

**The Global Alliance  
for TB Drug Development, Inc.**

Financial Statements  
Year Ended December 31, 2021

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Financial Statements  
Year Ended December 31, 2021

# The Global Alliance for TB Drug Development, Inc.

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## Independent Auditor's Report

The Board of Directors  
The Global Alliance for TB Drug Development, Inc.  
New York, New York

### *Opinion*

We have audited the financial statements of The Global Alliance for TB Drug Development, Inc. (TB Alliance), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of TB Alliance as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of TB Alliance and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about TB Alliance's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from



error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of TB Alliance's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about TB Alliance's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **Report on Summarized Comparative Information**

We have previously audited TB Alliance's 2020 financial statements and our report, dated June 22, 2021, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it was derived.

BDO USA, LLP

June 24, 2022

# The Global Alliance for TB Drug Development, Inc.

## Statement of Financial Position (with comparative totals for 2020)

December 31,	2021	2020
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 2)	\$ 180,199,564	\$ 182,104,899
Contributions and grants receivable (Note 2)	5,013,233	3,902,048
Security deposits	59,698	59,698
Prepaid expenses and other assets	964,669	2,966,178
<b>Total Current Assets</b>	<b>186,237,164</b>	<b>189,032,823</b>
Restricted Cash (Note 2)	866,291	1,261,519
<b>Fixed Assets, Net (Notes 2 and 3)</b>	<b>457,341</b>	<b>861,319</b>
<b>Total Assets</b>	<b>\$ 187,560,796</b>	<b>\$ 191,155,661</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 9,644,841	\$ 12,587,131
Deferred revenue (Note 2)	12,159,240	13,887,313
<b>Total Current Liabilities</b>	<b>21,804,081</b>	<b>26,474,444</b>
Deferred Rent	116,142	223,291
<b>Total Liabilities</b>	<b>21,920,223</b>	<b>26,697,735</b>
<b>Commitments and Contingencies (Notes 5 and 6)</b>		
<b>Net Assets</b>		
Without donor restrictions (Note 2)	165,640,573	164,457,926
<b>Total Liabilities and Net Assets</b>	<b>\$ 187,560,796</b>	<b>\$ 191,155,661</b>

*See accompanying notes to financial statements.*

# The Global Alliance for TB Drug Development, Inc.

## Statement of Activities (with comparative totals for 2020)

<i>Year ended December 31,</i>	2021	2020
	Without Donor Restrictions	
<b>Public Support and Other Revenue</b>		
Contributions	\$ 56,258,642	\$ 58,730,657
Grants	1,924,644	1,516,681
Interest and dividend income	28,123	1,164,476
Miscellaneous income	406,821	67,573
<b>Total Public Support and Other Revenue</b>	<b>58,618,230</b>	<b>61,479,387</b>
<b>Expenses</b>		
Program services (Note 2):		
Research and development	46,811,248	51,422,726
Business development	505,926	498,136
Public affairs and policy	4,623,306	4,423,135
<b>Total Program Services</b>	<b>51,940,480</b>	<b>56,343,997</b>
Supporting services:		
Management and general	4,633,061	4,411,930
Fundraising	857,064	964,462
<b>Total Supporting Services</b>	<b>5,490,125</b>	<b>5,376,392</b>
<b>Total Expenses</b>	<b>57,430,605</b>	<b>61,720,389</b>
<b>Change in Net Assets, before foreign translation (loss) gain</b>	<b>1,187,625</b>	<b>(241,002)</b>
<b>Foreign Translation (Loss) Gain (Note 2)</b>	<b>(4,978)</b>	<b>11,138</b>
<b>Change in Net Assets</b>	<b>1,182,647</b>	<b>(229,864)</b>
<b>Net Assets Without Donor Restrictions, beginning of year</b>	<b>164,457,926</b>	<b>164,687,790</b>
<b>Net Assets Without Donor Restrictions, end of year</b>	<b>\$ 165,640,573</b>	<b>\$ 164,457,926</b>

*See accompanying notes to financial statements.*

The Global Alliance for TB Drug Development, Inc.

