BOARD OF DIRECTORS’ REPORT AND ANNUAL ACCOUNTS

2019
Mission
CEPI’s mission is to accelerate the development of vaccines against emerging infectious diseases and enable equitable access to these vaccines for affected populations during outbreaks.

CEPI is filling a critical gap in the vaccine ecosystem
CEPI is a global coalition of public, private, philanthropic and civil society organisations and we work in partnership.
Planning for Emerging Infectious Diseases (EIDs) is challenging: the R&D is complex and lengthy, market potential is often limited, and testing such vaccines is complicated when outbreaks are sporadic. There are already many actors in the vaccine ecosystem, but there are critical gaps, which CEPI aims to fill:

• First, by moving vaccine candidates through late preclinical studies to proof of concept and safety in humans before epidemics begin and by establishing investigational stockpiles ready for use in an outbreak, so that effectiveness trials can begin swiftly – ‘just in case’ for better preparedness.
• Second, by funding the development of new platform technologies for the rapid development of vaccines against new and unknown pathogens, ensuring a faster response.
• Third, by funding, coordinating, and/or advocating for activities to improve our collective response to epidemics – involving stockpiling and procurement, clarification of regulatory pathways, and the development of biological standards, assays and animal models.

CEPI will benefit both the populations most at risk of EIDs, which tend to be concentrated in low and middle-income countries, as well as populations in high-income countries, which can never be wholly isolated from epidemics if these fail to be contained at source.

Background
After the Ebola outbreak in Africa in 2014–15, a consensus began to emerge around the urgent need for the world to find a new approach to vaccine development to tackle epidemics of Emerging Infectious Diseases (EIDs). Discussions began and included leading representatives from governments, foundations, industry and civil society. A coalition for proactive R&D was proposed during the annual meeting of the World Economic Forum in Davos in January 2016.

During the initiation phase CEPI consisted of a stakeholder group and a project management group that set up expert task teams that recommended CEPI to focus its investments on vaccine development from the late preclinical stage to proof of concept and to make use of rapid response platforms where possible.

CEPI was officially launched at the World Economic Forum in Davos in January 2017, with funding commitments of USD 540 million.

Following its official launch of CEPI, a permanent Secretariat was established in January 2018 and CEPI was established as a Norwegian non-profit association, headquartered in Oslo. CEPI has expanded its geographical presence by establishing itself as a legal entity with offices in London, UK and in Washington DC, USA.
Governance

CEPI’s organisational structure includes governance, management, coordination, and advisory functions. The set-up has been established to ensure that organisational, political and scientific elements are addressed and that participation of Investors and relevant partners in governing bodies is ensured. CEPI’s Articles of Association includes the following organisational structures:

- Two permanent institutional bodies: the CEPI Board and the CEPI Secretariat.
- Two other organisational structures to fulfil advisory and coordination functions: the CEPI Scientific Advisory Committee (SAC) and the CEPI Joint Coordination Group (JCG).
- Investors Council: to allow for investor engagement in CEPI’s governance.
- The CEPI Board has established four Board Committees to address specific issues
  - Executive and Investment committee (EIC)
  - Compensation and Nomination committee (CNC)
  - Audit and Risk committee (ARC)
  - Equitable Access committee (EAC)

The SAC is a critical body for providing scientific expertise on CEPI’s vaccine development portfolio, and to the Board.

The Joint Coordination Group (JCG) brings together key organisations (EMA, FDA, GAVI, UNICEF, MSF, IFRC, AVAREF, Wellcome, NIBSC, WHO) and focuses on identifying and addressing challenges and barriers across the vaccine development life cycle that could slow the development of CEPI’s portfolio of vaccines, as well as vaccine development more broadly.

An Investors Council has been established to enable full investor engagement in CEPI’s governance without inflating the size of the Board.

Strong support from investors

The support from investors is growing, and more than USD 750 million of the USD 1 billion target identified in CEPI’s Business Plan has been raised.

For the period 2017 – 2022 CEPI’s Investors have committed:

- Government of Japan – USD 125 million
- Federal Government of Germany – EUR 90 million
- Government of Norway – NOK 1,600 million
- Bill and Melinda Gates Foundation (BMGF) – USD 100 million
- Wellcome Trust – USD 100,4 million
- Government of Australia – AUD 6,5 million
- Government of Belgium EUR 0,5 million
- Government of Canada – CAD 14 million
- Government of UK – GBP 30 million
- European Commission (EC) - EUR 80 million
- Government of Ethiopia – USD 0,3 million

The EC’s European and Developing Countries Clinical Trial Partnership (EDCTP) has made an aligned investment of EUR 30 million to support Lassa fever vaccine late-stage clinical trials. The Government of India has made an aligned investment of approximately USD 50 million to establish its IndCEPI program in India. Several investors (EC, Wellcome, Government of UK and Vulcan) have committed USD 20,4 million toward CEPI’s efforts to funding vaccine development for the Ebola virus.

The financial commitments received since 2017 have enabled CEPI to launch four Call for Proposals (CfPs). However, additional funding will be required to progress CEPI’s portfolio through the vaccine development process and increase the likelihood of success given the historically high rates of attrition and high costs associated with vaccine research and development. CEPI is therefore actively pursuing new avenues to strengthen partnerships and expand its funding base through resource mobilisation.
Expansion and management of the portfolio

Since its establishment three years ago at the World Economic Forum in Davos, CEPI has pursued a number of critical activities, including program development and fundraising, establishing appropriate financial and project management architecture, formalising its governance and building strategic partnerships. In 2019, the importance and relevance of CEPI’s mission is as clear as ever as seen in outbreaks of all of CEPI’s priority pathogens: Ebola, Nipah, MERS, Lassa, Rift, Chikungunya; as well as many other diseases. In addition the Global Preparedness Monitoring Board report re-asserted the importance of our work, highlighting a “very real threat” of a rapidly moving, highly lethal pandemic of a respiratory disease wiping out nearly 5% of the world’s economy and killing up to 80 million people. The recent emergence of COVID-19 exemplifies that such threats are unfortunately all too real.

