

CEPI

**BOARD OF DIRECTORS' REPORT AND
ANNUAL ACCOUNTS**

2020

BOARD OF DIRECTORS' REPORT 2020

COALITION FOR EPIDEMIC PREPAREDNESS INNOVATIONS – CEPI

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.

Background

CEPI was officially launched at the World Economic Forum in Davos in January 2017. Following its launch, 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. In 2020, a Representation Office was established in Shanghai, China.

CEPI is filling a critical gap in the vaccine ecosystem

CEPI is a global coalition of public, private, philanthropic and civil society organisations with whom we work in partnership. Development of vaccines 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 manufacturing capacity is available, stockpiling and procurement, clarification of regulatory pathways, and the development of biological standards, assays and animal models.

CEPI focuses on areas where commercial market forces will not suffice to ensure equitable access to vaccines against emerging infectious diseases (EIDs). CEPI's activities will benefit all populations at risk of EIDs, but in particular those in low and middle-income countries.

COVID-19 Pandemic

In response to the outbreak of the COVID-19 pandemic, CEPI moved quickly in collaboration with its partners building the largest COVID-19 vaccine portfolio to date. Built on the principles of speed, scale, and access, CEPI has to date invested up to USD 1.2 billion in 11 vaccine candidates. Nine of these (Clover, CureVac, Inovio, Moderna, Novavax, SK Bioscience, University of Oxford/AstraZeneca, University of Hong Kong and Biological E) are in active development, and the vaccines from Moderna and University of Oxford/AstraZeneca have received emergency use authorisation in some countries around the world and are now available as part of national vaccination campaigns.

CEPI's goal in 2020 was to complete the development of three safe and effective vaccines which can be made available to countries participating in COVAX, the global collaboration between CEPI, Gavi, the Vaccine Alliance, and the World Health Organization (WHO). COVAX's goal is to develop, manufacture and enable equitable access to 2 billion doses of COVID-19 vaccine by the end of 2021 to end the acute phase of the pandemic.

The global initiative is on track to deliver its goal, with 191 participating economies set to access doses to protect their vulnerable populations in the first half of 2021. First deliveries are anticipated to begin in the first quarter of 2021 – contingent upon regulatory approvals and countries' readiness for delivery.

As part of this work, CEPI has also made strategic investments in vaccine manufacturing capacity, established a centralized laboratory network to harmonize data on COVID-19 vaccines in clinical trials, and is also investing in a number of 'next generation' vaccine candidates, which will give the world additional options to control COVID-19 in the future.

Governance

CEPI's Articles of Association includes the following organisational structures:

- Two permanent institutional bodies: the CEPI Board and the CEPI Secretariat.
- Two structures to fulfil advisory and coordination functions: the CEPI Scientific Advisory Committee (SAC) and the CEPI Joint Coordination Group (JCG).
- An 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)
 - Nominations, Compensation, Diversity and Inclusion Committee (NCDIC)
 - Audit and Risk Committee (ARC)
 - Equitable Access Committee (EAC)

The SAC provides scientific expertise regarding CEPI's vaccine development portfolio.

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.

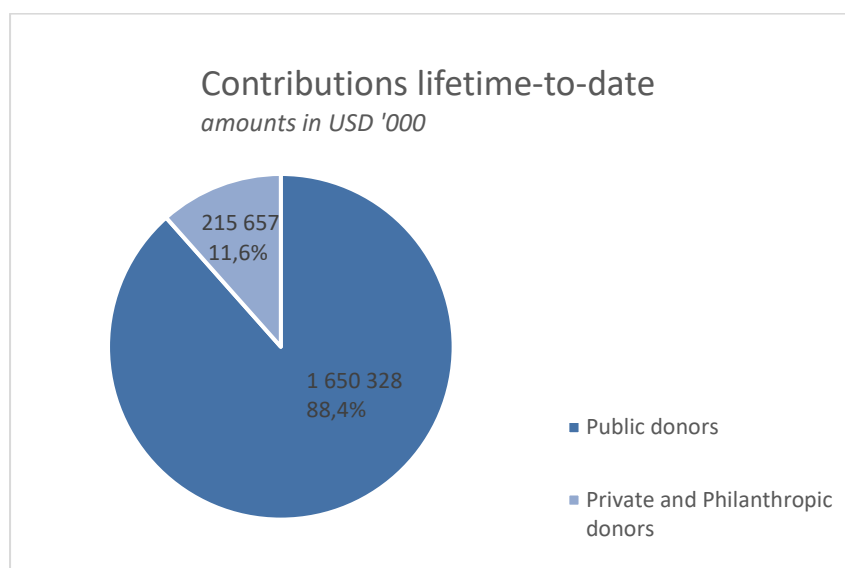
Governance of the COVID-19 portfolio is secured through collaboration with WHO and Gavi, the Vaccine Alliance, through the COVAX. COVAX's Technical Review Group (TRG) CEPI performs extensive technical review of specific vaccine development projects and recommends on their selection and progression to the COVAX Research & Development & Manufacturing Investment Committee ("RDMIC").

RDMIC provides portfolio strategy and investment decision recommendations to rapidly identify, develop and manufacture COVID-19 vaccines. RDMIC is as an expert advisory group and makes investment recommendations which the CEPI Board reviews/endorses.

