

**Board of Directors'
Report and Annual
Accounts
2022**

Profit & Loss (Activity accounts)

January 1st - December 31st

CEPI Group

All figures in USD '000

CEPI Norway

2022	2021		Notes	2022	2021
536 325	516 193	Revenue		536 325	516 193
56 454	65 073	Contribution from public investors		56 454	65 073
-	982	Contribution from other investors		-	982
592 779	582 248	Other income		592 779	582 248
4 667	441	Total revenue from operation	2	4 877	463
597 446	582 689	Net financial income/(expense)	3	597 656	582 711
		Total revenue			
		Costs			
5 394	2 751	Resource mobilisation costs	4	5 499	2 771
5 394	2 751	Total resource mobilisation costs		5 499	2 771
10 303	10 969	Nipah		10 303	10 969
32 314	32 233	Lassa		32 314	32 233
4 448	5 878	Rift Valley Fever		4 448	5 878
9 351	8 419	Chikungunya		9 351	8 419
4 490	9 682	Filoviruses		4 490	9 682
29 523	8 473	MERS/Broadly Protective Coronavirus Vaccines		29 523	8 473
406 874	430 312	Covid-19		406 874	430 312
13 139	2 977	Disease X/Platform		13 139	2 977
2 782	2 094	Cross cutting		2 784	2 095
513 223	511 037	R&D and Mfg. project costs	4, 5	513 225	511 039
34 743	25 089	R&D and Mfg. project support costs	4	34 918	25 313
547 966	536 127	Total R&D and Mfg. costs		548 143	536 352
14 548	18 369	Administration costs	6, 7, 8	14 983	18 451
14 548	18 369	Total administration costs	4, 6, 7, 8	14 983	18 451
567 908	557 247	Total costs		568 625	557 574
29 538	25 442	Net result before tax		29 031	25 137
94	81	Tax		-	-
29 444	25 362	Net result after tax		29 031	25 137
		Disposal of net result			
29 444	25 362	Restricted operating funds	9	29 031	25 137
29 444	25 362	Total disposal of net result		29 031	25 137

Balance Sheet

per December 31st

CEPI Group

All figures in USD '000

CEPI Norway

2022	2021
560	29
4 675	3 378
5 235	3 407

Long-term assets	Notes
Fixed assets	10
Intangible assets	10
Total long-term assets	

2022	2021
527	21
4 675	3 378
5 202	3 399

88 992	140 498
35 943	217 901
19 089	37 320
144 024	395 719

Current assets	
Project receivables	5
Forgivable loans	5
Other receivables	
Total receivables	

88 992	140 498
35 943	217 901
19 860	37 387
144 795	395 786

845 401	822 249
989 424	1 217 969

Cash and bank deposits	11
Total current assets	

841 654	819 246
986 449	1 215 032

994 659	1 221 375
----------------	------------------

Total assets	
---------------------	--

991 651	1 218 431
----------------	------------------

Balance Sheet

per December 31st

CEPI Group

All figures in USD '000

CEPI Norway

2022	2021
169 854	140 456
169 854	140 456

Restricted funds	Notes
Restricted operating funds	9
Total Restricted funds	

2022	2021
167 485	138 454
167 485	138 454

0	1
0	1

Liabilities	
Provisions for liabilities	
Total long term liabilities	

-	-
-	-

5 011	3 480
681	524
655 217	906 394
122 571	127 115
39 212	40 793
2 113	2 612
824 805	1 080 918
824 805	1 080 919

Trade accounts payable	
Tax and public duties payable	
Prepaid incoming public contributions	2
Prepaid incoming other contributions	2
Project liabilities	5
Other current liabilities	
Total short term liabilities	
Total liabilities	

4 759	2 968
719	570
655 217	906 394
122 571	127 115
39 212	40 793
1 688	2 137
824 166	1 079 977
824 166	1 079 977

994 659	1 221 375
----------------	------------------

Total Restricted funds and Liabilities	
---	--

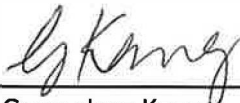
991 651	1 218 431
----------------	------------------