In terms of portfolio management, five calls for proposals have been issued to respond to diseases in the list of priority threats in WHO’s R&D Blueprint for Action to Prevent Epidemics, based on criteria including the risk of an outbreak occurring, transmissibility of the pathogen, burden of disease and feasibility of vaccine development:

- The first call supports candidate vaccines against Middle East Respiratory Syndrome coronavirus (MERS-CoV), Nipah virus, and Lassa virus.
- The second call will advance rapid response vaccine platforms against unknown pathogens, known as ‘Disease X’.
- The third call is supporting vaccines against Rift Valley fever and Chikungunya viruses.
- The fourth call for proposals was launched in October 2019, for the development of innovative platform technologies that can be used to develop vaccines and other immunoprophylactic to rapidly respond to future outbreaks of emerging infectious diseases and “Disease X”. This call was to build on and strengthen the first call for rapid response platforms.
- The fifth call for proposals was issued on February 3, 2020 in response to the COVID-19 epidemic and is focused on the development of vaccines against this disease, with an emphasis on speed, scale, and access.

The calls have resulted in applications from a wide range of biotech firms, academic institutions, non-profit organisations, and pharmaceutical companies. As of February 1, 2020, CEPI has signed over 20 partnership agreements to establish a portfolio of vaccines, technology platforms and enabling science programmes, representing financial commitments over MUSD 456, exclusive of the recent commitments to support COVID-19 vaccine development. This includes 19 vaccine candidates against its priority pathogens (six against Lassa virus, five against MERS-CoV, four against Nipah virus, two against Chikungunya, two against Rift Valley fever) and three vaccine platforms to develop vaccines against Disease X. To assess the effectiveness of these platforms, 7 additional vaccine candidates are being developed (two against influenza, one against Marburg virus, two against Rabies virus, one against Respiratory Syncytial Virus, and one against yellow fever).

CEPI has also made progress on cross-cutting enabling science activities and has responded on the ground to the Ebola virus in the Democratic Republic of Congo (DRC). Achievements in respect of enabling science include:

- Building a consortium with strong country leadership in five Lassa effected countries and preparing for an epidemiology study to inform future clinical trial design, endpoints and clinical site selection.
- Launching a Lassa diagnostic program evaluating and supporting better diagnostic capacity in affected countries.
- Supporting serum collection in affected countries and developing biologic standards and assays to harmonize immune response measurements across vaccine candidates.
- Developing and harmonizing animal models to support quality and integrity of data for regulatory authorities.
In addition, CEPI hosted two scientific conferences bringing global experts together on the Lassa virus and on the Nipah viruses. 2019 also saw the first annual review of CEPI’s portfolio.

With regard to Ebola, CEPI is part of a global consortium supporting the Government in DRC to introduce a second investigational Ebola vaccine as part of ongoing efforts to contain the outbreak in the eastern part of the country through a large scale clinical trial. The introduction of this second vaccine was recommended by the WHO Strategic Advisory Group of Experts on Immunization. The trial uses the Janssen Ebola vaccine and has enrolled over 10,000 participants. CEPI is also supporting a trial of the Janssen vaccine in healthcare and frontline workers in Uganda, as well as two trials in the IMI EBOVAC3 consortium in DRC, and Sierra Leone and Guinea in healthcare workers and infants, respectively. CEPI is in the process of reviewing a proposal to fund a clinical trial to evaluate the effectiveness of the Janssen vaccine regimen in pregnant women in Rwanda.

In carrying out its facilitating efforts within and beyond our financing mission, CEPI continues to work closely with a number of partners, particularly the World Health Organization (WHO) under its R&D Blueprint to align the activities of CEPI and WHO in promoting vaccine development and coordinating rapid response work. As of the end of December 2019, CEPI was considering the most appropriate response to the novel coronavirus outbreak in December in Wuhan, China. Based on the epidemiologic progression of the outbreak in early 2020, it is anticipated that responding to this outbreak in the context of CEPI’s mission and in collaboration with WHO will form a core activity in 2020.

The year ahead

The launch of CEPI was met with an enormous amount of appreciation and enthusiasm in 2017 and CEPI has worked hard to leverage the considerable global goodwill into operational progress to support the CEPI mission in the past three years. In addition to actively managing the vaccine development portfolio in 2020 CEPI will reach the mid term of the first programming period and as such will use the opportunity to assess the design, implementation and interim results of CEPI operations since establishment. The review is an opportunity to adjust the direction for the remaining programming period, identity key lessons, and develop recommendations to support the business plan from 2022. In addition to developing a case for investment in CEPI from 2022, 2020 will offer time for a ‘pivot’ to look to replenish for the longer term.

Institutionally CEPI will continue to build capacity within the Management – keeping the core team lean and agile with thoughtful deployment of consultants when needed. Having defined our strategic objectives and updated our business plan, CEPI in 2020 has established its organisational priorities around four core themes: using innovation to advance vaccine development; improving the ecosystem for vaccine development against epidemic diseases; strengthening the organisation to deliver on our goals; and developing the investment case for the next stage of programming (CEPI 2.0). CEPI has also begun to build a more robust organisation, including putting stronger financial controls and risk management in place and increasing the number of staff and diversity of CEPI’s staff to enable us to deliver our mission and an expanded portfolio.