Strong support from investors

The support from investors is growing significantly, and more than USD 2,200 million have been raised since launch, of which USD 334 million have not yet been received. This includes a significant portion earmarked to COVID-19.

For the period 2017 – 2020 CEPI has received in total USD 1,866 million, of which USD 1,459 million was received in 2020 (details in appendix I).



Expansion and management of the portfolio

Since its establishment 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, there were outbreaks of all of CEPI's priority pathogens: Ebola, Nipah, MERS, Lassa, Rift, Chikungunya; as well as many other diseases. In 2020, the vast majority of CEPI's portfolio activities have focused on identifying, selecting and accelerating vaccine development candidates and related work in responding to the global Covid-19 pandemic. This included the publication of thirteen requests for engagement via calls for proposals or expressions of interest:

- Complementary clinical trials: Expanding access to COVID-19 vaccines and rapid response to clinical development gaps
- Expression of Interest: Vaccine Drug Products in alternative primary packaging and delivery devices
- Vaccine platform technologies for rapid response against SARS-CoV-2
- COVID-19: COVAX Civil Society & Community Representation
- COVID-19 vaccines: Sterility testing during dispensing from multidose Drug Product bag
- Achieving an unprecedented acceleration of vaccine development and global manufacturing capacity to prevent COVID-19
- COVID-19: Accelerating vaccine development and global manufacturing capacity to stop the pandemic
- ACT Accelerator COVAX Pillar - Independent Product Group
- Proven vaccine technologies, applicable for large scale manufacturing, for rapid response against novel coronavirus, 2019-nCoV
- Expression of Interest: Sponsor and CRO for clinical trials with COVID-19 candidate vaccines
- Centralized laboratory for measurement of immune responses elicited by SARS-CoV-2 vaccine candidates
- Extension of Original Scope: Centralized laboratory for measurement of immune responses elicited by SARS-CoV-2 vaccine candidates (Phase III and beyond)

Portfolio composition

CEPI's current R&D portfolio consists of 20 vaccine candidates for original priority pathogens (also called "core" portfolio; including 2 MERS and Lassa pilot pathogen candidates from rapid response platform projects), nine vaccine candidates for COVID-19 and three generic rapid response platforms (figure 1), along with a range of cross-cutting enabling science activities that support vaccine development, and funding clinical trial activities for vaccines against Ebola. A total of 18 vaccine candidates in CEPI's vaccine candidate portfolio are now in clinical trials.

Notable portfolio developments related to CEPI's vaccine candidate portfolio in 2020 include:

- In addition to investments in its original priority pathogens, CEPI has invested in a diverse and advanced Covid-19 vaccine candidate portfolio, among which 8 have progressed to clinical development, including 5 in pivotal trials and 2 having received Emergency Use Authorization. In order to rapidly develop Covid-19 vaccines, CEPI enabled 6 core vaccine and platform awardees to redirect efforts to Covid-19 vaccine projects.
- Based upon successful Stage Gate Reviews, 5 priority pathogen vaccine candidates progressed to the next stage of clinical development. A total of 11 priority pathogen vaccine candidates are now in clinical trials.
- Progress in late stage development of CEPI's Chikungunya portfolio: Valneva initiated a pivotal Phase III study in the US (self-funded) and finalised a partnership agreement to enable technology transfer to Butantan (signed in January 2021); CEPI signed a new partnership agreement with IVI-Bharat for a third vaccine candidate for Chikungunya.
- Continued commitment to finishing the job on developing vaccines against Ebola as part of the response to the 2019 outbreak in the DRC, with the licensure of a second Ebola vaccine (Janssen) as an important achievement. Additionally, progress within the cross-cutting Enabling Sciences portfolio including the initiation of the multi-country Lassa epidemiology study.








Portfolio investment

To date, CEPI has entered partnership agreements with total investment requirements of up to \$725M to support its "core" (non-COVID-19) R&D portfolio - excluding contingency funding. Most of these investments are longer term, multi-phase investments, not all of which are expected to be committed, as these will be contingent on key milestones that candidates will have to meet as they transition between phases of development. Accounting for expected phase-to-phase attrition, CEPI is expected to spend \$577M to achieve strategic portfolio objectives for vaccine development against priority pathogens,

rapid response platforms against “Disease X” (the next unknown pathogen with outbreak potential) as well as to finishing the job on developing vaccines against Ebola. CEPI has redirected a substantial amount of funding to Covid-19 projects. Part of these funds have been permanently reallocated to CEPI’s Covid-19 portfolio while additional funding reallocation is possible. A significant funding gap for progressing CEPI’s priority pathogen portfolio of \$357M has materialized and will require backfilling from future fundraising.

Portfolio performance

CEPI is ahead of its overall portfolio targets for 2020 per development phase (see Table below) and in particular of its objective of delivering 4 phase 3 ready vaccine candidates against 2 or more priority pathogens. As far as CEPI’s “core” portfolio (excluding Covid-19) is concerned, CEPI is slightly off target, especially in terms of progress from preclinical studies to early-stage clinical development. This set-back is due to the Covid-19 pandemic having delayed overall progress in CEPI’s “core” vaccine candidate portfolio. To limit those impacts, CEPI has developed and implemented mitigation strategies and reinforced portfolio monitoring and review efforts. Based on an initial impact assessment that provided an understanding of the nature and scale of Covid-19 impacts, as well as a recently completed scientific and technical review, CEPI is currently undertaking a systematic strategic review of its “core” vaccine candidate portfolio that will enable CEPI to reinforce portfolio oversight and prioritization towards CEPI’s second funding period (2022-2026), referred to as CEPI 2.0 throughout 2021.

