Board of Directors' Report and Annual Accounts 2023

Profit & Loss (Activity accounts)

January 1st - December 31st

All figures in USD '000

CEPI Group 2023	CEPI Group 2022	Revenue	Notes	CEPI Norway 2023	CEPI Norway 2022
328 848	536 325	Contribution from public investors		328 848	536 325
71 800	56 454	Contribution from other investors		71 800	56 454
400 648	**592 779**	**Total revenue from operations**	2	**400 648**	**592 779**
54 309	**4 667**	**Net financial income/(expense)**	3	**54 054**	**4 877**
454 957	**597 446**	**Total revenue**		**454 702**	**597 656**
		Costs			
4 052	5 394	Resource mobilisation costs	4	4 105	5 499
4 052	**5 394**	**Total resource mobilisation costs**		**4 105**	**5 499**
11 374	10 303	Nipah		11 374	10 303
29 961	32 314	Lassa		29 961	32 314
2 421	4 448	Rift Valley Fever		2 421	4 448
8 944	9 351	Chikungunya		8 944	9 351
4 168	4 490	Filoviruses		4 168	4 490
24 439	29 523	MERS/Broadly Protective Coronavirus Vaccines		24 439	29 523
63 409	406 874	Covid-19		63 409	406 874
28 795	13 139	Disease X/Platform		28 795	13 139
15 418	2 782	Cross cutting		15 437	2 784
188 929	**513 223**	**R&D and Mfg. project costs**	4, 5	**188 948**	**513 225**
47 036	**34 743**	**R&D and Mfg. project support costs**	4	**47 581**	**34 918**
235 965	**547 966**	**Total R&D and Mfg. costs**		**236 529**	**548 143**
17 920	14 548	Administration costs	4, 6, 7, 8	17 897	14 983
17 920	**14 548**	**Total administration costs**		**17 897**	**14 983**
257 937	**567 908**	**Total costs**		**258 531**	**568 625**
197 020	**29 538**	**Net result before tax**		**196 171**	**29 031**
201	**94**	**Tax**		**-**	**-**
196 819	**29 444**	**Net result after tax**		**196 171**	**29 031**
		Disposal of net result			
196 819	29 444	Restricted operating funds	9	196 171	29 031
196 819	**29 444**	**Total disposal of net result**		**196 171**	**29 031**

Balance Sheet

per December 31st

All figures in USD '000

CEPI Group 2023	CEPI Group 2022	Long-term assets	Notes	CEPI Norway 2023	CEPI Norway 2022
576	560	Fixed assets	10	455	527
5 892	4 675	Intangible assets	10	5 892	4 675
6 468	**5 235**	**Total long-term assets**		**6 348**	**5 202**
		Current assets			
		Accounts receivables			
5 064	-	Short-term receivable public grants	2	5 064	-
115	17 825	Short term receivable other grants	2	115	17 825
107 224	88 992	Project receivables	5	107 224	88 992
-	35 943	Forgivable loans	5	-	35 943
1 445	1 264	Other receivables		10 681	2 035
113 848	**144 024**	**Total receivables**		**123 084**	**144 795**
792 754	611 336	Financial investments	12	792 754	611 336
-	-	Prepaid expenses and accrued income		-	-
257 822	234 065	Cash and bank deposits	11	245 072	230 318
1 050 577	**845 401**	**Total cash and financial investment**		**1 037 827**	**841 654**
1 164 424	**989 424**	**Total current assets**		**1 160 911**	**986 449**
1 170 893	**994 659**	**Total assets**		**1 167 259**	**991 651**