Statement of Functional Expenses  
(with comparative totals for 2020)

Year ended December 31,

	Program Services				Supporting Services			Total	
	Research and Development	Business Development	Public Affairs and Policy	Total	Management and General	Fundraising	Total	2021	2020
<b>Salaries and Related Expenses</b>									
Salaries, benefits, and taxes	\$ 10,371,096	\$ 377,939	\$ 1,658,918	\$ 12,407,953	\$ 2,706,357	\$ 704,927	\$ 3,411,284	\$ 15,819,237	\$ 14,748,509
<b>Total Salaries and Related Expenses</b>	<b>10,371,096</b>	<b>377,939</b>	<b>1,658,918</b>	<b>12,407,953</b>	<b>2,706,357</b>	<b>704,927</b>	<b>3,411,284</b>	<b>15,819,237</b>	<b>14,748,509</b>
<b>Other Expenses</b>									
Professional services and agreements	34,376,122	32,223	2,252,710	36,661,055	529,137	-	529,137	37,190,192	42,535,064
Meetings, travel, conferences, and services	49,857		21,017	70,874	55,053	850	55,903	126,777	238,624
Rent and utilities	703,678	18,680	140,388	862,746	208,079	61,673	269,752	1,132,498	1,123,710
Office operations	150,412	1,809	46,787	199,008	400,240	7,125	407,365	606,373	653,044
IT and telecommunications	515,309	9,423	91,485	616,217	493,696	31,975	525,671	1,141,888	1,193,853
Legal and government fees	393,287	59,418	6,075	458,780	68,886	-	68,886	527,666	607,415
Audit and finance	-	-	-	-	100,732	28,146	128,878	128,878	88,221
Grants	-	-	353,118	353,118	-	-	-	353,118	336,204
Depreciation and amortization	251,487	6,434	52,808	310,729	70,881	22,368	93,249	403,978	195,745
<b>Total Other Expenses</b>	<b>36,440,152</b>	<b>127,987</b>	<b>2,964,388</b>	<b>39,532,527</b>	<b>1,926,704</b>	<b>152,137</b>	<b>2,078,841</b>	<b>41,611,368</b>	<b>46,971,880</b>
<b>Total Expenses</b>	<b>\$ 46,811,248</b>	<b>\$ 505,926</b>	<b>\$ 4,623,306</b>	<b>\$ 51,940,480</b>	<b>\$ 4,633,061</b>	<b>\$ 857,064</b>	<b>\$ 5,490,125</b>	<b>\$ 57,430,605</b>	<b>\$ 61,720,389</b>

See accompanying notes to financial statements.



# The Global Alliance for TB Drug Development, Inc.

## Statement of Cash Flows (with comparative totals for 2020)

<i>Year ended December 31,</i>	<b>2021</b>	<b>2020</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 1,182,647	\$ (229,864)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	403,978	195,745
Decrease (increase) in:		
Contributions, grants, and other receivables	(1,111,185)	(1,302,963)
Prepaid expenses and other assets	2,001,509	490,028
Increase (decrease) in:		
Accounts payable and accrued liabilities	(2,942,290)	468,351
Deferred revenue	(1,728,073)	1,280,895
Deferred rent	(107,149)	217,398
<b>Net Cash (Used in) Provided by Operating Activities</b>	<b>(2,300,563)</b>	<b>1,119,590</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of fixed assets	-	(431,215)
<b>Net Cash Used in Investing Activities</b>	<b>-</b>	<b>(431,215)</b>
<b>Net Change in Cash, Cash Equivalents, and Restricted Cash</b>	<b>(2,300,563)</b>	<b>688,375</b>
<b>Cash, Cash Equivalents, and Restricted Cash, beginning of year</b>	<b>183,366,418</b>	<b>182,678,043</b>
<b>Cash, Cash Equivalents, and Restricted Cash, end of year</b>	<b>\$ 181,065,855</b>	<b>\$ 183,366,418</b>

*See accompanying notes to financial statements.*

# The Global Alliance for TB Drug Development, Inc.

## Notes to Financial Statements

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### 1. Organization

The Global Alliance for TB Drug Development, Inc. (TB Alliance) is a nonprofit organization incorporated on July 24, 2000, under the General Corporation Law of Delaware and authorized to conduct business in New York under the Not-for-Profit Corporation Law of New York. It operates as a not-for-profit, with offices in New York, New York and Pretoria, South Africa.