	Preclinical		Phase I, Phase I/II		Phase II	Stockpile	Phase IIb / III and Phase III		
 Lassa	Emergent rSVNC4ΔG	IAVI rVSVΔG U. Oxford/Janssen ChAdOxI	Themis -MV #NCTO4055454	Inovio – DNA #NCTO4093076					
 MERS-CoV	Themis Measles vector	IDT MVA U. Oxford/Janssen ChAdOxI	IDT MVA* U. Oxford/Janssen ChAdOxI**	Inovio – DNA #NCTO2670187					
 Covid-19		U. Hong Kong -LAIV	Clover-S #NCTO4405908 Merck/Themis – MV #NCTO4497298				AZ / UO #NCTO440083 Novavax #NCTO4368988	Moderna #NCTO4470427 CureVac #NCTO4449276	Inovio #NCTO4542638
 Nipah	U. Oxford/Janssen ChAdOxI	PHV rVSVΔG U. Tokyo Measles vector	Auro Vac. – Subunit #NCTO4199169						
 Rift Valley Fever		Colorado State U. r RVF 3 rd gen Wageningen U. r RVF 2 nd gen							
 Chikungunya			IVI / Bharat Inactivated	Valveva - Live att. #NCTO3382964	Themis – MV **** #NCTO2861586		Valveva - Live att. #NCTO4546724***		
 Disease X	CureVac RNA Imperial College Self-amp RNA U. Queensland Molecular Clamp	Yellow Fever Rabies Flu RSV Flu MERS	Lassa	Rabies #NCTO3713086 Covid-19					

*Funded by the German Center for Infection Research (DZIF)
**Funded by the UK Department of Health
*** Self-funded phase 3 in US
**** Phase III FSFV start depends on the strategic review between Merck and Themis

Figure 1: Portfolio overview - CEPI-funded vaccine candidate portfolio (as of 31 December 2020)

The year ahead

The board approved the strategy for CEPI 2.0 in December 2020, with three strategic objectives for its second funding period (2022 – 2026); Prepare for known epidemic and pandemic threats; Transform the response to the next novel threat and; Connect to enhance and expand global collaboration. 2021 will be a year of transitioning the organization towards CEPI 2.0, as well as ensuring funds are available for its next phase.

With the evolution of new variants of the SARS-CoV-2 virus (which causes COVID-19) due to numerous mutations, much of CEPI’s activities in 2021 will focus on filling gaps in R&D for developing and manufacturing either modified versions of existing COVID-19 vaccines or the development of new vaccines. CEPI has set itself the target of 100 days from the identification of new variants of particular concern to new or modified vaccines against these variants being available. Furthermore CEPI will seek to support projects for more broadly acting coronavirus vaccines, with the aim of being effective against a broad range of SARS-CoV-2 variants. This will be the initiation of an R&D agenda for the years to come towards a “pan-corona” vaccine, which would be effective against several types of coronavirus, like SARS, SARS-CoV-2 and MERS.

Having defined our strategic objectives and updated our business plan in the previous year, in 2021 CEPI has established its organisational priorities around five core themes:

- **PORTFOLIO:** Focusing on rightsizing and reinvigorating CEPI's core portfolio to ensure vaccine candidates are available to meet future threats and ensuring each priority pathogen has a robust and funded enabling science program
- **ECOSYSTEM:** Position CEPI in the vaccine preparedness and ecosystem design to deal with future threats effectively and equitably, and implement a robust global partnership strategy with a strengthened LMIC and affected countries engagement
- **ORGANISATION:** Further building a robust organisation by ensuring the right expertise, global composition and well-being of staff as well as professionalizing core processes and tools to achieve enhanced organisational efficiency, effectiveness and security
- **RESPONSE:** Continuing to contribute to the COVAX objective to deliver 2 billion doses of COVID-19 vaccines for fair global access and addressing gaps in the portfolio to address market failures and global needs. Additionally, making sure to capture best practices and taking into account lessons learned to strengthen CEPI's future operations and response capabilities
- **REPLENISHMENT:** Successfully replenish in line with the strategy and investment case for CEPI's next business cycle

As these critical, cross-cutting priorities demonstrate, 2021 is an important year for CEPI, continuing efforts with key stakeholders to end the acute phase of the COVID-19 pandemic as well as approaching the end of CEPI's first business cycle and diving into the new strategy laying ahead for the coming 5 years.

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

The governing and monitoring of CEPI are carried out by the CEPI Board, the Board Audit and Risk Committee, the CEPI Leadership Team, with the support of the Governance, Risk and Compliance function (GRC). Risk management, compliance and internal audit processes are key components in assuring that proper governance and monitoring are in place and continuously improved in CEPI.