Balance Sheet

per December 31st

All figures in USD '000

CEPI Group 2023	CEPI Group 2022	Restricted funds	Notes	CEPI Norway 2023	CEPI Norway 2022
366 672	169 854	Restricted operating funds	9	363 657	167 485
366 672	**169 854**	**Total Restricted funds**		**363 657**	**167 485**
		Liabilities			
4 222	5 011	Trade accounts payable		3 849	4 759
855	681	Tax and public duties payable		792	719
669 599	655 217	Prepaid incoming public contributions	2	669 599	655 217
105 341	122 571	Prepaid incoming other contributions	2	105 341	122 571
21 695	39 212	Project liabilities	5	21 695	39 212
2 508	2 113	Other current liabilities		2 326	1 688
804 220	**824 805**	**Total short term liabilities**		**803 602**	**824 166**
804 220	**824 805**	**Total liabilities**		**803 602**	**824 166**
1 170 893	**994 659**	**Total Restricted funds and Liabilities**		**1 167 259**	**991 651**

Brussels, 12 March 2024

Jane Halton
Chair of the CEPI Board

Jeanette Vega

Jeanette Vega Morales
Vice-Chair of the CEPI Board

David Reddy
Board member

Rajeev Venkayya
Board member

鈴木康裕

Yasuhiro Suzuki
Board member

Alex Pym
Board member

Veronika von Messling
Board member

L. Rizka Andalucia
Board member

Cyrus Ardalan
Board member

Githinji Gitahi Evanson
Board member

Samba Sow
Board member

Soumya Swaminathan

Soumya Swaminathan
Board member

Richard Hatchett
CEO and Secretary to the Board

Cash Flow Analysis

January 1st - December 31st

All figures in USD '000

CEPI Group 2023	CEPI Group 2022	Cash flow generated by operations	CEPI Norway 2023	CEPI Norway 2022
197 020	29 538	Net result before tax	196 171	29 031
-95	-81	Company income tax paid	-	-
-6	-	Gain/(Loss) on sale of fixed assets	-6	-
627	394	Depreciation of fixed assets	612	384
9 798	-255 721	Change in incoming contributions	9 798	-255 721
17 710	233 465	Change in project receivables and forgivable loans	17 710	233 465
-17 517	-1 581	Change in project liabilities	-17 517	-1 581
-180	18 231	Increase(-)/Decrease(+) in short-term receivables	-8 646	17 527
0	-1	Increase (+)/Decrease(-) in long-term liabilities	-	-
-326	1 123	Increase (+)/Decrease(-) in short-term liabilities	-199	1 491
207 030	**25 368**	**Net cash flow from operations**	**197 924**	**24 590**
		Cash flow from assets		
-1 854	-2 217	Aquisitions of long-term assets	-1 751	-2 182
-1 854	**-2 217**	**Net cash flow - assets**	**-1 751**	**-2 182**
		Cash flow from financial investments		
-181 419	-611 336	Increase (-) / Decrease (+) in financial investments	-181 419	-611 336
-181 419	**-611 336**	**Net cash impact - financial investments**	**-181 419**	**-611 336**
23 757	-588 185	Net changes in cash flow during the year	14 754	-588 928
234 065	822 249	Cash and bank deposits as of 01.01	230 318	819 246
257 822	**234 065**	**Cash and bank deposits as of 31.12**	**245 072**	**230 318**

Summary of notes

Note 1 Accounting principles

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

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, financial investments as well as restricted funds. Fixed and intangible assets are valued at acquisition cost, deducted by depreciation and impairment losses. Financial investments are assessed at fair value. The fair value is determined in accordance with the value observable in the market at the balance sheet date.

Funds in the World Bank have been reclassified from cash and bank deposits to financial investment in 2023. Comparable figures from 2022 have been adjusted accordlingly.

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.

Funds in the World Bank which are invested in short term securities with a horizon of up to 12 months, have been reclassified from cash and bank deposits to financial investment as described under *Classification of balance sheet items* . Financial investments also include the portfolio managed by Citibank.