TB Alliance is a product development partnership committed to accelerating the discovery, development, and delivery of new tuberculosis drugs that will shorten treatment, be effective against susceptible and resistant strains, be compatible with antiretroviral therapies for those HIV-TB patients currently on such therapies, and improve treatment of latent infection.

Working with public and private partners worldwide, TB Alliance is leading the development of the most comprehensive portfolio of TB drug candidates in history. It is committed to ensuring that approved new regimens are affordable, adopted, and available to those who need them.

TB Alliance is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and from state and local taxes under comparable laws. In addition, TB Alliance has been determined by the Internal Revenue Service (IRS) not to be a “private foundation” within the meaning of Section 509(a) of the Code.

### 2. Summary of Significant Accounting Policies

#### *Basis of Accounting and Financial Statement Presentation*

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), as applicable to not-for-profit entities.

#### *Use of Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingencies at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

#### *Cash, Cash Equivalents, and Restricted Cash*

TB Alliance considers all highly liquid financial instruments purchased with original maturities of three months or less to be cash equivalents. Cash and cash equivalents at December 31, 2021 included \$866,291, which is restricted as collateral under the terms of its lease agreements for the national and regional offices.

#### *Contributions and Grants Receivable and Provision for Doubtful Accounts*

Contributions and grants receivable are recorded at their net realizable value, which approximates fair value. At December 31, 2021, management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

# The Global Alliance for TB Drug Development, Inc.

## Notes to Financial Statements

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### ***Fixed Assets***

Fixed assets are reported at their costs on the dates of acquisition, or at their fair values on the dates of donation, net of accumulated depreciation and amortization. Minor costs of repairs and maintenance are expensed as incurred. TB Alliance capitalizes assets that have a cost of \$5,000 or greater and that have a useful life greater than one year. Depreciation is provided using a straight-line method over the period of three to five years for computer equipment and furniture and equipment. Amortization of leasehold improvements is provided using a straight-line method over the estimated useful lives of the improvements or the remaining lives of the leases, whichever is shorter.

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. There were no triggering events during 2021 that would require management to test for impairment or require any adjustments to fixed assets. However, it is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

### ***Accrued Vacation***

Accrued vacation is a liability that represents TB Alliance's obligation for the cost of unused employee vacation time in the event an employee departs; the obligation is recalculated every year. At December 31, 2021, the accrued vacation obligation was \$614,754, and was reported as part of accounts payable and accrued expenses.

### ***Deferred Revenue***

TB Alliance receives funds in advance, which primarily consist of cash received on conditional grants that have not been expended at year-end and thus, have not met the revenue recognition criteria. The entire balance of deferred revenue is expected to be earned in 2022.

### ***Deferred Rent Obligation***

Rent expense is recognized using the straight-line method over the term of the lease. The difference between rent expense incurred and the rental amounts actually paid, which is attributable to scheduled rent increases and a rent abatement, is reported as a deferred rent obligation in the statement of financial position. At December 31, 2021, the deferred rent obligation was \$116,142.

### ***Net Asset Classification***

TB Alliance's net assets and its support, revenue, and expenses are based on the existence or absence of donor-imposed restrictions. The amounts are classified in either of the two classes of net assets defined below and displayed in the statement of financial position, and the amounts of change in each of those classes of net assets are displayed in the statement of activities.

These classes are defined as follows:

*Without Donor Restrictions* - This class consists of net assets that are not subject to donor-imposed stipulations and are, therefore, available for the general operations of TB Alliance. Expenses are reported as decreases in net assets without donor restrictions.

# The Global Alliance for TB Drug Development, Inc.

## Notes to Financial Statements

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*With Donor Restrictions* - This class consists of net assets with donor restrictions whose use is limited by donor-imposed time and/or purpose restrictions. TB Alliance reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires—that is, when a stipulated time restriction ends, or purpose restriction is accomplished—the net assets are reclassified as net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. As of December 31, 2021, TB Alliance had no net assets with donor restrictions.

### ***Contributions and Grants***

Contributions received are recorded as support with or without donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions with purpose or time restrictions are reported as increases in net assets with donor restrictions. When a donor restriction expires—that is, when a time restriction ends, or purpose restriction is fulfilled—these net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Restricted contributions received and utilized in the current year, are reflected in the statement of activities in the class of net assets without donor restrictions.