CEPI's risk management framework is designed to manage risks to achieve the coalition's strategic objectives. The framework provides reasonable, but not absolute, assurance for CEPI to reach its goals, through processes and activities embedded in the Secretariat and the governing bodies of the coalition. Further, the framework enables and supports effective and informed decision-making across all levels of the organisation. Risk management in CEPI means dealing with risks in a transparent, consistent, and continuous manner, providing a better understanding of the nature of the risks and their likely impact, and implementing and monitoring appropriate mitigating measures.

The evolved role CEPI has taken in context of the COVID-19 pandemic, has put CEPI as one of the central actors in the global efforts to respond to the pandemic. With the amplified level of visibility, CEPI is subject to increased expectations and scrutiny. CEPI's risk management framework has been a crucial tool to handle the impact of COVID-19 risks in the organisation. Through several scenario assessment exercises CEPI Management identified major risks to CEPI related to its work responding to the pandemic, which had to be addressed rapidly. In accordance with CEPI's risk management methodology, clear ownership for each of those risks has been assigned, mitigating measures have been defined, implemented, monitored, and updated on a regular basis. The risks and progress on implementing mitigating measures have been reported to and discussed with the CEPI's Audit and Risk Committee, as part of the regular risk management reporting. In September 2020 the CEPI Board discussed organisational risks relevant to CEPI in its annual risk review.

In addition to manage the COVID-19 risks, CEPI has continued to further strengthen and integrate risk management in CEPI's operations as well as improving the risk management methodology.

In 2020, risk management was an integrated part of developing the CEPI-wide plan and priorities for 2021 and plans for all departments in CEPI. The purpose has been to reflect risks and mitigating measures when considering key priorities in the

2021 overall plan for CEPI, as well as for the plans at department level. The risk management procedure has been further developed. The updated procedure includes a description of the three main risk management processes: organisational risk management, portfolio risk management, and project risk management. The procedure has also been updated with improved descriptions of how to conduct risk management workshops, improved likelihood and consequence scales.

The continuous tracking of portfolio and project risks informs the management- and decision-making processes.

The organisational risk register includes a “Top CEPI risks overview” – as assessed by the Leadership Team based on the feedback from each team. At the end of 2020, the following risks were CEPI’s top risks: Mission execution – inability to ensure equitable access; Funding – CEPI not achieving its funding target; Cyber Security; CEPI not delivering on its core portfolio – not developing safe and effective vaccines five years after launch; Staffing capacity; Abuse of Power – fraud, misconduct and mismanagement of funds; Covid-19 portfolio size and composition; Lack of objective decision-making - inability to make effective portfolio entry/progression decisions.

Financials

The Annual Accounts describe the accounting period 01.01.2020 – 31.12.2020. The accounts reflect a significant growth in 2020 where CEPI has added additional staff throughout the year and has increased investments to contracted awardees. The volume increase is mainly caused by the response to the COVID-19 pandemic.

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 2020, total revenue was USD 491,571 thousand compared to USD 127,187 thousand in 2019, while remaining funds received are recorded on the balance sheet as prepaid incoming contributions under short term liabilities.

CEPI’s total expenditure in 2020 was USD 457,811 thousand, of which USD 440,714 was recorded as R&D costs. Of the total R&D costs, USD 422,096 thousand was recorded as R&D project costs and USD 18,618 thousand as R&D project support costs. R&D prepayments to awardees, not spent in 2020, are reflected in the balance sheet and amount to net USD 236,270 thousand.

Resource mobilisation costs relate to CEPI’s efforts to increase ongoing, and secure new funding commitments. In 2020 these efforts add up to USD 1,897 thousand. Administrative expenses, including shared costs and management costs, amount to USD 15,199 thousand in 2020. The Administrative costs represent 3,3% of total expenditure, a decrease of 67% compared to 2019. By this CEPI demonstrate the ability to keep administrative costs low, while significantly increasing its portfolio.

The net result of CEPI is a profit of USD 33,579 thousand in 2020, compared to a profit of USD 30,436 thousand in 2019. The increase in profit is related to the increase in net financial income.

In 2020, Norwegian Institute of Public Health (NIPH) has contributed USD 0,82 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, GBP 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. CEPI has an established hedging facility with its current commercial bank, 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

CEPI had a sickleave percentage of 1,23 in 2020 compared to 0,43% in 2019.

Over the year, CEPI has closely monitored the impact of the Covid-19 pandemic on the workforce with a particular focus on health and wellbeing. Sickness absence at CEPI remained stable at a low level in 2020. CEPI is committed to work systematically to maintain sickness absence at a low level.

By year end 2020, the organisation had 96 employees. CEPI's activities were otherwise supported by consultants on direct consultancy contracts.

CEPI has budgeted for 134 employees in 2021.

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 aims to attract and recruit high-performing staff committed to support CEPI's mission. CEPI's global HR policy and recruitment procedures focuses attention on attracting and retaining a diverse workforce and highlights its commitment to promoting diversity, equity, and foster inclusion.

All staff at CEPI must be given the same opportunities with regards to salary, promotion, and professional and personal development.

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 35 different nationalities.