Washington, D.C., 10 March 2023



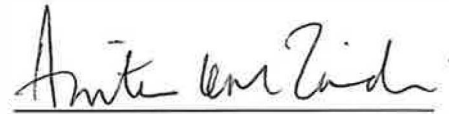
Jane Halton

Chair of the CEPI Board



Gagandeep Kang

Vice-Chair of the CEPI Board



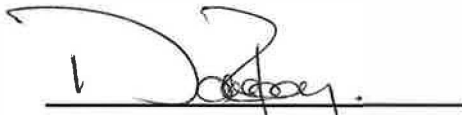
Anita Zaidi

Board member



Cyrus Ardalan

Board member



David Reddy

Board member



L. Rizka Andalucia

Board member

Githinju Gitahi

Board member

Dr. Yasuhiro Suzuki

Board member



Rajeev Venkayya

Board member

Samba Sow

Board member



Veronika von Messling

Board member



Richard Hatchett

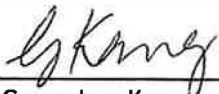
CEO and Secretary to the Board

Washington, D.C., 10 March 2023



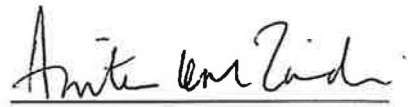
Jane Halton

Chair of the CEPI Board



Gagandeep Kang

Vice-Chair of the CEPI Board



Anita Zaidi

Board member



Cyrus Ardalan

Board member



David Reddy

Board member



Githinju Gitahi

Board member



L. Rizka Andalucia

Board member

Dr. Yasuhiro Suzuki

Board member

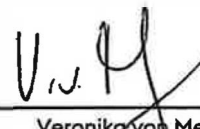


Rajeev Venkayya

Board member

Samba Sow

Board member



Veronika von Messling

Board member



Richard Hatchett

CEO and Secretary to the Board

Washington, D.C., 10 March 2023



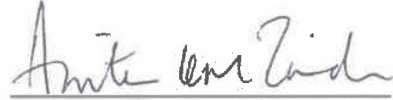
Jane Malton

Chair of the CEPI Board



Gagandeep Kang

Vice-Chair of the CEPI Board



Anita Zaidi

Board member



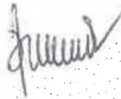
Cyrus Ardalan

Board member



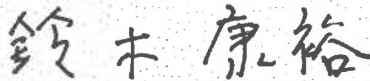
David Reddy

Board member



L. Rizka Andalucia

Board member



Dr. Yasuhiro Suzuki

Board member

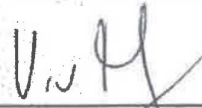


Rajeev Venkayya

Board member

Samba Sow

Board member



Veronika von Messling

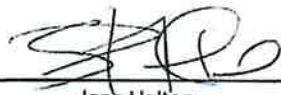
Board member



Richard Hatchett

CEO and Secretary to the Board

Washington, D.C., 10 March 2023



Jane Halton

Chair of the CEPI Board



Gagandeep Kang

Vice-Chair of the CEPI Board



Anita Zaidi

Board member



Cyrus Ardalan

Board member



David Reddy

Board member



L. Rizka Andalucia

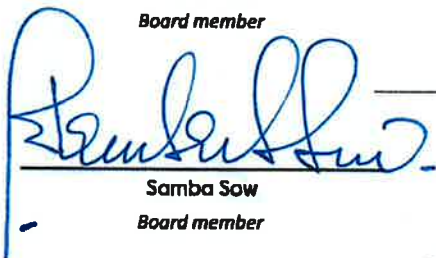
Board member

Githinju Gitahi

Board member

Dr. Yasuhiro Suzuki

Board member



Samba Sow

Board member



Rajeesh Venkayya

Board member



Veronika von Messling

Board member



Richard Hatchett

CEO and Secretary to the Board

Cash Flow Analysis

January 1st - December 31st

CEPI Group

All figures in USD '000

CEPI Norway

2022	2021	Cash flow generated by operations	2022	2021
29 538	25 442	Net result before tax	29 031	25 137
-81	-189	Company income tax paid	-	-
-	-32	Gain/(Loss) on sale of fixed assets	-	-32
394	187	Depreciation of fixed assets	384	180
-255 721	-137 632	Change in prepaid incoming contributions	-255 721	-137 632
233 465	-104 428	Change in project receivables	233 465	-104 428
-1 581	23 091	Change in project liabilities	-1 581	23 091
18 231	-32 090	Increase(-)/Decrease(+) in short-term receivables	17 527	-31 550
-1	-1	Increase (+)/Decrease(-) in long-term liabilities	-	-
1 123	-2 116	Increase (+)/Decrease(-) in short-term liabilities	1 491	-2 041
25 368	-227 766	Net cash flow from operations	24 590	-227 275
-2 217	-1 759	Aquisitions of long-term assets	-2 182	-1 759
-2 217	-1 759	Net cash flow - assets	-2 182	-1 759
23 151	-229 525	Net changes in cash flow during the year	22 408	-229 034
822 249	1 051 774	Cash and bank deposits as of 01.01	819 246	1 048 280
845 401	822 249	Cash and bank deposits as of 31.12	841 654	819 246

Summary of notes

Note 1 Accounting principles

Note 2 Contributions from CEPI's investors

Note 3 Net Financial income

Note 4 Specification of expenditure

Note 5 R&D and Mfg. Project costs

Note 6 Shared costs

Note 7 FTE's, management and auditor's compensation

Note 8 Pension

Note 9 Restricted funds

Note 10 Long-term assets

Note 11 Cash and Bank deposits

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 exempted from income tax.

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 apply, 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. 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 accordingly, and in line with expenditures
- 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

For all contributions, only the funds that are received in the fiscal year will be recorded as received. 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. For manufacturing investments at-risk (forgivable loans) triggered by the COVID-19 pandemic, costs will be recognized only if it is uncertain that contractual conditions for repayment of the loan are met, or where it is confirmed that conditions have not or only partially been met. 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.

In 2021 and previous years, CEPI allocated all shared costs to the administrative expenses, while from 2022, the shared costs are allocated to the activities based on average headcount per activity.

Classification of balance sheet items

Current assets and short term liabilities consist of receivables and payables due within one year. Forgivable loans are considered as certain to be repaid by the awardee. If the certainty to meet the contract conditions changes from one fiscal year to another, the loan will be reclassified accordingly.

Other balance sheet items are classified as fixed and intangible assets, bank deposits and cash, as well as restricted funds. Fixed and intangible assets are valued at acquisition cost, deducted by depreciation and impairment losses.

Fixed assets

Fixed and intangible 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 does not have customers in 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 include cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

CEPI's cash and bank deposits also includes deposits in the World Bank of which are invested in cash and cash equivalent securities with a horizon of up to 12 months.

Note 2 Contributions from CEPI's investors

Contributions received from investors in the period 01.01.2022– 31.12.2022

All figures in '000

From	Curr	Curr amount	Curr #	USD
European Commission	EUR	29 250	USD	29 944
Government of Australia	AUD	1 750	USD	1 314
Government of Austria	EUR	1 600	USD	1 677
Government of Canada	CAD	2 500	USD	1 940
Government of Ethiopia	USD	130	USD	130
Government of Finland	EUR	2 000	USD	2 085
Government of Germany	EUR	140 000	USD	146 943
Government of Indonesia	USD	1 000	USD	1 000
Government of Italy	EUR	4 000	USD	4 207
Government of Japan	USD	10 000	USD	10 000
Government of Luxembourg	EUR	200	USD	211
Government of Malaysia	USD	1 000	USD	1 000
Government of New Zealand	NZD	2 000	USD	1 164
Government of Singapore	USD	600	USD	600
Government of Switzerland	CHF	10 000	USD	10 819
Government of the Republic of Korea	USD	6 000	USD	6 000
Government of the United Kingdom	GBP	10 000	USD	12 114
Government of the United States of America	USD	54 000	USD	54 000
Total Public investors				285 148
Bill and Melinda Gates Foundation	USD	33 879	USD	33 879
Wellcome Trust	USD	161	USD	161
Other Private Investors and Philanthropies	USD	40	USD	40
Other Private Investors and Philanthropies	NOK	42	USD	5
Other Private Investors and Philanthropies	DKK	6	USD	1
Total Private investors & Philanthropies			USD	34 085
Total contributions			USD 1	319 233
Opening balance of incoming contributions per 01.01.2022			USD 2	1 033 509
Prepaid incoming public contributions as per 31.12.2022			USD 3	655 217
Prepaid incoming other contributions as per 31.12.2022			USD 4	122 571
Incoming contributions receivables as per 31.12.2022			USD 5	-17 825
Revenue from public and other investors (1+2-3-4-5)			USD 6	592 779
Total revenue from operation (6+7)			USD	592 779

Throughout 2022, CEPI received a total of USD 319.2M in cash contributions, whereof USD 285.1M from Public donors and USD 34.1M from Private investors & Philanthropies. All Private investors and Philanthropies that contributed less than USD 1M 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.

Wellcome Trust has provided meeting rooms, cafeteria access, etc. to CEPI UK, but the value of these services has not been feasible to quantify.

Costs of consultancy support on the COVAX manufacturing task force were shared with the below partners. These funds were paid to CEPI as part of the cost sharing, hence has not been recognized as contributions.

- Gavi, the Vaccine Alliance (USD 105K)
- International Federation of Pharmaceutical (USD 200K).

Note 3 Net Financial income

CEPI Group		All figures in USD 'ooo	CEPI Norway	
2022	2021		2022	2021
11 432	2 053	Net financial income	11 408	2 077
-6 289	-840	Interest income/cost	-6 055	-841
-476	-773	Agio/Disagio	-476	-773
4 667	441	Management fee World Bank	4 877	463
		Net financial income/(expense)		

Note 4 Specification of expenditure

CEPI Group		All figures in USD 'ooo	CEPI Norway	
2022	2021	Expenditure by type	2022	2021
513 223	511 037	R&D and Mfg. projects	512 920	510 953
28 379	20 120	Salary and social costs	12 788	9 040
12 806	17 959	Consultants	7 547	11 141
6 623	4 789	Infrastructure	5 931	4 430
2 742	295	Travel	2 403	259
4 135	2 063	Other operating costs	2 440	1 317
-	982	Pro Bono	-	982
-	-	Intercompany service deliveries	24 596	19 453
567 908	557 247	Total expenditure	568 625	557 574

2022	2021	Expenditure by activity	2022	2021
5 394	2 751	Resource mobilisation costs	5 499	2 771
547 966	536 127	R&D and Mfg. Project costs	548 143	536 352
14 548	18 369	Administration costs	14 983	18 451
567 908	557 247	Total expenditure	568 625	557 574

Funds expended are divided into three activities

Resource mobilisation costs are linked to fundraising, investor relations and the negotiations of agreements with investors.

CEPI's mission and core activity is to stimulate and accelerate the development of vaccines against emerging infectious diseases and enable access to these vaccines for people during outbreaks. The costs related to fulfil this objective are defined as R&D and Mfg. project costs (see Note 11 R&D and Mfg. project expense).