As its name indicates, CEPI is a coalition of partners and in addition to its important role as a funder of vaccine development, CEPI has a critical role to play in promoting the organisation and coordination of activities of its constituent members. Coalition management will be as important to CEPI’s ultimate success as the internal processes of project and programme management. Finally, CEPI will use its convening power to bring actors in the fields of vaccines together to promote the development of epidemic vaccines even where CEPI is not a direct funder.

Risks

CEPI places great emphasis on risk management as risks are inherent to the global development and health sector. As it is not possible to avoid all risks, it is necessary to be aware of the risks we are exposed to and try to mitigate them to an acceptable level. Policies and standard operating procedures are also
seen as an integral part of giving legal and operational assurances of CEPI and its subsidiaries taking the appropriate measures to managing risks and achieving outcomes.

Effective risk management will protect CEPI assets and people and enable performance of both CEPI and its awardees in compliance with applicable laws and regulations. Misconduct, anti-corruption and transparency will also be given focus in risk assessments and reporting. CEPI has adopted pre-investment processes to assess financial, integrity, legal and technical risks of potential partners and projects. To further strengthen the risk management and internal controls in the organisation, an internal audit function has been established. The work of the internal audit function is particularly focusing on CEPI’s grant recipients and partners.

One major risk for CEPI is that the attrition rate could be higher than anticipated for the vaccines CEPI is supporting. Vaccine development is inherently risky and failure of vaccine candidates due to technical, safety or other reasons cannot be wholly avoided but the risks that lead to such failure can be managed. Since a proportion of CEPI-financed candidates will fail, it must invest in enough projects to increase the likelihood of positive outcomes at the end of the 5-year period. This entails that CEPI must i) have the necessary funds available to start the desired number of projects and ii) that CEPI invests in the most promising candidates.

Potential shortfalls in funding presents a serious risk for CEPI. In the absence of the desired funding base, it is however unlikely that CEPI will be able to achieve fully the strategic objectives as set out in the Business Plan. CEPI has therefore made considerable investments in developing a Resource Mobilisation strategy that is closely aligned with its communications and advocacy efforts.

The speed CEPI is moving at, the heavy workload of continuing building the organisation, and staffing shortages, create risks which CEPI has developed mitigation steps against. Making permanent appointments has been prioritised, the resourcing plan has regularly been reviewed to align with the increased activity; and professional consultants have been appointed to fill short-term needs but also to be accessible for unpredictable surge requirements. As CEPI’s operation has reached a certain complexity and size, a project was launched to implement business process systems and IT tools to support a number of key activities across CEPI, including resource mobilisation, partner selection, awardee project management, portfolio management and human resource management. The project will further support CEPI to meet compliance requirements and desired IT security standards.

If CEPI’s partners are not sufficiently aligned and coordinated, there is a risk of an uncoordinated response to any outbreak, competing and misaligned demands on local resources, and action being too slow. CEPI is therefore moving to ensure that its partners are connected, and the Investor Council and Joint Coordination Group is set up to deal with cross-cutting vaccine development issues and ensure alignment with major stakeholders. In addition, CEPI is in the process of outlining the need for emergency reserve to respond in the event of a crisis.

Given CEPI’s complex inflows from multiple investors, there is a risk of insufficient operational liquidity. To deal with this, operational cash reserves of 8–10 months have been developed, and other cash reserve facilities are being explored.

**Financials**

The Annual Accounts describe the accounting period 01.01.2019 – 31.12.2019. The accounts reflect a continued growth where CEPI has added additional staff throughout the year and has increased investments to contracted awardees.

Revenue is recognised in accordance with the Norwegian Accounting Act and the Provisional Norwegian Accounting Standard on Good accounting principles for Non-profit organisations, described in the Annual Accounts, note 1 Accounting Principles. For 2019, total revenue was USD 127,187 thousand compared to USD 65,027 thousand for 2018, while remaining funds received are recorded on the balance sheet as prepaid incoming grants/short term receivable incoming grants.
CEPI’s total expenditure in 2019 was USD 96,602 thousand, of which USD 85,922 was recorded as R&D costs. Of the total R&D costs, USD 72,210 thousand was recorded as R&D project costs and USD 13,712 thousand as R&D project support costs. R&D prepayments to awardees that were not spent in 2019 are reflected in the balance sheet and amount to net USD 48,050 thousand.

Resource mobilisation costs relate to CEPI’s efforts to increase ongoing, and secure new funding commitments. In 2019 these efforts add up to USD 1,030 thousand. Administrative expenses, including shared costs and management costs, amount to USD 9,651 thousand in 2019. This represents 10% of total expenditure, a decrease of 57% compared to 2018, and shows that CEPI has managed to keep administrative costs low, while significantly increasing its portfolio.

The net result of CEPI is USD 30,436 thousand in 2019, compared to USD 28,536 thousand in 2018.

In 2019, Norwegian Institute of Public Health (NIPH) has contributed USD 0,63 million as pro-bono services to CEPI, consisting of office space and electricity. In the UK, Wellcome Trust has provided similar services, however, the amounts have not been possible to quantify.

**Management of Financial Risk**

CEPI currently receives its donations predominately in USD, NOK and EUR, and will make the grants to awardees in USD. CEPI has entered into a Trustee agreement with the World Bank where the majority of committed funds to CEPI are channelled through. Available funds are invested in the World Bank or with selected commercial banks, with the main investment goal being capital protection. To cover operational costs, CEPI is keeping cash in the donated currency for natural hedging purposes. In 2019 CEPI established hedging facilities with its current commercial bank and hence is in a position to enter into forward contracts as means of minimising currency risk caused by a mismatch between funding received and grant currencies.