Note 2 Contributions from CEPI's investors

Contributions received from investors in the period 01.01.2023 - 31.12.2023 *All figures in '000*

From	Curr	Curr amount	Curr	#	USD
European Commission	EUR	24 886	USD		27 266
Government of Australia	AUD	50 000	USD		33 007
Government of Austria	EUR	1 600	USD		1 737
Government of Canada	CAD	20 350	USD		15 129
Government of Ethiopia	USD	99	USD		99
Government of Finland	EUR	1 000	USD		1 059
Government of Indonesia	USD	1 000	USD		1 000
Government of Italy	EUR	3 500	USD		3 896
Government of Japan	USD	103 000	USD		103 000
Government of Lithuania	EUR	100	USD		109
Government of Luxembourg	EUR	200	USD		213
Government of Malaysia	USD	1 000	USD		1 000
Government of Mexico	USD	350	USD		350
Government of Netherlands	EUR	5 000	USD		5 385
Government of New Zealand	NZD	2 000	USD		1 268
Government of Norway	NOK	200 000	USD		19 184
Government of Singapore	USD	6 000	USD		6 000
Government of the Republic of Korea	USD	24 000	USD		24 000
Government of the United Kingdom	GBP	32 000	USD		39 464
Government of the United States of America	USD	55 000	USD		55 000
Total Public investors					**338 166**
Bill and Melinda Gates Foundation	USD	30 000	USD		30 000
Wellcome Trust	USD	42 279	USD		42 279
Other Private Investors and Philanthropies	NOK	6	USD		1
Total Private investors & Philanthropies			**USD**		**72 280**
Total contributions			**USD**	1	**410 446**
Opening balance of incoming contributions per 01.01.2023			USD	2	759 964
Prepaid incoming public contributions as per 31.12.2023			USD	3	669 599
Prepaid incoming other contributions as per 31.12.2023			USD	4	105 341
Incoming contributions receivables as per 31.12.2023			USD	5	-5 179
Total revenue from operations (1+2-3-4-5)			**USD**		**400 648**

Throughout 2023, CEPI received a total of USD 410.4M in cash contributions, whereof USD 338.1M from Public donors and USD 72.3M from Private investors & Philantropies. 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.

As presented in above table, CEPI has a total of USD 775M reflected in the balance sheet as prepaid incoming contributions as end of 2023. USD 655M of these funds are tied up by existing awardee partnership agreements and are yet to be disbursed as per Dec.31, 2023. However, CEPI has step out clauses in the agreements. Also, release of funds is conditional on key milestones that the candidates will have to meet.

Note 3 Net Financial income

All figures in USD '000

CEPI Group 2023	CEPI Group 2022	Net financial income	CEPI Norway 2023	CEPI Norway 2022
41 280	8 326	Increase in value of financial investment	41 280	8 326
13 072	3 106	Interest income/expense	12 823	3 082
530	-6 289	Agio/Disagio	525	-6 055
-574	-476	Management fees investment portfolios	-574	-476
54 309	**4 667**	**Net financial income/(expense)**	**54 054**	**4 877**

The Net financial income has increased significantly in 2023 compared to 2022 which in mainly driven by the general increase in the interest rates in the market. The increase in return also applies to the portfolio managed by the World Bank as well as the newly invested portfolio managed by Cititbank.

Note 4 Specification of expenditure

All figures in USD '000

CEPI Group 2023	CEPI Group 2022	Expenditure by type	CEPI Norway 2023	CEPI Norway 2022
188 929	513 223	R&D and Mfg. projects	188 359	512 920
35 377	28 379	Salary and social costs	14 686	12 788
18 528	12 806	Consultants	16 686	7 547
6 823	6 623	Infrastructure	6 030	5 931
4 298	2 742	Travel	3 814	2 403
3 983	4 135	Other operating costs	2 951	2 440
-	-	Pro Bono	-	-
-	-	Intercompany service deliveries	26 005	24 596
257 937	**567 908**	**Total expenditure**	**258 531**	**568 625**