R&D and Mfg. project costs cover investments in vaccine candidates against CEPI's priority pathogens, Broadly Protective Coronavirus Vaccines, COVID-19, Disease X/Platform technologies and Manufacturing. CEPI also invests in an array of cross-cutting enabling projects to develop standards and assays, preclinical and clinical studies, the maintenance and expansion of a centralized lab network, and multi-country epidemiology studies. Previous investments at-risk (forgivable loans) to finance production capacity scale up or reserve vaccine production capacity for COVID-19, also effects R&D and Mfg. costs in 2022 through repayments of loan and loans expensed. External scientific workshops and sponsorships are also categorized as R&D and Mfg. project costs.

In addition to direct project costs, the portion of CEPI's operating costs related to project support is recorded as

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 distributed to activities based on an allocation key (see Note 4 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 5 R&D and Mfg. Project costs

All figures in USD '000

		CEPI Group	
	#	2022	2021
Project disbursement	1	327 053	627 702
Repayments of forgivable loans	2	45 713	35 328
Forgivable loans, change	3	-181 958	217 901
Project receivables, change	4	-51 506	-113 473
Project liabilities, change	5	-1 581	23 091
R&D and Mfg. project expense (1-2-3-4+5)		513 223	511 037
Reversed accruals from previous year		-382 971	-193 854
Reported and approved project expenses		559 693	273 103
Project accruals, current year		147 906	382 971
Forgivable loans expenditure		188 595	48 817
R&D and Mfg. project expense		513 223	511 037

In general, CEPI provides 6 months advance payments to all awardees. During 2022 CEPI had R&D and Mfg. project disbursements of USD 327.1M.

The net project expense was USD 513.2M which include USD 189M related to forgivable loans. During the year, CEPI received USD 45.7M in loan repayments, of which USD 5.1M is booked as a reduction to R&D and Mfg. project expenses. The remaining USD 40.6M is offsetting the loan receivable reflected in the balance sheet, as specified in the below table.

The change in forgivable loans is USD -182M and the change in project receivables is USD -51.5M. From 2021 to 2022, the change in project payables is USD -1.6M.

Forgivable loans	2022	2021
Changes in balance sheet		
R&D and Mfg. forgivable loans recognized as receivable (OB)	217 901	-
Repayments	-40 595	-
Recognition of receivable	35 943	217 901
Reclassifications (to P&L)	-177 306	-
R&D and Mfg. forgivable loans recognized as receivable (CB)	35 943	217 901
Expenditures		
Recognition of receivable	-4 788	-57 517
Reclassifications from balance sheet	177 306	-
Repayment	-5 057	-1 145
Additional disbursement	21 134	9 845
R&D and Mfg. forgivable loans - 2022 expenditures	188 595	-48 817

The portion of Forgivable Loans (FL) reflected in the balance sheet is based on an individual assessment of each loan, and its likelihood to be repaid to CEPI. If CEPI is certain to receive the funds back, the loan is reflected in the balance sheet, either fully or for the portion CEPI know will be repaid.

The closing balance of FL in 2022 has decreased significantly due to a drop in the likelihood of repayments, hence the loan is reclassified from the balance sheet and booked as a cost in the P&L. In 2022, the closing balance was USD 36M compared to USD 218M in 2021. The total cost related to FL in 2022 was USD 189M.

Note 6 Shared costs

All figures in USD '000

	CEPI Group	CEPI Norway
IT	4 564	4 100
Office facilities	1 410	1 019
Finance & Operations	4 055	3 847
HR	2 304	1 809
Total shared costs	12 333	10 776

Shared costs are costs that cannot be directly linked to an activity. The shared costs include IT, Office facilities, Finance & Operations and HR support.

In 2021 and previous years, CEPI allocated all shared costs to the administrative expenses, while from 2022, the shared costs are allocated to the activities based on average headcount per activity. The table below outline the new allocation method.

Shared cost per activity	CEPI GROUP	%	CEPI NO	%
R&D Project support	8 342	68%	7 066	66%
Resource mobilisation	1 052	9%	1 060	10%
Administration	2 940	24%	2 650	25%
Total	12 333	100%	10 776	100%

Note 7 FTE's, management and auditor's compensation

CEPI has continued to grow significantly in 2022 and has increased the number of employees by 55 during 2022, from a total of 157 employees by 01.01.2022 to 212 employees by 31.12.2022. The increase of employees applies to all CEPI entities. Employees include both permanent, temporary staff and PEO staff. PEO employees are global employees hired through a Professional Employer Organization.

The table below provides an overview of the **average** number of Full Time Equivalents (FTEs).

	CEPI Group		CEPI Norway	
	2022	2021	2022	2021
Number of FTEs - permanent employees	168	118	75	59
Number of FTEs - temporary employees	-	5	-	1
Number of FTEs - fixed term contract employee	4	-	0	-
Number of FTEs - PEO employees	10	-	10	-
Total	183	123	86	60

All figures in USD 'ooo

	CEO		Board of Directors	
	2022	2021	2022	2021
Management compensation				
Salaries	469	437	54	17
Pension contribution	32	33	-	-
Other compensation	266	238	-	-
Total Management compensation	767	708	54	17

CEO compensation

The increase in CEO salaries is in line with CEPI Group's approved yearly merit revision. The increase in Other compensation is related to increase in college fees and college medication insurance. Other CEO compensation comprises of health insurance as well as coverage of 2/3 of school fees and school bus fees. All benefits are grossed up for associated taxes.

Board member's remuneration

The increase in the Board remuneration is due to the increase in Board members that receive compensation. In 2021, one Director was compensated, while three Directors received compensation in 2022.

Auditor's compensation

In 2022, CEPI Group paid USD 140K including VAT to the external auditors for provision of audit services, of which USD 125k is related to the audit of CEPI NO, USD 6k is related to the audit of CEPI UK and USD 9K comprises statutory audit for CEPI China.

Note 8 Pension

CEPI offers a Defined Contribution Pension Scheme to all employees in CEPI Norway, CEPI UK and CEPI US. The contributions are made on a monthly basis. CEPI China RO does not have any employees, hence pension scheme is not applicable.

For the norwegian employees, the Defined Contribution Pension Scheme covers the mandatory occupational pension scheme in Norway (referred to as "OTP").

The CEO receives a cash allowance as pension contribution.

Note 9 Restricted funds

All figures in USD 'ooo

	CEPI Group	CEPI Norway
Restricted operating funds 31.12.2021	140 456	138 454
Currency adjustment of "Prior year result"	-46	-
Total disposal of net result	29 444	29 031
Restricted operating funds 31.12.2022	169 854	167 485

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

Note 10 Long-term assets

All figures in USD '000

	CEPI Group	CEPI Norway
Fixtures and fittings – Opening balance	60	30
Office machines – Opening balance	56	52
Intangible assets – Opening balance	3 503	3 503
Acquisition cost at 01.01.2022	3 619	3 585
Fixtures and fittings	434	399
Office machines	164	164
Intangible assets additions	1 650	1 650
Additions during the year	2 248	2 213
Fixed assets disposals	31	31
Disposals during the year	31	31
Acquisition cost at 31.12.2022	5 836	5 767
Fixtures and fittings – Opening balance accumulated depreciation	52	30
Depreciation of fixtures and fittings in 2022	12	1
Office machines – Opening balance accumulated depreciation	35	31
Depreciation of office machines in 2022	24	24
Intangible assets – Opening balance accumulated depreciation	125	125
Depreciation of Intangible assets in 2022	353	353
Accumulated depreciations at 31.12.2022	601	565
Net book value 31.12.2022	5 235	5 202

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

The increase in the tangible assets acquired in 2022 is due to the relocation to the new Oslo office in March, 2022.