**Organisation and Work Environment**

The short-term sickness absence in CEPI was 0,43% in 2019 and there was no long-term sickness absence.

The organisation had 63 employees in 2019, and CEPI’s activities were otherwise supported by consultants and employees hosted by NIPH or on direct consultancy contracts.

CEPI has budgeted for 82 employees in 2020.

In the Board’s opinion, the CEPI work environment is good. The work environment presents no special problems other than those of a globally dispersed workforce and the challenge of coordinating complicated work streams across multiple offices. The leadership team holds regular meetings with all employees with emphasis on CEPI’s values and team work. There have been no reported injuries or accidents.

**Equal Opportunities**

CEPI’s Global HR policy and recruitment procedures highlights CEPI’s commitment to promoting diversity and foster inclusion. When recruiting, CEPI carefully details skills, experience, qualifications and attributes essential for the role to make sure job profile and advertisements do not discriminate against candidates, either directly or indirectly. Deliberate and continuous efforts have been made and has contributed to develop CEPI’s staff into an international group of employees represented by 19 different nationalities.

Employees in CEPI are given equal opportunities and there are no structural differences in salaries of men and women in the same positions with equal qualifications.

Current composition of CEPI staff:
• At the end of 2019, the CEPI organisation had 59 permanent and fixed-term employees
• The gender balance among staff: 49% female and 51% male
• The gender balance in the CEPI Leadership Team: 43% female and 57% male
• The 59 employees are from 19 different countries; 17% of the employees are from Low and Middle Income Countries (LMICs). Of the employees in scientific roles, 28% are from LMICs.

Impact on the external environment
CEPI does not have any activities that are polluting the external environment, but has an ecological footprint through its travel activities. CEPI is constantly analysing its travel pattern in order to reduce the environmental footprint, and has decided to buy climate quotas to offset its carbon footprint.

Members
The members of the CEPI Association are CEPI’s Investors and Board Members.

Profit distribution
The net result of USD 30,436 thousand will be transferred to restricted funds for investments and operating costs.

Going Concern
The Board considers the outlook for CEPI as good and confirm that the financial statement is prepared based on the assumption of CEPI as a going concern.
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Vice-Chair of the CEPI Board  

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Board member  

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Board member  

John Nkengasong  
Board member  

Joachim Klein  
Board member  

Peter Piot  
Board member  

Jeremy Farrar  
Board member  

Rajeev Venkayya  
Board member  

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Board member  

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CEO and Secretary to the Board
Oslo, 18 March 2020

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Johannes Nchegasong
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Detar Nello
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Raseu Vakayya
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Charlotte Watts
Board member
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<td>Total disposal of net result</td>
<td>30 436</td>
<td>28 536</td>
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### CEPI Group

#### Balance Sheet

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<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Long-term assets</strong></td>
<td></td>
<td>Notes</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>54</td>
<td>30</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>95</td>
<td>13</td>
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<tr>
<td><strong>Total long-term assets</strong></td>
<td><strong>149</strong></td>
<td><strong>30</strong></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
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<td></td>
</tr>
<tr>
<td>Project receivables</td>
<td>49 814</td>
<td>16 496</td>
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<tr>
<td>Other receivables</td>
<td>295</td>
<td>14</td>
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<tr>
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<td><strong>16 510</strong></td>
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<tr>
<td>Prepaid expenses and accrued income</td>
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<td>160</td>
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<tr>
<td>Bank deposits and cash</td>
<td>230 136</td>
<td>140 033</td>
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<td><strong>Total current assets</strong></td>
<td><strong>280 244</strong></td>
<td><strong>156 704</strong></td>
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<tr>
<td><strong>Total assets</strong></td>
<td><strong>280 393</strong></td>
<td><strong>156 733</strong></td>
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### CEPI Norway

<table>
<thead>
<tr>
<th></th>
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<th>2018</th>
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<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
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<tr>
<td><strong>Intangible assets</strong></td>
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<td><strong>Total long-term assets</strong></td>
<td><strong>125</strong></td>
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<tr>
<td><strong>Current assets</strong></td>
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<tr>
<td><strong>Total assets</strong></td>
<td><strong>278 702</strong></td>
<td><strong>155 812</strong></td>
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### Balance Sheet

#### CEPI Group

<table>
<thead>
<tr>
<th></th>
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<tbody>
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<td>Tax and public duties payable</td>
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<td>53 553</td>
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<tr>
<td>Prepaid incoming other contributions</td>
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<td>Other current liabilities</td>
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<tr>
<td><strong>Total liabilities</strong></td>
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<td><strong>105 649</strong></td>
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<tr>
<td><strong>Total Restricted funds and Liabilities</strong></td>
<td><strong>280 393</strong></td>
<td><strong>156 733</strong></td>
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### CEPI Norway

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<tr>
<td>Tax and public duties payable</td>
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<tr>
<td>Prepaid incoming public contributions</td>
<td>142 915</td>
<td>53 553</td>
</tr>
<tr>
<td>Prepaid incoming other contributions</td>
<td>50 610</td>
<td>49 957</td>
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<tr>
<td>Other current liabilities</td>
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<tr>
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<td><strong>104 969</strong></td>
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<tr>
<td><strong>Total Restricted funds and Liabilities</strong></td>
<td><strong>278 702</strong></td>
<td><strong>155 812</strong></td>
</tr>
</tbody>
</table>
Oslo, 18 March 2020