Grants from government agencies are recorded based on the terms of the grant agreement, which generally provide that revenue is earned when the allowable costs or units of service of specific grant provisions have been incurred or provided.

### ***Functional Allocation of Expenses***

The costs of providing the various programs and other activities have been summarized per program in the accompanying statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Program and supporting services expenses are allocated based on a calculation of the ratio of employee time spent on each functional program. Salary costs and indirect expenses, such as depreciation, rent, utilities, information technologies, telecommunications, and other general office expenses are also calculated using this time allocation method. The following is a description of TB Alliance's programs:

*Research and Development* - TB Alliance creates and manages a portfolio of new anti-tuberculosis drug candidates by identifying, evaluating, and acquiring promising molecules from scientific laboratories worldwide and, under the direction of in-house scientific leadership, leads their preclinical and clinical development with public and private partners. Further, TB Alliance develops novel regimens combining multiple drugs with the objective of introducing improved TB treatment regimens.

*Business Development* - TB Alliance negotiates, implements, and manages agreements with public and private organizations worldwide and does so by adhering to sound business practices while ensuring the public good. Specifically, TB Alliance negotiates terms that support the development and access of new affordable anti-TB drugs equitably to those areas most in need while encouraging the private sector to help develop new medicines for TB indications.

*Public Affairs and Policy* - TB Alliance manages critical alliances with public and private organizations to raise awareness about tuberculosis and advocate for public and private involvement in research for new anti-TB medicines. It develops landmark studies to support policy developments seeking to accelerate anti-TB drug research and mobilizes networks of researchers and investigators worldwide to focus on the development of these medicines.

# The Global Alliance for TB Drug Development, Inc.

## Notes to Financial Statements

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### *Income Taxes*

TB Alliance is subject to the provisions of the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) Topic 740, *Income Taxes*, as it relates to accounting and reporting for uncertainty in income taxes. TB Alliance does not believe it has taken any material uncertain tax positions and due to its general not-for-profit status, management believes ASC Topic 740 has not had, and is not anticipated to have, a material impact on TB Alliance's financial statements.

### *Concentration of Credit Risk*

Financial instruments that potentially subject TB Alliance to concentration of credit risk consist primarily of cash and cash equivalents. TB Alliance maintains its cash and cash equivalents with creditworthy, high-quality financial institutions. At various times during the year, TB Alliance had cash deposits at financial institutions that exceeded the Federal Deposit Insurance Corporation insurance limit. TB Alliance has not experienced any losses in such accounts, and management does not believe TB Alliance is exposed to any significant credit risk on cash and cash equivalents.

### *Comparative Financial Information*

The financial statements include certain prior-year summarized comparative information. Accordingly, such information should be read in conjunction with the prior-year financial statements from which the summarized information was derived. With respect to the statement of functional expenses, the prior-year expenses by expense classification are presented in total rather than by functional category. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP.

### *Reclassifications*

Certain prior-year balances have been reclassified to be consistent with the current-year financial statement presentation.

### *Foreign Currency Translation*

All elements of the financial statements reflecting TB Alliance's operations in South Africa are translated into U.S. dollars using the applicable exchange rate. For assets and liabilities, this is the rate in effect at the statement of financial position date, except for fixed assets, which are measured at the historical rate. For revenue and expense items, translation is performed monthly using the average rate for the month. Foreign currency is translated in accordance with the provisions of ASC 830, *Foreign Currency Matters*. Under the provisions of ASC 830, the local currency used in TB Alliance's foreign operations is considered to be the functional currency of these operations.

# The Global Alliance for TB Drug Development, Inc.

## Notes to Financial Statements

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Translation of the financial statements of these operations resulted in a translation gain as follows:

*December 31, 2021*

<b>Cumulative Translation Gain Adjustment</b> , beginning of year	\$	54,864
Translation adjustment		(4,978)
<b>Cumulative Translation Gain Adjustment</b> , end of year	\$	49,886

The cumulative translation gain is included in net assets without donor restrictions.