Intangible asset acquired in 2020, 2021 and 2022 is related to development of an IT system for internal use. First phase of the system was implemented by end of July 2021 and the second phase was implemented in early 2022. The depreciation started accordingly.

The disposal of fixtures and fittings as well as office machines are related to relocation of the Oslo office.

Note 11 Cash and Bank deposits

All figures in USD 'ooo

	CEPI Group		CEPI Norway	
	2022	2021	2022	2021
Employee withholding tax	381	325	381	325
Deposits in the World Bank	611 336	515 905	611 336	515 905
Deposits in commercial banks	233 684	306 019	229 937	303 015
Total cash and bank deposit	845 401	822 249	841 654	819 246
Total liquid assets	845 401	822 249	841 654	819 246

The World Bank is CEPI's principal fundholder through the Financial Intermediary Fund (FIF) agreement. The FIF will administer and manage CEPI funds for as long as deemed necessary by CEPI, and disburse funds to the commercial bank accounts upon request by CEPI. The funds that CEPI holds in the World Bank is mainly USD. The Norwegian bank, DNB is CEPI's operational banking partner. In DNB, CEPI holds separate accounts in various currencies for its daily operations.

BOARD OF DIRECTORS' REPORT 2022

COALITION FOR EPIDEMIC PREPAREDNESS INNOVATIONS – CEPI

Mission

CEPI's mission is to accelerate the development of vaccines and other biologic countermeasures against epidemic and pandemic threats so they can be accessible to all people in need.

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.

In its short history, CEPI has had an outsized influence in shaping the global R&D ecosystem for vaccines against Emerging Infectious Diseases (EIDs), forging consortia where appropriate, developing new collaborations and injecting funding to jumpstart R&D. It has also aligned its programmes to complement the R&D efforts of its coalition partners.

To date, CEPI has made investments in over 49 vaccine candidates against its priority pathogens, including four rapid response platforms to develop vaccines against unknown future threats, or "Disease X", 15 vaccine candidates against COVID-19, 13 programmes to develop broadly protective coronavirus vaccines, and an array of enabling science projects.

Many of these diseases are principally regional threats (Lassa, MERS, Rift Valley Fever); several have expanded their range in recent years (Ebola, Nipah); and some have spread globally and are, or could be, regarded as pandemic (Chikungunya, COVID-19). While many of these pathogens have caused outbreaks of only limited size, the economic damage they cause can be enormous.

CEPI has also overseen a number of scientific "firsts", including the first Phase 3 trial of a Chikungunya vaccine, and the advancement of the first ever Nipah and Lassa virus vaccines into Phase 1 trials, and first-ever MERS vaccine into Phase 2 trials. These rapid advances would simply not have been possible without CEPI.

CEPI's ongoing response to the COVID-19 pandemic

CEPI moved quickly and urgently to catalyse and accelerate COVID-19 vaccine development, working with our vaccine partners to make investments where they can have most impact. CEPI built perhaps the world's largest and most diverse COVID-19 vaccine portfolio, based on the principles of Speed, Scale, and Access. We have invested up to USD 1.5B to advance 13 COVID-19 vaccine candidates. Three of these (Oxford/AZ, Moderna, and Novavax) have been granted emergency use listing by the World Health Organization (WHO) and are now preventing disease and death around the world. Between December 2020 and December 2021, the AstraZeneca vaccine alone is estimated to have saved 6.3 million lives.¹ An additional three have been approved in their countries of origin for domestic use.

¹ <https://www.airfinity.com/articles/astrazeneca-and-pfizer-biontech-saved-over-12-million-lives-in-the-first>

In 2021, CEPI issued a \$140 million call for proposal to fund clinical studies to address gaps in COVID-19 vaccine R&D, to inform the national and global vaccination programmes, and enable equitable access and protection of vulnerable populations (including elderly, pregnant and lactating women, and immunocompromised). Since then, CEPI has supported 13 such studies, including additional late-stage studies of licensed vaccines and studies of two further COVID-19 vaccine candidates developed by Vaxxinity and Medigen (whose vaccine has been approved for domestic use in Taiwan).

We are firmly committed to fair and equitable access to COVID-19 vaccines. As the Board knows, CEPI, Gavi, the Vaccine Alliance, the World Health Organization (WHO) and UNICEF co-lead COVAX, the global initiative to develop, distribute and deploy vaccines to the world, which has now delivered almost 1.9 billion vaccines to 146 participating countries and territories, making it the largest vaccine procurement and supply operation in history.

The progress in vaccine development so far has been extraordinary, but to get definitively and permanently ahead of COVID-19 and other coronavirus threats we need to develop a next generation of coronavirus vaccines, which can protect against future variants of COVID-19, as well as against coronaviruses we don't yet know about. CEPI is the leading global funder of R&D for broadly protective COVID-19 and coronavirus vaccines, with a portfolio of 13 vaccine candidates. To date, CEPI has committed almost USD 200M to support the development of these broadly protective vaccines, which are vital for global health security.

The 100 Days Mission

In March 2021, CEPI launched its ambitious USD 3.5B plan for its second funding period (2022–2026) to dramatically reduce or even eliminate the future risk of pandemics and epidemics, potentially averting millions of deaths and trillions of dollars in economic damage. The plan (“CEPI 2.0”) will address the critical remaining COVID-19 vaccine R&D gaps; develop vaccines against known high-risk pathogens; and enable us to prepare now for future threats, to the potential benefit for the entire world with a continued focus on LMIC needs and access.

Underpinning this USD 3.5B plan against epidemics and pandemics is CEPI's vision for the world to be able to respond to the next Disease X with a new vaccine approved for emergency use in 100 days. Achieving that goal could defuse the threat of a pathogen with pandemic potential. The 100 Days Mission, as embraced by the G7 and G20, would give the world a fighting shot to stop the next pandemic in its tracks.

In November 2021, CEPI initiated a multi-platform campaign to raise awareness of the The 100 Days Mission among key stakeholders. This campaign culminated in CEPI's Global Pandemic Preparedness Summit co-hosted with the UK Government on 7–8 March 2022 at the Science Museum in London.

This Summit brought together global leaders from public and private sectors, philanthropies and civil society to explore what the world needs to do to strengthen global pandemic preparedness. The Summit also served as an important platform for the life sciences industry to publicly unite around The 100 Days Mission. The UK Government, CEPI, and major industry bodies (IFPMA, ABPI, BIA, BIO and DCVMN) issued a [joint statement](#) in support of the 100 Days Mission. The Summit raised over USD 1.6B in funding.

In November 2022, after completing a detailed analysis of the successful COVID-19 vaccine development efforts and conducting dozens of qualitative interviews with officers responsible for these programs, CEPI's released its “What Will it Take” [report](#), which includes a catalogue of the innovations that enabled rapid vaccine development and outlines the 5 areas of innovation the world needs to advance in order to make delivery of pandemic vaccines even more rapidly – i.e., within 100 days – a reality.

Governance

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

- Three permanent institutional bodies: the Members meeting, 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.
- An annual members meeting where the Association's Members (consisting of the board members and the investors) approve annual audited accounts and annual board of directors report.
- 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)

In June 2021, CEPI refreshed the Scientific Advisory Committee (SAC) for the next three-year period. The SAC now comprises 34 expert individuals from a broad range of key disciplines – including epidemiology, vaccine development, vaccine manufacturing, public health and regulatory sciences. The group provides key guidance and recommendations on CEPI's vaccine R&D programmes and broader outbreak preparedness and response efforts, both in tackling priority pathogens, COVID-19 and in preparing for future epidemics and pandemics.