Cherry Kang
Vice-Chair of the CEPI Board

David Reddy
Board member

Ichiro Kurane
Board member

Joachim Klein
Board member

John Nkengasong
Board member

Peter Plot
Board member

Rajeev Venkayya
Board member

Jeremy Farrar
Board member

Nadine Gbossa
Board member

Charlotte Watts
Board member

Patricia J. Garcia
Board member

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CEO and Secretary to the Board
Oslo, 18 March 2020

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Vice-Chair of the CEP Board

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Chinh Khor
Board member

Joachim Klein
Board member

John Nwangasong
Board member

Peter Plot
Board member

Ralph Venkaya
Board member

Jeremy Fenton
Board member

Nadene Gbassa
Board member

Charlotte Watts
Board member

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CEP NA Secretary to the Board
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CEPI/99/03
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Piafer Phot
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Sjoerd Klein
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Julian Ng
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Oslo, 18 March 2020

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Ichiro Kurane
Board member

Peter Plot
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Rajesh V. Venkayya
Board member

Rajeev Venkayya
Board member

Jeremy Farrar
Board member

Nadine Gbossa
Board member

Charlotte Watts
Board member

Richard Hatchett
CEO and Secretary to the Board

CEPI/B9/05
## Cash Flow Analysis

### CEPI Group

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
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<tbody>
<tr>
<td>Cash flow generated by operations</td>
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</tr>
<tr>
<td>Net result</td>
<td>30 436</td>
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<tr>
<td>Prior years result</td>
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<td>-</td>
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<tr>
<td>Company income tax paid</td>
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<tr>
<td>Gain/(Loss) on sale of fixed assets</td>
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<tr>
<td>Depreciation of fixed assets</td>
<td>16</td>
<td>10</td>
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<tr>
<td>Change in prepaid incoming contributions</td>
<td>90 015</td>
<td>51 668</td>
</tr>
<tr>
<td>Change in project receivables</td>
<td>-33 317</td>
<td>-16 496</td>
</tr>
<tr>
<td>Change in project liabilities</td>
<td>1 763</td>
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<tr>
<td>Increase(-)/Decrease(+) in short-term receivables</td>
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<td>-120</td>
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<td>Increase (+)/Decrease(-) in long-term liabilities</td>
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<tr>
<td>Increase (+)/Decrease(-) in long-term liabilities</td>
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<td>-3 473</td>
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<td>Total</td>
<td>90 238</td>
<td>60 125</td>
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### CEPI Norway

<table>
<thead>
<tr>
<th></th>
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<th>2018</th>
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<tbody>
<tr>
<td>Net result</td>
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<tr>
<td>Change in prepaid incoming contributions</td>
<td>90 015</td>
<td>51 668</td>
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<tr>
<td>Change in project receivables</td>
<td>-33 317</td>
<td>-16 496</td>
</tr>
<tr>
<td>Change in project liabilities</td>
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<td>-</td>
</tr>
<tr>
<td>Increase(-)/Decrease(+) in short-term receivables</td>
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<td>-501</td>
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<tr>
<td>Increase (+)/Decrease(-) in long-term liabilities</td>
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<td>-</td>
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<tr>
<td>Increase (+)/Decrease(-) in long-term liabilities</td>
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<td>-4 153</td>
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<td>Total</td>
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### Net cash flow - assets

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<th>2018</th>
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<tbody>
<tr>
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<td>Total</td>
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<td>-30</td>
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<thead>
<tr>
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<th>2018</th>
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<tr>
<td>Net changes in cash flow during the year</td>
<td>90 102</td>
<td>60 095</td>
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<tr>
<td>Cash, bank deposits as of 01.01</td>
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<td>79 939</td>
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<td>Total</td>
<td>230 136</td>
<td>140 033</td>
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<thead>
<tr>
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<th>2018</th>
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<tbody>
<tr>
<td>Aquisitions of long-term assets</td>
<td>-123</td>
<td>-9</td>
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<tr>
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<tr>
<td>Net changes in cash flow during the year</td>
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<tr>
<td>Cash, bank deposits as of 31.12</td>
<td>227 115</td>
<td>138 747</td>
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</table>
Summary of notes

Note 1 Accounting principles
Note 2 Specification of expenditure
Note 3 Net Financial income
Note 4 Shared costs
Note 5 FTE's, management and auditor compensation
Note 6 Long-term assets
Note 7 Bank deposits and Cash
Note 8 Contributions from CEPI's investors
Note 9 Restricted funds
Note 10 Pension
Note 11 Project receivables
Note 1. Accounting principles

CEPI is registered as an association (“Forening”) and a non-profit organisation in the Norwegian public register. The financial statements are presented as activity based accounts in line with the Norwegian Accounting Act and generally accepted accounting principles for Non-profit Organisations (as of November 2018). As an association, CEPI is not registered in the VAT register and is not entitled to deduction of input VAT. The association is tax-exempted.

Consolidation policies

The group's consolidated financial statements comprise of CEPI (referred to as CEPI Norway), CEPI UK and CEPI US. CEPI UK is a private company limited by guarantee without share capital. CEPI UK has been formed as a company under the Companies Act of 2006; CEPI Norway is the only member of the company. CEPI US is a registered non-profit corporation that supports social welfare in accordance with section 501 (c)(4) of the Internal Revenue Code of 1986.

The consolidated financial statements have been prepared as if the group was a single economic entity. Transactions and balances between the group companies have been eliminated. The consolidated financial statements have been prepared according to consistent principles, with the subsidiaries (CEPI UK and CEPI US) adhering to the same accounting principles as CEPI Norway.