Current composition of CEPI staff:

- At the end of 2020, the CEPI organisation had 96 permanent and fixed-term employees
- The gender balance among staff: 57% female and 43% male
- The gender balance in the CEPI Leadership Team: 50% female and 50 % male
- The 96 employees are from 35 different countries: 24% of the employees are from Low- and Middle-Income Countries (LMICs), while none of the Leadership Team members originate from an LMIC.

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. However, the COVID-19 pandemic hitting the world in early 2020 have had a significant impact on CEPI's business travel, reducing the environmental footprint in 2020 significantly.

Members

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


Profit distribution

The net profit of USD 33,579 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.

Oslo, 17 March 2021



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Cherry Kang

Vice-Chair of the CEPI Board

David Reddy

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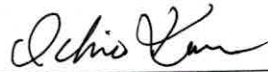
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Leiterin der Abteilung 6
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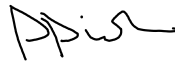
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Appendix I

Contributions from inception of CEPI until end of 2020:

All amounts are Lifetime-to-date and in '000

From	Pledge Currency	Pledge amount LTD	Currency	USD LTD
Government of Australia	AUD	10 500	USD	7 419
Government of Austria	EUR	1 000	USD	1 160
Government of Belgium	EUR	5 500	USD	6 037
Government of Canada	CAD	54 000	USD	40 942
Government of Denmark	USD	1 447	USD	1 447
Government of Ethiopia	USD	97	USD	97
Government of Finland	EUR	4 000	USD	4 339
Government of Germany	EUR	300 000	USD	342 648
Government of Hungary	EUR	750	USD	843
Government of Indonesia	USD	1 000	USD	1 000
Government of Italy	EUR	5 000	USD	5 960
Government of Japan	USD	196 273	USD	196 273
Government of Kuwait	USD	10 000	USD	10 000
Government of Lithuania	EUR	100	USD	112
Government of Luxembourg	EUR	800	USD	944
Government of Mexico	USD	600	USD	600
Government of Netherlands	EUR	50 000	USD	58 637
Government of Norway	NOK	876 000	USD	92 538
Government of Norway	USD	265 460	USD	265 460
Government of Romania	EUR	200	USD	243
Saudi Arabia	USD	140 000	USD	140 000
Government of Serbia	EUR	1 100	USD	1 231
Government of Singapore	USD	810	USD	810
Republic of Korea	USD	3 000	USD	3 000
Government of Switzerland	USD	10 284	USD	10 284
Government of The United Kingdom	GBP	260 000	USD	333 908
European Commission	EUR	105 600	USD	124 397
Avast	USD	8 000	USD	8 000
Bill and Melinda Gates Foundation	USD	101 977	USD	101 977
Fidelity Charitable gift funds	NOK	13 964	USD	1 490
Goldman Sachs Charitable Gift Fund	USD	1 355	USD	1 355
Nestle-Alete Babyservice	USD	1 042	USD	1 042
Paul G. Allen Family Foundation	USD	3 500	USD	3 500
Sumitomo Mitsui Financial Group	EUR	1 000	USD	1 142
United Nations Foundation	USD	10 000	USD	10 000
Wellcome Trust	USD	86 762	USD	84 972
Other Private investors and Philanthropies			USD	2 179
Total contributions lifetime-to-date				1 865 985

Profit & Loss (Activity accounts)

CEPI Group

All figures in USD '000

CEPI Norway

	2020	2019		Notes		2020	2019
	470 076	98 985	Revenue			470 076	98 985
	11 915	21 983	Contribution from public investors			11 915	21 983
	821	635	Contribution from other investors			821	635
	482 811	121 602	Other income			482 811	121 602
	8 760	5 585	Total revenue from operation	8		9 476	5 601
	491 571	127 187	Net financial income/(expense)	3		492 287	127 203
			Total revenue				
			Expenditure				
	1 897	1 030	Resource mobilisation costs	2		1 949	1 053
	1 897	1 030	Total resource mobilisation costs			1 949	1 053
			<u>Priority pathogens</u>				
	6 590	9 602	MERS			6 590	9 602
	17 431	10 346	Nipah			17 430	10 351
	28 094	23 633	Lassa			28 094	23 646
	6 783	1 726	Rift Valley Fever			6 783	1 726
	11 232	11 994	Chikungunya			11 232	11 994
	11 638	4 416	Ebola			11 638	4 419
	329 574		<u>Covid-19</u>			329 574	
	7 941	9 288	<u>Disease X/Platform</u>			7 941	9 288
	2 815	1 204	<u>Cross disease</u>			2 819	1 206
	422 096	72 210	R&D project costs	2, 11		422 100	72 231
	18 618	13 712	R&D project support costs	2		19 559	14 078
	440 714	85 922	Total R&D costs			441 659	86 309
	15 199	9 651	Administration costs	4, 5, 10		16 255	9 790
	15 199	9 651	Total administration costs	2, 4, 5, 10		16 255	9 790
	457 811	96 602	Total expenditure			459 864	97 152
	33 760	30 585	Net result before tax			32 423	30 051
	180	149	Tax			-	-
	33 579	30 436	Net result after tax			32 423	30 051
			Disposal of net result				
	33 579	30 436	Restricted operating funds	9		32 423	30 051
	33 579	30 436	Total disposal of net result			32 423	30 051