The Joint Coordination Group (JCG) serves as an institutional roundtable, bringing together organisations with key roles for EID vaccines (EMA, FDA, Gavi, UNICEF, MSF, IFRC, AVAREF, Wellcome, FIND, the World Bank, and WHO) and two representatives from industry selected in consultation with IFPMA and DCVMN. The JCG focuses on identifying and addressing challenges and barriers across the vaccine development life cycle, and planning for the deployment and use of new EID vaccines.

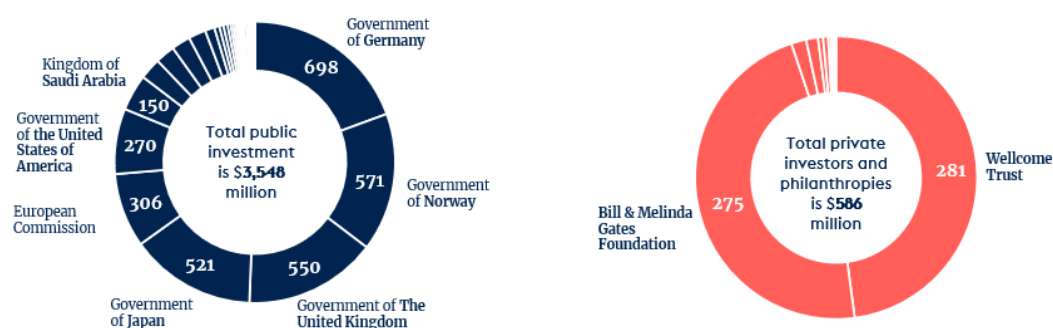
An Investors Council has been established to enable full investor oversight with CEPI's work. The investors council elects the 4 Investor Board members, three of which are reserved for sovereign investors, with the fourth rotated among the contributing philanthropies (currently the Gates Foundation and Wellcome).

CEPI's work in COVAX is in partnership with WHO, Gavi, and UNICEF. There is a "Covax Coordination Meeting" between partners, and CEPI manages the COVAX R&D portfolio.

Strong support from investors

Support for CEPI from investors remains strong. Overall, more than USD 4.1B has been pledged to CEPI since its launch in 2017, whereof USD 2.6B has been received at the close of 2022 (details in appendix I). By the end of 2022, USD 1.95B had been raised toward the USD 3.5B CEPI 2.0 goal.

Figure 1: Total contribution and pledges to CEPI as of 31.12.2022²



² Figures shown using actual exchange rates for contributions received and budget 2023 exchange rates for pledges not yet received.

Management of the portfolio

The CEPI 2.0 strategy is a \$3.5bn programme. CEPI secured \$1.5bn of funds at its summit in March 2022. Given the gap between the size of the programme and funds raised, in April 2022 the Board asked Management to conduct a prioritisation exercise on what programmes from CEPI 2.0 to initiate immediately, and which to pause until further funds were raised. This prioritisation was approved in September 2022, but both the period of reprioritising and the consequent delaying of ambition on achieving some of CEPI's targets is reflected in the level of spend in the portfolio.

During 2022 CEPI adapted its portfolio management and governance framework to enable effective decision-making for the larger and more complex portfolio of R&D and manufacturing investments envisioned under the next five-year period. Building on lessons from CEPI 1.0 and the COVAX Research, Development and Manufacturing Investment Committee (RDMIC), the memberships of CEPI's Portfolio Strategy & Management Board (PSMB) and Vaccine Research & Development and Manufacturing Committee (VRDMC) were revised to include external members who bring a greater breadth of technical and LMIC perspectives and the appointment of an external chair for PSMB. PSMB, consisting of senior members of CEPI's leadership team and technical experts, maintains responsibility for portfolio oversight and investment decision-making whereas VRDMC is the scientific, technical, and operational decision-making body overseeing the pipeline of vaccine candidates, manufacturing and cross-cutting projects. Given the anticipated increase in the number and size of portfolio investment decisions under CEPI 2.0, the delegations of authority levels were revised as approved by the Board in April 2022.

The COVID-19 portfolio transitioned from RDMIC to CEPI governance by end of year with a concluding RDMIC meeting held in November. Since the RDMIC was set up at the early stage of the pandemic (June 2020) as a discrete COVID-19 specific governance body to oversee R&D and Manufacturing investment decisions and provide recommendations to CEPI CEO and Executive and Investment Committee, the RDMIC had held 56 meetings, resulting in investments of USD 1.6B in COVID-19 vaccines R&D, manufacturing, and enablers. Noting CEPI's continued support to COVAX, the RDMIC will be on stand-by while the COVAX Facility remains active in case the need arises for investment decisions or other areas of input relevant to COVAX in line with the terms of reference.

An annual portfolio review with the SAC, PSMB and observers was held 9-10th November in London, providing broad support for CEPI's strategic portfolio positioning for CEPI 2.0 and alignment on portfolio priorities and investment needs specifically within Lassa, Nipah, broadly protective coronavirus (BPCV) and Disease X strategies, and is described in further detail below.

Portfolio composition

As illustrated in figure 1 below, CEPI's active R&D portfolio as of December 2022 consisted of 12 vaccine candidates against initial priority pathogens (three against Lassa virus, two against MERS-CoV, three against Nipah virus, two against Chikungunya, two against Rift Valley fever); seven vaccine candidates for COVID-19; five broadly protective SARS-CoV-2 candidates; eight broadly protective beta-coronavirus candidates; and two rapid response platforms to deploy against unknown threats, or Disease X (including one Lassa as pilot pathogen vaccine candidate). Moreover, CEPI has made investments in a range of pathogen-specific and cross-cutting enabling science activities that support vaccine development as well as funding activities for finishing the development of vaccines for Ebola.

CEPI continues to invest across a globally diverse range of partners. Of the projects in the portfolio (including vaccine candidates, rapid response platforms, enabling sciences and manufacturing projects), approximately 18% are in a low- or middle-income country (LMIC) and a further 20% include consortium partners based in a low- or middle-income country. Future investments in laboratory and manufacturing networks will expand this geographic footprint with targeted partnerships in currently underrepresented continents.

Figure 2: CEPI's **active** vaccine R&D portfolio overview as of December 2022

	Preclinical	Phase I	Phase II	Ph IIb/III & III	Registration
 Lassa	U. Oxford/Janssen ChAdOx1	IAVI-rVSVΔG #NCT04794218 Emergent #PACTR202108781239363			
 MERS-CoV		U. Oxford - ChAdOx1 #NCT04170829 IDT - MVA #NCT04119440			
 Nipah	U. Oxford/Janssen ChAdOx1	Auro Vac - Subunit #NCT04199169 PHV #NCT05178901			
 Rift Valley Fever	Colorado State U. Live attenuated	Wageningen U. Live attenuated			
 Chikungunya				IVI/ Bharat - Inact #NCT04566484 Valneva - Live att #NCT04650389	
 SARS-CoV-2		Gritstone #NCT05148962			SK Bioscience Clover Biological E AZ/ U Oxford Moderna Novavax
 Broadly protective coronavirus	MigVax Protein VIDO Protein CalTech Protein SK Bio Protein Intravacc OMV	Affinivax Polysac. Bharat Protein DIOSynVax mRNA Codiak Protein	BigNet mRNA VBI VLPs	Broadly protective SARS-CoV-2 Broadly protective Beta-coronavirus	
 Disease X	U. Queensland Molecular clamp SK bio mRNA				

Notable portfolio developments related to CEPI's vaccine candidate portfolio in 2022 include: ³