CEPI Group 2023	CEPI Group 2022	Expenditure by activity	CEPI Norway 2023	CEPI Norway 2022
4 052	5 394	Resource mobilisation costs	4 105	5 499
235 965	547 966	R&D and Mfg. Project costs	236 529	548 143
17 920	14 548	Administration costs	17 897	14 983
257 937	**567 908**	**Total expenditure**	**258 531**	**568 625**

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 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. External scientific workshops, sponsorships and Global South partnerships 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 R&D and Mfg. project costs. This is relevant for work 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. All shared costs such as Digital & Technology, Office facilities, Finance & Operations and HR support, are distributed to acitivites 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	
	#	2023	2022
Project disbursement	1	224 678	327 053
Repayments of forgivable loans	2	35 943	45 713
Forgivable loans, change	3	-35 943	-181 958
Project receivables, change	4	18 232	-51 506
Project liabilities, change	5	-17 517	-1 581
R&D and Mfg. project expense (1-2-3-4+5)		**188 929**	**513 223**
Reversed accruals from previous year		-147 914	-382 971
Reported and approved project expenses		231 560	559 693
Project accruals, current year		105 283	147 906
Forgivable loans expenditure		-	188 595
R&D and Mfg. project expense		**188 929**	**513 223**

During 2023 CEPI had R&D and Mfg. project disbursements of USD 224.7M while the net project expense was USD 188.9M.

The project receivable reflected in the balance sheet is USD 107.2M. This amount reflects prepayments to awardees related to ongoing projects. Unspent funds will be repaid. Project liability is USD 21.7M and reflect projects where the cost has exceeded the prepayment from CEPI. This liability will be offset when the next payment is made to the awardee.

CEPI received USD 35.9M in repayment of forgivable loans in 2023. This repayment offsets the remaining loan receivable reflected in the balance sheet, as specified in the below table.

Forgivable loans	2023	2022
Changes in balance sheet		
R&D and Mfg. forgivable loans recognized as receivable (OB)	**35 943**	**217 901**
Repayments	-35 943	-40 595
Recognition of receivable	-	35 943
Reclassifications (to P&L)	-	-177 306
R&D and Mfg. forgivable loans recognized as receivable (CB)	**-**	**35 943**
Expenditures		
Recognition of receivable	-	-4 788
Reclassifications from balance sheet	-	177 306
Repayment	-	-5 057
Additional disbursement	-	21 134
R&D and Mfg. forgivable loans - expenditures	**-**	**188 595**

The portion of Forgivable Loans (FL) reflected in the balance sheet is based on an individaul assessment of each loan, and its likelyhood 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 2023 is zero, meaning that repayment of further forgivable loans is not deemed likely. Out of a total of $343M in forgivable loans for Covid-19 projects, $117M has been repaid and $226M booked as a cost.

Note 6 Shared costs

All figures in USD '000

	CEPI Group	CEPI Norway
Digital & Technology	6 671	5 878
Office facilities	2 645	2 180
Finance & Operations	2 283	2 099
HR	2 335	1 618
Total shared costs	**13 934**	**11 775**

Shared costs are costs that cannot be directly linked to an activity. The shared costs include Digital & Technology, Office facilities, Finance & Operations and HR support. Shared costs are allocated to the activities based on Full time equivalents per activity.

Shared cost per activity	CEPI GROUP	%	CEPI NO	%
R&D Project support	10 425	75%	8 810	75%
Resource mobilisation	1 082	8%	914	8%
Administration	2 427	17%	2 051	17%
Total	**13 934**	**100%**	**11 775**	**100%**

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

CEPI has continued to grow significantly in 2023 and has increased the number of employees by 47 during the year, from a total of 212 employees by 01.01.2023 to 259 employees by 31.12.2023. 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 Orgnization.