Balance Sheet

CEPI Group

All figures in USD '000

CEPI Norway

2020	2019
91	54
1 712	95
1 803	149
253 972	49 814
5 230	295
259 202	50 108
-	-
1 051 774	230 136
1 310 976	280 244
1 312 779	280 393

Long-term assets	Notes
Fixed assets	6
Intangible assets	6
Total long-term assets	
Current assets	
Project receivables	11
Other receivables	
Total receivables	
Prepaid expenses and accrued income	
Bank deposits and cash	7
Total current assets	
Total assets	

2020	2019
76	30
1 712	95
1 787	125
253 972	49 814
5 837	1 648
259 808	51 462
-	-
1 048 280	227 115
1 308 088	278 576
1 309 876	278 702

Balance Sheet

CEPI Group

All figures in USD '000

CEPI Norway

2020	2019
115 094	81 515
115 094	81 515
2	2
2	2
6 918	2 239
590	342
1 003 141	142 915
168 000	50 610
17 702	1 763
1 332	1 006
1 197 683	198 876
1 197 684	198 878
1 312 779	280 393

Restricted funds	Notes
Restricted operating funds	9
Total Restricted funds	
Liabilities	
Provisions for liabilities	
Total long term liabilities	
Trade accounts payable	
Tax and public duties payable	
Prepaid incoming public contributions	8
Prepaid incoming other contributions	8
Project liabilities	11
Other current liabilities	
Total short term liabilities	
Total liabilities	
Total Restricted funds and Liabilities	

2020	2019
113 317	80 894
113 317	80 894
-	-
-	-
6 188	1 548
466	314
1 003 141	142 915
168 000	50 610
17 702	1 763
1 061	657
1 196 559	197 808
1 196 559	197 808
1 309 876	278 702

Oslo, 17 March 2021



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Prof. Dr. Veronika von Messling

Leiterin der Abteilung 6

„Lebenswissenschaften“

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Kapelle-Ufer 1

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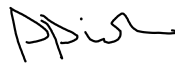
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2021

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Cash Flow Analysis

CEPI Group		<i>All figures in USD '000</i>	CEPI Norway	
2020	2019	Cash flow generated by operations	2020	2019
33 579	30 436	Net result	32 423	30 051
30	16	Depreciation of fixed assets	21	11
977 616	90 015	Change in prepaid incoming contributions	977 616	90 015
-204 158	-33 317	Change in project receivables	-204 158	-33 317
15 939	1 763	Change in project liabilities	15 939	1 763
-4 936	-121	Increase(-)/Decrease(+) in short-term receivables	-4 189	-1 093
-1	2	Increase (+)/Decrease(-) in long-term liabilities	-	-
5 252	1 443	Increase (+)/Decrease(-) in long-term liabilities	5 197	1 060
823 322	90 238	Net cash flow from operations	822 849	88 491
-1 683	-135	Aquisitions of long-term assets	-1 683	-123
-1 683	-135	Net cash flow - assets	-1 683	-123
821 638	90 102	Net changes in cash flow during the year	821 165	88 368
230 136	140 033	Cash, bank deposits as of 01.01	227 115	138 747
1 051 774	230 136	Cash, bank deposits as of 31.12	1 048 280	227 115

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 R&D Project expense

Note I 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, CEPI US and CEPI China RO. 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 US Internal Revenue Code of 1986.

CEPI China RO is a Representative Office registered as a non-profit organization under Chinese law. CEPI China RO is a registered legal entity in China but is not an independent legal body (it is unable to enter into agreements independent of CEPI Norway). CEPI China RO is also without decision-making authority in CEPI Group, hence considered a department in CEPI Norway.

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 adds a markup of 5% when invoicing CEPI Norway.

Revenue and cost recognition principles

In general, CEPI has a pool of funds for all contributions, but the COVID-19 contributions are considered a separate pool. 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 during the period which the contribution covers
- 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, R&D project 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 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. Unrealized and realized currency gains and losses are recorded as financial income or financial expenses

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		All figures in USD '000	CEPI Norway	
2020	2019		2020	2019
		Expenditure by type		
422 096	72 210	R&D projects	422 051	71 764
11 995	8 038	Salary and social costs	5 918	4 704
18 347	10 437	Consultants	9 950	3 850
2 551	1 095	Infrastructure	2 085	845
474	2 874	Travel	373	2 692
1 526	1 314	Other operating costs	939	831
821	635	Pro Bono	821	635
-	-	Intercompany service deliveries	17 728	11 830
457 811	96 602	Total expenditure	459 864	97 152
		Expenditure by activity		
1 897	1 030	Resource mobilisation costs	1 949	1 053
440 714	85 922	R&D Project costs	441 659	86 309
15 199	9 651	Administration costs	16 255	9 790
457 811	96 602	Total expenditure	459 864	97 152

Funds expended are divided into three activities

Resource mobilisation costs are linked to fundraising and investor relations and the negotiations of agreements with 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 fulfil 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 2020 R&D project costs consist of contractual costs related to investments in candidates developing vaccines against Covid-19, CEPI's priority pathogens and Disease X/Platform technologies. Overarching Enabling Science projects/studies covers the areas of Standards & Assays, Pre-clinical and Clinical development and Epidemiology. Enabling manufacturing projects/studies relates to CMC and Sustainable manufacturing and for Covid-19 also reservation fees and procurement of materials. Non-candidate specific R&D project costs also covers sponsorships, workshop and other non-contractual project costs, though these costs have been limited in 2020.