- Progression in clinical stage of development for one Lassa vaccine candidate, one Nipah vaccine candidate and one Rift Valley Fever vaccine candidate, and regulatory approval achieved for two SARS-CoV-2 vaccine candidates
- Expansion of CEPI's portfolio with 1) the establishment of a broadly protective SARS-CoV-2 sub-portfolio, including new investments in two vaccine candidates for a total of five candidates; 2) establishment of a broadly protective beta-coronavirus sub-portfolio, including new investments in seven vaccine candidates for a total of eight candidates; and 3) a new investment agreement to advance the development of mRNA-based vaccine technologies to facilitate rapid response to Disease X
- Termination of investment in two Lassa vaccine candidates, two MERS vaccine candidates, one Nipah vaccine candidate and two SARS-CoV-2 vaccine candidates due to natural attrition and project deprioritization or rescoping
- Continued expansion of previous enabling science, clinical research and manufacturing programs and investment in new ones, including: 1) additional investment in an extension of the ENABLE Lassa epidemiology research program; 2) a new investment agreement to provide a harmonized vaccine safety assessment and monitoring service; 3) expansion of CEPI's Centralized Laboratory Network with nine additional facilities in progress; and 4) establishment of CEPI's Manufacturing Network, with the first agreement signed in 2022 and additional facilities signed/to be signed in 2023
- Calls for Proposals (CfP) launched for Rift Valley Fever vaccine candidates, advanced mRNA vaccine platforms, mRNA innovations with high impact potential, immunogen design, innovations that improve vaccine thermostability, preclinical model development, COVID-19 vaccine effectiveness, CEPI Centralized Laboratory Network and an expression of interest (EoI) from manufacturing facilities to support improving global epidemic/pandemic preparedness and response, with additional CfPs/EoIs planned for 2023

³ For more details, please refer to CEPI's Annual Progress Report 2022 on CEPI's website (to be published by end of Q2 2023)

Portfolio investment

As of end of 2022, CEPI has entered partnership agreements with total investment requirements of up to USD 2,383M and disbursed USD 1,702M in funding across its portfolio. Approximately 55% of the funds remaining to be disbursed are gated (USD 374M of USD 681M), release of which is conditional on key milestones that candidates will have to meet.

COVID-19, MERS and broadly protective coronavirus represent the largest signed budget in the portfolio accounting for ~77% (USD 1.8B). Priority pathogens account for ~17% (USD 399M), with the largest proportion of the priority pathogen budget signed to Lassa projects (USD 211M). Actual spend will be contingent on attrition.

In terms of its financial allocations, 95% (USD 2.2B) of the signed portfolio supports priority pathogen vaccine development, while 5% (USD 111M) has been allocated to Disease X, Manufacturing and cross-cutting non-pathogen specific enabler projects (clinical research, animal models, standards and assays, Centralized Laboratory Network, epidemiology). 63% (USD 1.3B) of signed vaccine projects by value utilize protein-based platforms; while the share of mRNA investments out of the current signed CEPI portfolio budget is small, this is anticipated to increase when unsigned CEPI 2.0 budget is allocated. USD 1.2B is likely to be paused / deprioritized across 6 investment areas (broadly protective coronavirus, Chikungunya and Rift Valley Fever, new priority pathogens, Disease X, mAbs and Enablers) if additional funds are not made available to support CEPI 2.0, with anticipated revision of portfolio targets to reflect this.

Annual Portfolio Review 2022

On 9–10th November 2022, CEPI held its annual portfolio review meeting with the SAC and PSMB to conduct a technical review of portfolio progress and priority setting for the delivery of 2.0 objectives. Participants included 28 SAC members and eight observers from strategic partners (Wellcome Trust, WHO) and potential co-funding organizations (SCARDA, TLS, BARDA, HERA). The review focused on four of CEPI's core portfolio investment areas – Disease X, Lassa, BPCV, Nipah – and was structured around three main objectives to: 1) recap on CEPI 2.0 strategic targets and plans; 2) review current portfolio composition and performance; 3) align on portfolio priorities and investment needs. Participants provided perspectives on CEPI's targets and strategy across the entire R&D investment portfolio. Acknowledging that CEPI activities have had a positive impact in the field globally, participants urged CEPI to continue to advance its R&D portfolio and strategy, including CEPI's 100 Day Mission, capitalizing on its unique skills and competencies while focusing investments where biggest needs in product development exist. Four broad areas were highlighted to ensure successful delivery of CEPI 2.0 portfolio targets:

- (i) Actively monitoring prioritization efforts from both pathogen and platform specific perspectives, focusing on the balance between investing in platforms versus disease-specific vaccine development programmes;
- (ii) Embedding a manufacturing strategy in platform and disease-specific initiatives and together with regional partnerships helping address anticipated equitable access issues anticipated to emerge through the successful implementation of vaccine development programmes;
- (iii) Capitalizing on technical/scientific data across projects and programmes to improve decisions to advance CEPI's R&D portfolio, including risk assessments building on scenarios where projects shall be terminated;
- (iv) Focusing on preparedness activities that fill gaps for outbreak response and continuing to nurture co-funding relationships to maintain momentum in epidemic and pandemic response, connecting key players and forming networks for a response, without major own investments.

An executive summary highlighting key outcomes from the meeting will be published on CEPI's webpage.

The year ahead

In 2022, CEPI shifted its focus towards CEPI 2.0 – its strategy for the second five-year business cycle (2022–2026). The objectives of the CEPI 2.0 strategy are threefold: to PREPARE for known epidemic

and pandemic threats, to TRANSFORM the response to the next novel threat and to CONNECT to enhance and expand global collaboration. In addition to the strategic objectives, CEPI has articulated an aspirational goal that is fundamentally aligned with CEPI's mission to accelerate vaccine development: vaccines should be ready for initial authorisation and manufacturing at scale within 100 days of recognition of a pandemic pathogen, when appropriate.

To ensure the organisation is ready for 2023, a strategic and operational planning exercise was conducted towards the end of 2022 to outline what divisions need to achieve in the coming year, in line with the CEPI 2.0 mission and strategic objectives. This was based upon the reprioritisation exercise described above. These annual plans include an estimate of what will be required to achieve these priorities in terms of activities, human and financial resources as well as taking into account risk considerations. Based on these plans, the CEPI Leadership Team established annual strategic, cross-cutting priorities for the organisation around five core themes:

- *Strategic alignment and narrative:* with a focus on the 100 Days Mission and the Equitable Access Framework
- *Portfolio:* with a focus on the continued implementation of the CEPI 2.0 strategy and strategic roadmaps for each strategic area
- *Ecosystem:* with a focus on the response outbreak architecture and end to end financing
- *Organisation:* with a focus on diversity, equity and inclusion, matrix ways of working, and operational effectiveness, agility and efficiency
- *Partnerships and funding:* with a focus on regional, low- and middle-income countries and Global South engagements, strategic partnerships, and funding, co-funding, innovative funding

As these critical, cross-cutting priorities demonstrate, 2023 is an important year for CEPI, continuing to implement CEPI's 2.0 strategy with ambitious targets for the coming 5 years.

CEPI is a coalition of partners and in addition to its important role as a funder of vaccine and other biologic countermeasure development, CEPI promotes the organisation and coordination of activities of key actors involved in emerging infectious disease vaccine development and deployment. Coalition partner coordination will be as important to the success of CEPI's ultimate mission as the internal processes of project and programme management. CEPI will use its convening power to bring actors in the fields of emerging infectious diseases vaccines together to promote the development of vaccines and other biologic countermeasures against emerging infectious diseases also where CEPI is not a direct funder.