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

	CEPI Group		CEPI Norway	
	2023	2022	2023	2022
Number of FTEs - permanent employees	210	168	81	75
Number of FTEs - fixed term contract employees	9	4	2	0
Number of FTEs - PEO employees	20	10	20	10
Total	**239**	**183**	**104**	**86**

All figures in USD '000

	CEO		Board of Directors	
Management compensation	2023	2022	2023	2022
Salaries	448	469	62	54
Pension contribution	33	32	-	-
Other compensation	331	266	-	-
Total Management compensation	**811**	**767**	**62**	**54**

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 medical 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 2022 three Directors were compensated, while four Directors received compensation in 2023.

Auditor's compensation

In 2023, CEPI Group paid USD 167K; including VAT to the external auditors for provision of audit services, of which USD 9K was for CEPI China statutory audit and another 9K for CEPI UK statutory audit.

Note 8 Pension

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

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 '000	CEPI Group	CEPI Norway
Restricted operating funds 31.12.2022	169 854	167 485
Total disposal of net result	196 819	196 171
Restricted operating funds 31.12.2023	**366 672**	**363 657**

Funds will be spent in accordance with the investor requirements.

Note 10 Long-term assets

All figures in USD '000	#	CEPI Group	CEPI Norway
Fixtures and fittings - Opening balance		463	399
Office machines - Opening balance		219	215
Intangible assets - Opening balance		5 153	5 153
Acquisition cost at 01.01.2023	1	**5 836**	**5 767**
Fixtures and fittings		73	10
Office machines		52	11
Intangible assets additions		1 736	1 736
Additions during the year	2	1 861	1 757
Fixed assets disposals		6	6
Disposals during the year	3	6	6
Acquisition cost at 31.12.2023 (1+2-3)	4	**7 690**	**7 518**
Fixtures and fittings - Opening balance accumulated depreciation		64	31
Depreciation of fixtures and fittings in 2023		59	46
Office machines - Opening balance accumulated depreciation		59	55
Depreciation of office machines in 2023		43	40
Intangible assets - Opening balance accumulated depreciation		478	478
Depreciation of Intangible assets in 2023		519	519
Accumulated depreciations at 31.12.2023	5	**1 222**	**1 170**
Net book value 31.12.2023 (4-5)		**6 468**	**6 348**

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

The increase in the tangible assets acquired in 2023 is due to the new acquisitions of fixed assets.

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, the second phase was implemented in early 2022 and the third phase was implemented in early 2023. A budget planning tool was also capitalized in 2023 and depreciated accordingly.

The disposal during the year is related to relocation of the Oslo office.

Note 11 Cash and Bank deposits

All figures in USD '000	CEPI Group		CEPI Norway	
	2023	**2022**	**2023**	**2022**
Employee withholding tax	379	381	379	381
Deposits in commercial banks	257 444	233 684	244 694	229 937
Total cash and bank deposit	**257 822**	**234 065**	**245 072**	**230 318**
Total liquid assets	**257 822**	**234 065**	**245 072**	**230 318**

CEPI's cash and bank deposits primarly consist of cash in bank accounts. The Norwegian bank, DNB is CEPI's operational banking partner. CEPI holds separate accounts in various currencies for its daily operations. CEPI's functional currency is USD, but hold funds in GBP, EUR and NOK as well.

Note 12 Financial investments

All figures in USD '000	CEPI Group		CEPI Norway	
	2023	**2022**	**2023**	**2022**
Investments managed by World Bank	489 264	611 336	489 264	611 336
Investments managed by Citibank	303 490	-	303 490	-
Total financial instruments	**792 754**	**611 336**	**792 754**	**611 336**
Total Investments	**792 754**	**611 336**	**792 754**	**611 336**

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. Investments through the World Bank portfolio is highly liquid, and funds will be released and disbursed to the commercial bank accounts when requested by CEPI. The funds in the World Bank is mainly USD.

To spread risk, CEPI has deployed part of its avaialbe funds in an investment portfolio managed by Citibank.

Financial investments have been assessed at fair value. The fair value has been determined in accordance with the value observable in the market at the balance sheet date. Return on investment is reflected in the net financial income.