New in 2020 is that R&D project costs also include forgivable loans and reservation fees (reservation of production capacity) under the COVID-19 portfolio, in total USD 86M. The intention of the loans is re-payment from recipient of fund if the project succeeds (product is procured). As the uncertainty is high, this is reflected as a cost in the P&L, rather than as an asset in the balance sheet.

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 General Accepted 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 that CEPI NO covers for its entities, CEPI UK and CEPI US, are shown under Intercompany service deliveries in the "Expenditure by type" overview. Costs related to CEPI China RO is reflected in CEPI NO books, as per note 1.

Note 3 Net Financial income

CEPI Group		<i>All figures in USD '000</i>	CEPI Norway	
2020	2019	Net financial income	2020	2019
2 561	3 765	Interest income/cost	2 583	3 776
6 414	2 035	Agio/Disagio	7 109	2 040
-216	-215	Management fee World Bank	-216	-215
8 760	5 585	Net financial income/(expense)	9 476	5 601

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.

CEPI Group		<i>All figures in USD '000</i>	CEPI Norway	
2020	2019		2020	2019
2 142	975	IT	1 917	906
428	1 014	Office facilities	180	840
1 263	1 347	Finance & Operations	1 177	1 309
1 079	852	HR	601	487
4 912	4 187	Total shared costs	3 876	3 542

Note 5 FTE's, management and auditor compensation

In 2020 CEPI has increased its number of employees in UK, US and Norway. The table below provides an overview of the average number of Full Time Equivalents (FTEs).

	CEPI Group		CEPI Norway	
	2020	2019	2020	2019
Number of FTEs - permanent employees	77	50	42	31
Number of FTEs - temporary employees	5	4	3	4
Total	81	54	45	35

All figures in USD '000

Management compensation	CEO		Board of Directors	
	2020	2019	2020	2019
Salaries	399	384	23	21
Pension contribution	30	29	-	-
Other compensation	201	210	-	-
Total Management compensation	630	623	23	21

CEO compensation

Other CEO compensation includes school fees and health insurance. All benefits are grossed up for taxes. Cash allowance is paid monthly for pension and life insurance.

Auditor's compensation

In 2020 CEPI Group expensed USD 121K including VAT for statutory audit and USD 9K including VAT for other services.

Note 6 Long-term assets

All figures in USD '000

	CEPI Group	CEPI Norway
Fixtures and fittings - Opening balance	58	28
Office machines - Opening balance	23	20
Intangible assets - Opening balance	95	95
Acquisition cost at 01.01.2020	176	143
Fixtures and fittings	28	28
Office machines	39	39
Intangible assets	1 617	1 617
Additions during the year	1 683	1 683
Disposals during the year	-	-
Acquisition cost at 31.12.2020	1 860	1 826
Fixtures and fittings - Opening balance accumulated depreciation	12	5
Depreciation of fixtures and fittings in 2020	19	11
Office machines - Opening balance accumulated depreciation	15	13
Depreciation of office machines in 2020	11	10
Accumulated depreciations at 31.12.2020	57	39
Net book value 31.12.2020	1 803	1 787

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

Intangible asset acquired in 2020 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 first half of 2021.

The increase of fixtures and fittings are related to the increase of employees, therefore purchasing office equipment and setting up additional offices have been required.

Note 7 Bank deposits and Cash

	CEPI Group		CEPI Norway	
	2020	2019	2020	2019
Employee withholding tax	261	176	261	176
Deposits in the World Bank	871 149	168 687	871 149	168 687
Deposits in commercial banks	180 363	61 272	176 869	58 251
Total bank deposit and cash	1 051 774	230 136	1 048 280	227 115
Total liquid assets	1 051 774	230 136	1 048 280	227 115

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.

Compared to 2019, the bank deposits increased considerably in 2020 due to significant contributions from public and private donors. The cash balances remain high by year end as there have been delays in expected project payments. Deposits were made both in the World Bank and in the commercial bank. CEPI's funds in the World Bank was mainly in USD. The Norwegian Bank, DNB, serves as CEPI's operational bank.