Risks

CEPI's risk management framework is designed to manage risks to achieve the coalition's strategic objectives. The framework provides reasonable assurance for CEPI to reach its goals, through processes and activities embedded in the Secretariat and the governing bodies of the coalition. CEPI's current risk management framework was developed in 2018 and managing risks has been ingrained in CEPI's way of operating.

CEPI is currently revising and updating the Risk Management Framework in light of CEPI 2.0, CEPI's organizational growth and expanding role internationally, and the external risk landscape becoming more volatile and complex. A key component of the updated framework is to develop and implement a risk appetite framework specific to CEPI.

A comprehensive review of CEPI's risk management framework was undertaken with support from external experts, findings of which have been shared with CEPI's governance bodies. Subject to the Board and Audit and the Risk Committees' oversight, CEPI is currently following up on agreed activities to strengthen the risk framework, including evolving risk governance and culture, processes and infrastructure, and the tools to support appropriate risk management and oversight. While the key risks

to CEPI have not changed significantly from 2022, the impact of risks are nuanced within the current context of the organisation.

CEPI maintains an organisation risk register where CEPI Management's view on CEPI top strategic, program, operational, legal, and compliance risks are enumerated and ranked. 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.

Financials

The Annual Accounts describe the accounting period 01.01.2022–31.12.2022. The accounts reflect stability in the investments to contracted awardees, while the increase in operational costs of 18,3% indicate CEPI's continued work in building the organization to be fit for purpose.

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 2022, total revenue was USD 597.4M compared to USD 582.7M in 2021, while remaining funds received are recorded on the balance sheet as prepaid incoming contributions under short term liabilities.

CEPI's total expenditure in 2022 was USD 567.9M, of which USD 548.0M was recorded as R&D costs. Of the total R&D costs, USD 513.2M was recorded as R&D project costs and USD 34.7M as R&D project support costs. R&D prepayments to awardees, not spent in 2022, are reflected in the balance sheet and amount to net USD 85.7M.

Resource mobilisation costs relate to CEPI's efforts to increase ongoing, and secure new funding commitments. In 2022 these efforts absorbed USD 5.4M. Administrative expenses amounted to USD 14.5M in 2022. Administrative costs represented 2,56% of total expenditure, a decrease from 3,3% compared to 2021. The drop in administrative costs is mainly driven by change in the shared costs allocation principle. In 2021 and previous years, CEPI allocated all shared costs to the administrative expenses, while from 2022, the shared costs are allocated to the activities based on average headcount per activity. This change has caused significant increase in the Resource mobilisation costs as well as in the R&D project support costs. Based on the old allocation method, the administrative costs in 2022 would represent 4,22% of total expenditure.

CEPI has demonstrated the ability to keep administrative costs low, while continuing to increase its portfolio and build the organization accordingly.

The net result for CEPI Group in 2022 show a surplus of USD 29.4M, compared to a surplus of USD 25.4M in 2021. The increase in surplus is driven by increased returns from CEPI's bank deposits.

From 2022, CEPI has moved to new HQ offices in Oslo and the office lease is reflected in the administration cost. In previous years, the Norwegian Institute of Public Health (NIPH) contributed to CEPI with office space and electricity on a pro-bono basis. This was reflected as other income in 2021. In the UK, Wellcome Trust continues to provide similar services as NIPH, however, the amounts have not been possible to quantify.

Management of Financial Risk

CEPI currently receives its donations predominantly in USD, NOK, GBP and EUR, and makes the grants to awardees in USD. CEPI has a Trustee agreement with the World Bank through which the majority of committed funds to CEPI are channelled. 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 and to minimize the currency risk, CEPI is keeping cash in the donated currency for natural hedging purposes. CEPI has also established a hedging facility with its current commercial bank, as a means to minimise currency risk caused by a mismatch between funding received and grant currencies.

Organization and Work Environment

CEPI has continued to monitor health and wellbeing in the workforce and has established internal wellbeing opportunities for employees. A flexible working policy is in place. Sickness absence at CEPI remained stable at a low level in 2022. CEPI had a sickleave percentage of 1.83% in 2022 compared to 1.75% in 2021. CEPI is committed to work systematically to maintain sickness absence at a low level.

On January 1, 2022, there were 150 permanent and temporary employees on board while at the end of the year, the number had increased to 194. In addition, the number of workers engaged through an Employer of Record service, grew from 5 to 18. There were 88 starters (includes 7 internal transfers, i.e. move from one CEPI legal entity to another) and 33 leavers (includes 10 internal transfers) over the year. CEPI's activities were otherwise supported by consultants on direct consultancy contracts.

The CEPI work environment is good and the workforce is highly mission driven. There are no serious issues other than those commonly seen in a globally dispersed workforce, and when coordinating complicated work streams across multiple offices. There will be an increased focus on strengthening matrix working going forward. The leadership team holds regular meetings with 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 supporting 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 51 different nationalities (31.12.2022).

The composition of CEPI staff on 31 December 2022:

- The CEPI organisation had a total of 212 employees (194 permanent and fixed-term employees plus 18 global workers)
- The gender balance among staff: 61% female and 39% male
- The gender balance in the CEPI Leadership Team: 38% female and 62% male
- The 212 employees are from 51 different countries: 28% of the employees originate from Low- and Middle-Income Countries (LMICs)

The CEPI Workforce report is a statement concerning gender equality and discrimination in CEPI and is available on [CEPI's website](#).

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.

Due to the increased scope in the CEPI 2.0 strategy cycle which includes manufacturing and supply chain, CEPI considers to conduct an environmental impact assessment in 2023.

Transparency

Since 1 July 2022 CEPI has been subject to the Norwegian Transparency Act ("Åpenhetsloven"). CEPI has established due diligence processes which enable CEPI to accurately identify, evaluate and manage adverse information and risks associated with any potential Third Parties. This includes adverse media screening on human rights infringements, modern slavery, and trafficking to ensure that we do not engage with entities or individuals with a bad track record. In order to comply with the Transparency Act, CEPI:

- has further strengthened its due diligence process, covering all third parties including awardees and suppliers,
- is preparing to publish its annual statement on its due diligence strategies on www.cepi.net, no later than 30 June 2023, and
- has established a mechanism via which information requests can be made, using CEPI's external website.

Insurance policy

CEPI maintains a Directors and Officers Liability Insurance arrangement covering legal and regulatory claims, and other costs. The coverage includes the CEPI Board members and the CEO.

Members

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

Distribution of surplus

The net surplus in CEPI Norway of USD 29.0M will be transferred to restricted funds for investments and operating costs.

Going Concern

The Board considers the outlook for CEPI as good and confirms that the financial statement is prepared based on the assumption of CEPI as a going concern.