BOARD OF DIRECTORS' REPORT 2023

COALITION FOR EPIDEMIC PREPAREDNESS INNOVATIONS – CEPI

Mission

CEPI´s mission is to accelerate the development of vaccines and other biologic countermeasaures 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 2.0 and the 100 Days Mission

CEPI is an innovative global partnership between public, private, philanthropic, and civil society organisations.

In its short history, CEPI has played a pivotal role advancing the global R&D ecosystem for vaccines against emerging infectious diseases, through forging consortia, developing new collaborations, and injecting funding to jumpstart R&D and complement efforts of its coalition partners.

CEPI now seeks to build on the innovations and learnings from the COVID-19 pandemic and take the threat of future epidemics and pandemics off the table through its 2022-2026 strategy, known as CEPI 2.0. This could potentially avert millions of deaths and trillions of dollars in economic damage.

As part of CEPI 2.0, CEPI is spearheading the 100 Days Mission, an ambitious goal embraced by the G7, G20 and pharmaceutical industry leaders to develop vaccines against a novel viral threat within 100 days from identification. The International Pandemic Preparedness Secretariat (IPPS) has been established to support these efforts as a dedicated focal point to track global progress towards the 100 Days Mission goals and associated actions. The IPPS has indicated that across medical countermeasures (e.g. vaccines, therapeutics, and diagnostics), the vaccine pillar of the 100 Days Mission is furthest along – in large part due to the investments and actions taken by CEPI and its coalition partners, while much more work is needed. CEPI will continue to be part of the solution by investing in preparedness against known threats, unknown Disease X threats, transforming the global manufacturing ecosystem, and convening and connecting with other key partners around the world.

CEPI's focus areas:

Epidemic and Pandemic Vaccines. CEPI has supported the development of more than 50 vaccine candidates or platform technologies against multiple known high-risk pathogens (Chikungunya, COVID-19, Ebola, Lassa fever, MERS, Nipah, and Rift Valley fever) and is advancing the development of rapid response platforms for vaccines against a future Disease X. This includes 15 vaccine candidates against COVID-19 and four rapid response platforms to rapidly develop vaccines against Disease X.

Through these investments, CEPI has contributed to several scientific breakthroughs, including the first ever licensed Chikungunya vaccine and advances with the first ever Nipah and Lassa vaccines entering clinical trials. Seven CEPI-backed vaccines have been approved for use either globally or domestically, four of which have been granted Emergency Use Listing by WHO.

To get ahead of COVID-19 and other coronavirus threats CEPI is leading the development of the next generation of coronavirus vaccines, which could protect against future variants of COVID-19, as well as other known and novel Beta coronaviruses. CEPI is the leading global funder of R&D for broadly protective coronavirus vaccines, having committed up to USD 230 million to advance its portfolio of 13 vaccine candidates. Ten of these vaccines remain in active development.

CEPI is also investing in next-generation mRNA vaccine technologies to evaluate whether they could offer substantial advantages over existing mRNA platforms, for example improved immunogenicity, storage, stability, productivity, response time, and cost-of-goods. The rapid-response technology was first validated in the COVID-19 pandemic and is key to achieving the 100 Days Mission through its speed and flexibility.

Spotlight:

CEPI's response to COVID-19: In response to the COVID-19 pandemic, CEPI moved quickly and urgently to catalyse vaccine development, working with the vaccine partners to make investments where they can have most impact. CEPI has to date invested US $1.5bn to advance 14 COVID-19 vaccine candidates. Three of these (Oxford/AstraZeneca, 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 CEPI-supported Oxford-AstraZeneca vaccine is estimated to have saved 6.3 million lives.[1] An additional four have been approved for domestic use.

CEPI also supported additional research to address gaps in COVID-19 vaccine R&D, inform the national and global vaccination programmes, and enable equitable access and protection of vulnerable populations (including the elderly, pregnant and lactating women, and those who are immunocompromised).