CEPI Norway covers expenses for CEPI UK and CEPI US. As CEPI UK is subject to company income tax, the transfer pricing principles applies, and CEPI UK add a markup of 5% while invoicing CEPI Norway.

Revenue and cost recognition principles

CEPI has a pool of funds for all contributions. For the financial accounts, revenue will be recognised in accordance with Norwegian accounting standards. The contributions can be split into three main categories:
1) Contributions with a specific condition on the time frame for the contribution to be spent, will be recognised as revenue on a monthly basis over the time period of the contribution
2) Contributions where there is a clause in the contract of return of unused funds, will be booked as prepaid incoming contributions to the balance sheet, and recognised as revenue in line with expenditures
3) Contributions with no clause on return of unused funds, will be recognised as revenue upon receipt

For all contributions, only the funds that are received in the fiscal year will be recorded. The total value of the contract will not be recorded due to restrictions in the contracts such as annual parliamentary approval.

Expenditure is recognised as costs when the goods and services are delivered, and the activity is performed. Funds expended are split into three main categories; resource mobilisation costs, investment costs and administration costs. Any pro bono services that are measurable and quantifiable will be recorded in the annual accounts both as income and as expenditure, thus offset each other.

Classification of balance sheet items

Current assets and short term liabilities consist of receivables and payables due within one year. Other balance sheet items are classified as intangible and fixed assets, bank deposits and cash, and restricted funds. Intangible and fixed assets are valued at acquisition cost, deducted by depreciation and impairment losses.

Fixed assets
Intangible and fixed assets are capitalized and depreciated linearly over the estimated useful life. Costs for maintenance are expensed as incurred.

Accounts receivables and other receivables
As CEPI do not has customers in the traditional sense, there are no accounts receivables. Other Receivables are included in the balance sheet at face value, less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables.

Foreign exchange
CEPI's functional currency is USD, reflecting that all direct investments are expected to be in USD. Transactions in foreign currency are booked at the rate applicable on the transaction date. Monetary items in a foreign currency are converted to USD using the exchange rate applicable on the balance sheet date.

Cash Flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.
## Note 2 Specification of expenditure

### CEPI Group

<table>
<thead>
<tr>
<th></th>
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<th>2018</th>
<th>Expenditure by type</th>
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<tr>
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<td>72 210</td>
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<td></td>
<td>8 038</td>
<td>6 496</td>
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<td></td>
<td><strong>97 152</strong></td>
<td><strong>36 633</strong></td>
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### CEPI Norway

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>Expenditure by activity</th>
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<td>8 444</td>
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<td></td>
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<td><strong>36 490</strong></td>
<td>Total expenditure</td>
<td><strong>97 152</strong></td>
<td><strong>36 633</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Funds expended are divided into three activities

Resources mobilisation costs are linked to investor relations and the negotiations of agreements with the various investors.

The core activity of CEPI is to finance and coordinate the development of new vaccines to prevent and contain infectious disease epidemics. The costs related to fulfill this objective are defined as R&D project costs. The R&D project costs are split in two; R&D project costs and R&D project support costs. In 2019 R&D project costs consist of contractual costs related to investments in Priority pathogens, Platform technologies and Standards & Assays and Clinical trial studies under Enabling Science. Enabling science related R&D project costs also covers sponsorships, workshop and other non-contractual project costs. R&D project support costs are related to secretariat preparatory work, such as the processes related to the call for proposals, technical follow-up of awardees, portfolio management, contract management and technical, financial and legal due diligence of awardees.

In line with the Provisional Norwegian Accounting Standard on Good Accounting Principles for Non-profit Organizations, administration costs refer to those activities carried out in order to run the organisation. These expenses include costs incurred for board meetings, audit and accounting fees, legal and financial advice, policy and strategy, and salaries for senior management. All shared costs, such as IT, office expenses, finance and HR staff, are also included in the Administration costs (see Note 3 Shared costs).

The costs CEPI NO covers for CEPI UK and CEPI US are shown under Intercompany service deliveries in the "Expenditure by type" overview.
Note 3 Net Financial income

<table>
<thead>
<tr>
<th></th>
<th>CEPI Group</th>
<th>CEPI Norway</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td>Net financial income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income/cost</td>
<td>-3 765</td>
<td>-1 990</td>
</tr>
<tr>
<td>Agio/Disagio</td>
<td>-2 035</td>
<td>-1 773</td>
</tr>
<tr>
<td>Management fee World Bank</td>
<td>215</td>
<td>227</td>
</tr>
<tr>
<td>Total Net financial income</td>
<td>-5 585</td>
<td>-3 535</td>
</tr>
</tbody>
</table>

Note 4 Shared costs

Shared costs are costs that cannot be directly linked to an activity. The shared costs include IT, office facilities, finance, operations and HR support. All shared costs are included under Administration costs in the activity accounts.

<table>
<thead>
<tr>
<th></th>
<th>CEPI Group</th>
<th>CEPI Norway</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All figures in USD '000</td>
<td></td>
</tr>
<tr>
<td>IT</td>
<td>975</td>
<td>906</td>
</tr>
<tr>
<td>Office facilities</td>
<td>1 014</td>
<td>840</td>
</tr>
<tr>
<td>Finance &amp; Operations</td>
<td>1 347</td>
<td>1 309</td>
</tr>
<tr>
<td>HR</td>
<td>852</td>
<td>487</td>
</tr>
<tr>
<td>Total shared costs</td>
<td>4 187</td>
<td>3 542</td>
</tr>
</tbody>
</table>
Note 5 FTE's, management and auditor compensation

In 2019 CEPI has increased its number of employees in the UK and Norway. The table below provides an overview of the average number of Full Time Equivalents (FTEs).