Note 8 Contributions from CEPI's investors

Contributions received from investors in the period 01.01.2020- 31.12.2020

All figures in '000

From	Curr	Curr amount	Curr #	USD
Government of Australia	AUD	7 500	USD	5 287
Government of Austria	EUR	1 000	USD	1 160
Government of Belgium	EUR	5 000	USD	5 425
Government of Canada	CAD	40 000	USD	30 286
Government of Denmark	USD	1 447	USD	1 447
Government of Ethiopia	USD	97	USD	97
Government of Finland	EUR	4 000	USD	4 339
Government of Germany	EUR	235 000	USD	268 391
Government of Hungary	EUR	750	USD	843
Government of Indonesia	USD	1 000	USD	1 000
Government of Italy	EUR	5 000	USD	5 960
Government of Japan	USD	121 273	USD	121 273
Government of Kuwait	USD	10 000	USD	10 000
Government of Lithuania	EUR	100	USD	112
Government of Luxembourg	EUR	800	USD	944
Government of Mexico	USD	600	USD	600
Government of Norway	USD	200 085	USD	200 085
Government of Norway	NOK	476 000	USD	47 182
Saudi Arabia	USD	140 000	USD	140 000
Government of Serbia	EUR	1 100	USD	1 231
Government of Singapore	USD	810	USD	810
Government of Switzerland	USD	10 284	USD	10 284
Government of The United Kingdom	GBP	240 000	USD	308 330
Government of Netherlands	EUR	50 000	USD	58 637
Government of Romania	EUR	200	USD	243
Republic of Korea	USD	3 000	USD	3 000
European Commission	EUR	85 800	USD	102 304
Avast	USD	8 000	USD	8 000
Bill and Melinda Gates Foundation	USD	40 000	USD	40 000
Fidelity Charitable gift funds	NOK	13 964	USD	1 490
Goldman Sachs Charitable Gift Fund	USD	1 630	USD	1 630
Nestle-Alete Babyservice	USD	1 042	USD	1 042
Paul G. Allen Family Foundation	USD	1 000	USD	1 000
Sumitomo Mitsui Financial Group	EUR	1 000	USD	1 142
United Nations Foundation	USD	10 000	USD	10 000
Wellcome Trust	USD	63 112	USD	63 112
Other Private investors and Philanthropies	USD	1 658	USD	1 658
Other Private investors and Philanthropies	GBP	105	USD	132
Other Private investors and Philanthropies	EUR	65	USD	75
Other Private investors and Philanthropies	NOK	163	USD	17
Other Private investors and Philanthropies	CAD	9	USD	7
Total contributions			1	1 458 573
Opening balance of incoming contributions per 01.01.2020			USD 2	193 526
Prepaid incoming public contributions as per 31.12.2020			USD 3	1 003 141
Prepaid incoming other contributions as per 31.12.2020			USD 4	168 000
Agio/ Disagio from prepaid incoming contributions			USD 5	-1 033
Revenue from public and other investors (1+2-3-4-5)			6	481 990
Other income				
From	Curr	Curr amount	Curr #	USD
Norwegian Institute of Public Health	NOK	7 002	USD	821
Total other income			7	821
Total revenue from operation (6+7)				482 811

This table represents an overview of Incoming contributions received from Public and Private investors, as well as from Philanthropies in 2020.

In March 2020, CEPI made an urgent call for 2.1 billion USD to advance COVID-19 vaccine candidates. Throughout 2020, CEPI raised MUSD 1 459 from global donors to finance research and development of vaccines against COVID-19 and potentially other infectious diseases. Of that:

- MUSD 803 is earmarked for COVID-19 (55% of the total Incoming funds);
- MUSD 11 is earmarked for Chikungunya, Rift Valley Fever;
- MUSD 5 is earmarked for Ebola DRG;
- MUSD 640 is received as a core contribution.

In 2020, The Government of United Kingdom pledged MUSD 308 (MGBP 240) to ensure equitable access to CEPI-financed vaccines, making it CEPI's largest individual donor. The Government of Germany supported CEPI with an additional MUSD 268 (MEUR 215) in 2020. In addition of MUSD 47 (MNOK 476) that was pledged in 2020, the Government of Norway utilised IFFIm's innovative frontloading mechanism to raise MUSD 200 (MNOK 1890) through Vaccine bond issuance on the capital market. The proceeds expedited funding through the GAVI Alliance to CEPI.

In 2020, Private Investors and Philanthropies pledged total of MUSD 129 funding to CEPI to fight global health threats. In the table above, all Private investors and Philanthropies that pledged less than MUSD 1 are grouped under "Other Private investors and Philanthropies".

Revenue has been recognised in line with Norwegian accounting standards and the principles outlined in Note 1.

Probono services provided by the Norwegian Institute of Public Health (NIPH) for office space are estimated at value of MUSD 0,8 and are included in Other income. Wellcome Trust has provided meeting rooms, cafeteria access, etc. to CEPI UK, but the value of these services has not been feasible to quantify.

Note 9 Restricted funds

<i>All figures in USD '000</i>	CEPI Group	CEPI Norway
Restricted operating funds 31.12.2019	81 515	80 894
Total disposal of net result	33 579	32 423
Restricted operating funds 31.12.2020	115 094	113 317

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. Contributions are made on a monthly basis. CEPI China RO do not has any employees, thus pension scheme is not applicable.

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

Note 11 R&D Project expense

CEPI provides 6 months advance payments to all awardees.

During 2020 CEPI had R&D project disbursements of kUSD 610 316 of which kUSD 422 096 has been expensed, kUSD 204 158 are capitalised as project receivables and kUSD 15 939 are project payables.

<i>All figures in USD '000</i>	#	CEPI Group 2020	2019
R&D project disbursement	1	610 316	103 765
R&D project receivables, change	2	204 158	33 317
R&D project liabilities, change	3	15 939	1 763
R&D project expense (1-2+3)		422 096	72 210

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 2020, 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 2020 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 skepticism 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, 23 March 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Tommy Romskaug
State Authorised Public Accountant (Norway)

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Tommy Romskaug

Partner

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Tommy Romskaug

Statsautorisert revisor

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