Washington, D.C., 10 MARCH 2023



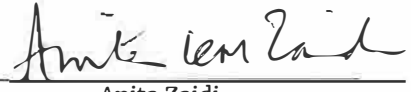
Jane Walton

Chair of the CEPI Board



Gagandeep Kang

Vice-Chair of the CEPI Board



Anita Zaidi

Board member



Cyrus Ardalan

Board member



David Reddy

Board member



L. Rizka Andalucia

Board member

Githinji Gitahi

Board member

Dr. Yasuhiro Suzuki

Board member



Rajeev Venkayya

Board member

Samba Sow

Board member



Veronika von Messling

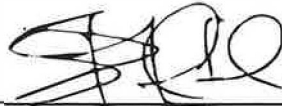
Board member



Richard Hatchett

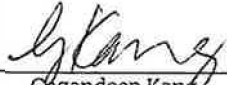
CEO and Secretary to the Board

Washington, D.C., 10 MARCH 2023



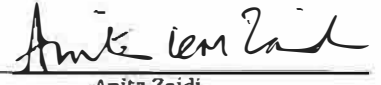
Jane Halton

Chair of the CEPI Board



Gagandeep Kang

Vice-Chair of the CEPI Board



Anita Zaidi

Board member



Cyrus Ardalan

Board member



David Redd

Board member



Githinji Gitahi

Board member



L. Rizka Andalucia

Board member

Dr. Yasuhiro Suzuki

Board member



Rajeev Venkayya

Board member

Samba Sow

Board member



Veronika von Messling

Board member



Richard Hatchett

CEO and Secretary to the Board

Washington, D.C., 10 MARCH 2023



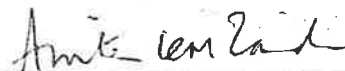
Jane Walton

Chair of the CEPI Board



Gagandeep Kang

Vice-Chair of the CEPI Board



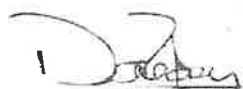
Anita Zaidi

Board member



Cyrus Ardalan

Board member



David Reddy

Board member



L. Rizka Andalucia

Board member



Dr. Yasuhiro Suzuki

Board member

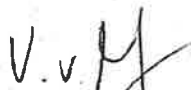


Rajeew Venkayya

Board member

Samba Sow

Board member



Veronika von Messling

Board member



Richard Hatchett

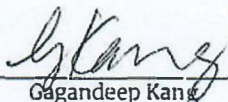
CEO and Secretary to the Board

Washington, D.C., 10 MARCH 2023



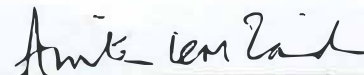
Jane Halton

Chair of the CEPI Board



Gagandeep Kang

Vice-Chair of the CEPI Board



Anita Zaidi

Board member



Cyrus Ardalan

Board member



David Reddy

Board member



L. Rizka Andalucia

Board member

Githinji Gitahi

Board member

Dr. Yasuhiro Suzuki

Board member



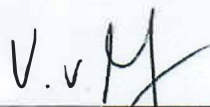
Rajeev Venkayya

Board member



Samba Sow

Board member



Veronika von Messling

Board member



Richard Hatchett

CEO and Secretary to the Board

Appendix I

Contribution proceeds from inception of CEPI until end of 2022.

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

From	Local currency	Contribution proceeds LTD	Currency	USD amount LTD
European Commission	EUR	134,850	USD	154,342
Government of Australia	AUD	14,000	USD	10,086
Government of Austria	EUR	3,600	USD	4,039
Government of Belgium	EUR	5,500	USD	6,037
Government of Canada	CAD	114,000	USD	88,788
Government of Denmark	DKK	10,000	USD	1,447
Government of Ethiopia	USD	299	USD	299
Government of Finland	EUR	7,000	USD	7,580
Government of Germany	EUR	580,000	USD	654,677
Government of Greece	EUR	1,500	USD	1,781
Government of Hungary	EUR	750	USD	843
Government of Iceland	USD	1,923	USD	1,923
Government of Indonesia	USD	2,000	USD	2,000
Government of Italy	EUR	14,000	USD	15,816
Government of Italy	USD	6,064	USD	6,064
Government of Japan	USD	231,273	USD	231,273
Government of Kuwait	USD	10,000	USD	10,000
Government of Lithuania	EUR	100	USD	112
Government of Luxembourg	EUR	1,000	USD	1,154
Government of Malaysia	USD	2,000	USD	2,000
Government of Mexico	USD	900	USD	900
Government of Netherlands	EUR	50,000	USD	58,637
Government of New Zealand	NZD	17,000	USD	11,986
Government of Norway	NOK	4,288,102	USD	469,368
Government of Philippines	USD	10	USD	10
Government of Portugal	EUR	291	USD	343
Government of Romania	EUR	200	USD	243
Government of Serbia	EUR	1,100	USD	1,231
Government of Singapore	SGD	300	USD	210
Government of Singapore	USD	1,800	USD	1,800
Government of Switzerland	CHF	20,000	USD	21,103
Government of the Republic of Korea	USD	9,000	USD	9,000
Government of the United Kingdom	GBP	286,000	USD	367,926
Government of the United States of America	USD	62,000	USD	62,000
Kingdom of Saudi Arabia	USD	150,000	USD	150,000
Total Public investors			USD	2,355,018

From	Local currency	Contribution proceeds LTD	Currency	USD amount LTD
Avast	USD	8,000	USD	8,000
Bill and Melinda Gates Foundation	USD	155,279	USD	155,279
Fidelity Charitable gift funds	NOK	13,964	USD	1,490
Goldman Sachs Gives	USD	1,630	USD	1,630
Nestle	CHF	1,000	USD	1,042
Paul G. Allen Family foundation	USD	3,500	USD	3,500
Sumitomo Mitsui Banking Cooperation	EUR	1,000	USD	1,142
UN Foundation C19 Solidarity Fund	USD	10,000	USD	10,000
Wellcome Trust	USD	88,411	USD	88,411
Other Private investors and Philanthropies	CAD	9	USD	7
Other Private investors and Philanthropies	CHF	130	USD	141
Other Private investors and Philanthropies	DKK	322	USD	48
Other Private investors and Philanthropies	EUR	640	USD	758
Other Private investors and Philanthropies	GBP	105	USD	132
Other Private investors and Philanthropies	NOK	104	USD	12
Other Private investors and Philanthropies	USD	2,179	USD	2,179
Total Private investors & Philanthropies			USD	273,771
Total contributions				2,628,789

INDEPENDENT AUDITOR'S REPORT

To the Members Meeting of Coalition for Epidemic Preparedness Innovations

Opinion

We have audited the financial statements of Coalition for Epidemic Preparedness Innovations (the Organization), which comprise the financial statements of the Organization and the consolidated financial statements of the Organization and its subsidiaries (the Group). The financial statements of the Organization and the Group comprise the balance sheet as at 31 December 2022, the activity accounts and statement 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 comply with applicable legal requirements and give a true and fair view of the financial position of the Organization and the Group as at 31 December 2022 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 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 requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities 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 annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and Chief Executive Officer) is 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 board of directors' report contains the information required by legal requirements and 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 or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

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 and the Group'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 the Group, 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 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 and the Group'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 and the Group'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 and the Group 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 the board of directors 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.

Oslo, 11 April 2023
ERNST & YOUNG AS

The auditor's report is signed electronically

Tommy Romskaug
State Authorised Public Accountant (Norway)

PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur".
De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Tommy Romskaug

Statsautorisert revisor

Serienummer: 9578-5992-4-2914925

IP: 178.74.xxx.xxx

2023-04-11 17:06:06 UTC



Penneo Dokumentnøkkel: 2LUHY-XLE35-B5IS7-MMFIZ-M4M6M-V85N7

Dokumentet er signert digitalt, med **Penneo.com**. Alle digitale signatur-data i dokumentet er sikret og validert av den datamaskin-utregnede hash-verdien av det opprinnelige dokument. Dokumentet er låst og tids-stemplet med et sertifikat fra en betrodd tredjepart. All kryptografisk bevis er integrert i denne PDF, for fremtidig validering (hvis nødvendig).

Hvordan bekrefter at dette dokumentet er originalen?

Dokumentet er beskyttet av ett Adobe CDS sertifikat. Når du åpner dokumentet i

Adobe Reader, skal du kunne se at dokumentet er sertifisert av **Penneo e-signature service <penneo@penneo.com>**. Dette garanterer at innholdet i dokumentet ikke har blitt endret.

Det er lett å kontrollere de kryptografiske beviser som er lokalisert inne i dokumentet, med Penneo validator - <https://penneo.com/validator>