<table>
<thead>
<tr>
<th></th>
<th>CEPI Group</th>
<th>CEPI Norway</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td>Number of FTEs - permanent employees</td>
<td>50</td>
<td>30</td>
</tr>
<tr>
<td>Number of FTEs - temporary employees</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>33</td>
</tr>
</tbody>
</table>

All figures in USD ’000

<table>
<thead>
<tr>
<th>Management compensation</th>
<th>CEO</th>
<th>Board of Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td>Salaries</td>
<td>384</td>
<td>402</td>
</tr>
<tr>
<td>Pension contribution</td>
<td>29</td>
<td>30</td>
</tr>
<tr>
<td>Other compensation</td>
<td>210</td>
<td>294</td>
</tr>
<tr>
<td>Total Management compensation</td>
<td>623</td>
<td>727</td>
</tr>
</tbody>
</table>

CEO compensation
Other compensation includes school fees, medical insurance and gross-up for associated taxes. The gross-up of 2017 taxes was accounted for in 2018.

Auditor's compensation
In 2019 CEPI Group expensed USD 51K including VAT for statutory audit and USD 23K including VAT for other services.
## Note 6 Long-term assets

All figures in USD '000

<table>
<thead>
<tr>
<th></th>
<th>CEPI Group</th>
<th>CEPI Norway</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixtures and fittings - Opening balance</td>
<td>17</td>
<td>-</td>
</tr>
<tr>
<td>Office machines - Opening balance</td>
<td>23</td>
<td>20</td>
</tr>
<tr>
<td>Intangible assets - Opening balance</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Acquisition cost at 01.01.2019</strong></td>
<td>41</td>
<td>20</td>
</tr>
<tr>
<td>Fixtures and fittings</td>
<td>41</td>
<td>28</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>95</td>
<td>95</td>
</tr>
<tr>
<td><strong>Additions during the year</strong></td>
<td><strong>135</strong></td>
<td><strong>123</strong></td>
</tr>
<tr>
<td>Disposals during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Acquisition cost at 31.12.2019</strong></td>
<td><strong>176</strong></td>
<td><strong>143</strong></td>
</tr>
<tr>
<td>Fixtures and fittings - Opening balance accumulated depreciation</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation of fixtures and fittings in 2019</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Office machines - Opening balance accumulated depreciation</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Depreciation of office machines in 2019</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td><strong>Accumulated depreciations at 31.12.2019</strong></td>
<td><strong>27</strong></td>
<td><strong>18</strong></td>
</tr>
<tr>
<td><strong>Net book value 31.12.2019</strong></td>
<td><strong>149</strong></td>
<td><strong>125</strong></td>
</tr>
</tbody>
</table>

Intangible and fixed assets will be depreciated according to the estimated useful life of the assets.

Intangible asset acquired in 2019 is currently under construction, and is related to development of an IT system for internal use. Depreciation will start when the system is implemented, which is expected to be during second half of 2020.

## Note 7 Bank deposits and Cash

All figures in USD '000

<table>
<thead>
<tr>
<th></th>
<th>CEPI Group</th>
<th>CEPI Norway</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td>Employee withholding tax</td>
<td>176</td>
<td>170</td>
</tr>
<tr>
<td>Deposits in the World Bank</td>
<td>168 687</td>
<td>120 193</td>
</tr>
<tr>
<td>Deposits in commercial banks</td>
<td>61 272</td>
<td>19 671</td>
</tr>
<tr>
<td><strong>Total bank deposit and cash</strong></td>
<td><strong>230 136</strong></td>
<td><strong>140 033</strong></td>
</tr>
<tr>
<td><strong>Total liquid assets</strong></td>
<td><strong>230 136</strong></td>
<td><strong>140 033</strong></td>
</tr>
</tbody>
</table>

The World Bank is the fundholder of CEPI funds through the Financial Intermediary Fund (FIF). The FIF will hold funds for as long as deemed necessary by CEPI, and disburse funds to the commercial bank accounts upon request by the CEPI Secretariat.

In 2019, CEPI's funds in the World Bank was mainly in USD. However, less significant fund balances in NOK, GBP ans EUR as well. The Norwegian Bank, DNB, serves as CEPI's operational bank.
Note 8 Contributions from CEPI's investors

Contributions received from investors in the period 01.01.2019- 31.12.2019

<table>
<thead>
<tr>
<th>From</th>
<th>Curr</th>
<th>Curr amount</th>
<th>Curr #</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government of Germany</td>
<td>EUR</td>
<td>35 000</td>
<td>USD</td>
<td>39 271</td>
</tr>
<tr>
<td>Government of Japan</td>
<td>USD</td>
<td>25 000</td>
<td>USD</td>
<td>25 000</td>
</tr>
<tr>
<td>Government of Australia</td>
<td>AUD</td>
<td>1 000</td>
<td>USD</td>
<td>690</td>
</tr>
<tr>
<td>UK Department of Health and Social Security</td>
<td>GBP</td>
<td>10 000</td>
<td>USD</td>
<td>12 993</td>
</tr>
<tr>
<td>Government of Norway</td>
<td>NOK</td>
<td>150 000</td>
<td>USD</td>
<td>16 338</td>
</tr>
<tr>
<td>Government of Norway</td>
<td>USD</td>
<td>65 375</td>
<td>USD</td>
<td>65 375</td>
</tr>
<tr>
<td>Government of Canada</td>
<td>CAD</td>
<td>10 000</td>
<td>USD</td>
<td>7 505</td>
</tr>
<tr>
<td>Bill and Melinda Gates Foundation</td>
<td>USD</td>
<td>20 000</td>
<td>USD</td>
<td>20 000</td>
</tr>
<tr>
<td>European Commission</td>
<td>EUR</td>
<td>19 800</td>
<td>USD</td>
<td>22 093</td>
</tr>
<tr>
<td>The Paul G. Allen Family foundation (Vulcan)</td>
<td>USD</td>
<td>2 500</td>
<td>USD</td>
<td>2 500</td>
</tr>
<tr>
<td>Wellcome Trust</td>
<td>USD</td>
<td>136</td>
<td>USD</td>
<td>136</td>
</tr>
<tr>
<td><strong>Total contributions</strong></td>
<td></td>
<td></td>
<td></td>
<td>1 211 903</td>
</tr>
</tbody>
</table>

