

EXECUTIVE DIRECTOR

Jayasree K. Iyer
Executive Director

MANAGEMENT TEAM

Gabrielle Breugelmans
Director of Research

Damiano de Felice
Director of Strategy

Suzanne Wolf
Director of Communications

FOUNDATION

There are 29 people working at the Access to Medicine Foundation, dedicated to stimulating and guiding pharmaceutical companies to do more for people living in low- and middle-income countries without access to medicine. They work across diverse research, engagement, strategy, communications and support teams.
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