### ***Accounting Pronouncements Issued but Not Yet Adopted***

#### *Accounting for Leases*

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, as amended, which supersedes the current leasing guidance and upon adoption, will require lessees to recognize right-of-use assets and lease liabilities on the balance sheets for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard is effective for TB Alliance for the annual period beginning after December 15, 2021. Upon the adoption of the guidance, operating leases are capitalized on the balance sheets at the present value of lease payments. The balance sheet amount recorded for existing leases at the date of adoption of ASU 2016-02 will be calculated using the applicable incremental borrowing rate at the date of adoption. The impact on TB Alliance's financial statements is currently being evaluated. Information about TB Alliance's current operating lease is provided in Note 4 and Note 8 contains information on a lease signed after December 31, 2021.

#### *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. The update requires not-for-profits to present contributed nonfinancial assets as a separate line item on the statement of activities, and to disclose information regarding each type of contributed nonfinancial assets. The update is effective for financial statements issued for fiscal years beginning after June 15, 2021. Management is currently evaluating the impact of this ASU on its financial statements.

# The Global Alliance for TB Drug Development, Inc.

## Notes to Financial Statements

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### 3. Fixed Assets, Net

A summary of fixed assets follows:

*December 31, 2021*

Computer equipment	\$	673,089
Furniture and equipment		458,251
Leasehold improvements		3,689,314
<b>Total Fixed Assets</b>		<b>4,820,654</b>
Less: accumulated depreciation and amortization		4,363,313
<b>Fixed Assets, Net</b>	<b>\$</b>	<b>457,341</b>

Depreciation expense for the year ended December 31, 2021 was \$403,978. During 2021, TB Alliance wrote off \$14,478 of fully depreciated computer equipment and furniture and equipment that were no longer in use.

### 4. Lease Commitments

TB Alliance has operating lease agreements for office space in New York, New York and Pretoria, South Africa. On September 27, 2019, TB Alliance signed the second amendment to its New York office lease for an additional three years and one month, commencing on January 1, 2020, and ending on January 31, 2023.

The following is a schedule of future minimum rental payments under those lease agreements as of December 31, 2021:

*Year ending December 31,*

2022	\$	1,181,388
2023		97,771

Rent expense for the year ended December 31, 2021, amounted to \$1,076,367 and is included in rent and utilities in the statement of functional expenses. See Note 8 for information on a lease signed after December 31, 2021, which is not included in the chart above.

### 5. Employee Benefit Plan

TB Alliance offers a 401(k) plan to all employees meeting certain qualifications. Under the terms of the plan, employees are allowed to contribute either as a pre-tax deferral or a Roth elective deferral subject to annual limitations imposed by the Code. TB Alliance matches 50% of the first 3% of pay contributed through the employee's salary deferral. Discretionary and qualified non-elective contributions are also made to the 401(k) plan. Employee benefit plan expense was \$1,112,254 for the year ended December 31, 2021.

# The Global Alliance for TB Drug Development, Inc.

## Notes to Financial Statements

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### 6. Liquidity and Availability of Resources

TB Alliance's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

*Year ended December 31, 2021*

<b>Total Current Assets</b>	<b>\$ 186,237,164</b>
Less:	
Amounts unavailable for general expenditures within one year, due to:	
Prepaid expenses and other assets	964,669
Security deposits	59,698
<b>Total Financial Assets Available to Management for General Expenditure Within One Year</b>	<b>\$ 185,212,797</b>

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### *Liquidity Management*

As part of TB Alliance's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, TB Alliance invests cash in excess of daily requirements in short-term, liquid investments to help manage unanticipated liquidity needs.

### 7. Risks and Uncertainties: COVID

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (the COVID-19 outbreak) and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full impact that the pandemic will have on TB Alliance's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce.

### 8. Subsequent Events

TB Alliance's management has performed subsequent events procedures through June 24, 2022, which is the date the financial statements were available to be issued. TB Alliance is not aware of any other subsequent events that would require recognition or disclosure in the financial statements except as noted below.

In April 2022, TB Alliance signed the second amendment to its Pretoria, South Africa office lease for an additional three years and one month, commencing on May 1, 2022, and ending on April 30, 2025.

In May 2022, TB Alliance signed a 15-year lease agreement, commencing not before November 1, 2022, for new office space in New York, New York, containing provisions for future rent increases and rent-free periods.