Opening balance of incoming contributions per 01.01.2019
USD 2 103 511

Prepaid incoming public contributions as per 31.12.2019
USD 3 142 915

Prepaid incoming other contributions as per 31.12.2019
USD 4 50 610

Agio/ Disagio from prepaid incoming contributions
USD 5 920

Revenue from public and other investors (1+2-3-4-5)
6 120 967

Other income

<table>
<thead>
<tr>
<th>From</th>
<th>Curr</th>
<th>Curr amount</th>
<th>Curr #</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norwegian Institute of Public Health</td>
<td>NOK</td>
<td>3 841</td>
<td>USD</td>
<td>635</td>
</tr>
<tr>
<td><strong>Total other income</strong></td>
<td></td>
<td></td>
<td></td>
<td>635</td>
</tr>
</tbody>
</table>

**Total revenue from operation (6+7)**
121 602

The first table gives an overview of contributions received from CEPI's investors during 2019. Revenue has been recognised in line with Norwegian accounting standards and the principles outlined in Note 1.

CEPI was approved as a GAVI non-country specific program by the GAVI Alliance board in November 2018. This paved the way for CEPI to utilise the International Finance Facility for Immunization (IFFIm) to frontload a MNOK 600 financial pledge from the Government of Norway from the years 2022-2025 through a NOK bond issuance. IFFIm issued the bonds in a transaction arranged by the World Bank. The USD contribution from the Government of Norway of kUSD 65 375, equals the net proceeds this transaction.

Other income includes probono services provided by the Norwegian Institute of Public Health (NIPH) for office space at an estimated value of kUSD 635.

In the UK, Wellcome Trust has provided meeting rooms, cafeteria access, etc. The value of these services has not been possible to quantify.
Note 9 Restricted funds

All figures in USD '000

<table>
<thead>
<tr>
<th></th>
<th>CEPI Group</th>
<th>CEPI Norway</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted operating funds 31.12.2018</td>
<td>51 085</td>
<td>50 843</td>
</tr>
<tr>
<td>Currency adjustment of &quot;Prior year result&quot;</td>
<td>-6</td>
<td>-</td>
</tr>
<tr>
<td>Total disposal of net result</td>
<td>30 436</td>
<td>30 051</td>
</tr>
<tr>
<td>Restricted operating funds 31.12.2019</td>
<td>81 515</td>
<td>80 894</td>
</tr>
</tbody>
</table>

Funds will be spent on vaccine development in accordance with the investor agreements.

Note 10 Pension

CEPI offers a Defined Contribution pension scheme to its employees in both CEPI Norway, CEPI UK and CEPI US. None of the pension schemes have a premium.

The CEO receives a 4% cash allowance as pension contribution.

Note 11 Project receivables

CEPI provides 6 months advance payments to all awardees.

During 2019 CEPI has had R&D project disbursements of kUSD 103 764 of which kUSD 72 210 has been expensed, kUSD 33 317 are capitalised as project receivables and kUSD (1 763) are project payables.

All figures in USD '000

<table>
<thead>
<tr>
<th></th>
<th>CEPI Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D project disbursement</td>
<td>1</td>
</tr>
<tr>
<td>R&amp;D project receivables</td>
<td>2</td>
</tr>
<tr>
<td>R&amp;D project liabilities</td>
<td>3</td>
</tr>
<tr>
<td>R&amp;D project expense (1-2+3)</td>
<td>72 211</td>
</tr>
</tbody>
</table>

2019 2018

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D project disbursement</td>
<td>103 765</td>
<td>34 658</td>
</tr>
<tr>
<td>R&amp;D project receivables</td>
<td>33 317</td>
<td>16 496</td>
</tr>
<tr>
<td>R&amp;D project liabilities</td>
<td>1 763</td>
<td>0</td>
</tr>
<tr>
<td>R&amp;D project expense (1-2+3)</td>
<td>72 211</td>
<td>18 162</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITOR’S REPORT

To the Members Meeting of Coalition for Epidemic Preparedness Innovations

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Coalition for Epidemic Preparedness Innovations, which comprise the financial statements for the parent organization and the Group. The financial statements for the parent organization and the Group comprise the balance sheets as at 31 December 2019, the activity accounts and statements of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Organization and the Group as at 31 December 2019 and their financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). 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 independent of the Organization and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Organization’s annual report other than the financial statements and our auditor’s report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the
going concern basis of accounting, unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

**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 a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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;
- 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 the Organization’s internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Organization to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on other legal and regulatory requirements**

**Opinion on the Board of Directors’ report**

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors’ report concerning the financial statements, the going concern assumption and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.
Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Organization's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 25 March 2020
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Tommy Romskaug
State Authorised Public Accountant (Norway)
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Serienummer: 9578-S992-4-2914925  
IP: 95.34.xxx.xxx  
2020-03-25 20:13:46Z

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