COVAX, the global initiative led by CEPI alongside WHO, Gavi and UNICEF delivered nearly 2 billion doses of vaccines to 146 economies by its closing on 31 December 2023, making it the largest vaccine procurement and supply operation in history. It is estimated to have averted 2.7 million deaths by the end of 2022.

Manufacturing and Supply Chain. CEPI is bolstering global manufacturing capacity in underserved regions and harnessing innovative technologies to improve the speed, scale and access of vaccine manufacturing in response to epidemic and pandemic threats.

Through its 'Speed' call, CEPI is funding technologies to optimise and use innovations in manufacturing processes for rapid production and scaling up of vaccines, in support of the 100 Days Mission. This includes pioneering innovations testing vaccines that could be administered as patches, pills and under-the-tongue films, as well as manufacturing approaches using moth chrysalises and plant cell extracts to speed up the production of vaccine materials.

CEPI has also established a network of globally distributed partnerswith a particular focus on locations with proximity to CEPI's priority pathogens. By the end of 2023, CEPI had announced three partnerships with manufacturers in the Global South, not counting the Strategic Partnership with BioNTech around its commercial scale mRNA manufacturing facility in Kigali, which was inaugurated on December 18, 2023. Two other partnerships were in late stages of negotiations and are anticipated in 1H2024. In the event of an outbreak, CEPI-backed developers will quickly be able to transfer their technology to pre-selected manufacturers with the right expertise, technology, and optimal geographical position to enable rapid production and equitable distribution of vaccines to affected populations.

Enabling Sciences. CEPI is supporting enabling science activities to accelerate development of safe and effective epidemic or pandemic vaccines. This includes:

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

- A Working Group for Standardizations and Assays established together with WHO which has supported the development of International Standards for the viruses behind Lassa fever, MERS, and COVID-19. CEPI is also supporting the development of assays and international standards for other emerging infectious diseases and the team work closely with FIND and PATH to identify gaps in the creation or validation of diagnostics for our priority pathogens.
- CEPI's Centralised Laboratory Network, the world's largest network of vaccine testing laboratories dedicated to the standardised testing of epidemic and pandemic vaccines. To date, the network has tested over 120,000 clinical samples from over 60 clinical trials.
- CEPI's Preclinical Model Network of high-containment laboratories for testing vaccines against our priority pathogens in preclinical models. CEPI commissions the laboratories to establish preclinical models, data from which are then made available to CEPI-supported vaccine developers to rapidly assess their vaccine candidates.
- Conducting epidemiological studies to gain greater insights on the spread, prevalence, and impact of CEPI priority pathogens. This includes *ENABLE*, the largest-ever Lassa fever research programme to increase knowledge of the Lassa disease burden across West Africa. To date, over 23,000 participants have been enrolled by local partners in Benin, Guinea, Liberia, Nigeria, and Sierra Leone. Data from *ENABLE* will guide the design of future late-stage efficacy trials of CEPI-backed Lassa vaccines candidates.
- CEPI and its partners are working to support developers in producing vaccines that are as safe and effective as possible. Since 2019, CEPI and the Brighton Collaboration have led The Safety Platform for Emergency vaccines (SPEAC) to provide the best available scientific evidence on the safety of CEPI-funded vaccines to support timely benefit-risk assessment globally, with a focus on low- and middle-income countries and to support the 100 Days Mission.

Regulatory Affairs: CEPI provides support and oversight to CEPI vaccine programmes, ensuring that developers have built regulatory strategies into their plans to support potential approval of their products. CEPI works with regulators worldwide, identifying and helping to overcome regulatory challenges, and supporting efforts to align regulatory requirements where appropriate.

Partnerships and Engagement: As a globally recognized organizing force for R&D collaboration and innovation, CEPI is uniquely placed to coordinate an international approach to epidemic and pandemic preparedness. As a coalition of vaccine developers, manufacturers, sovereign governments, philanthropies, civil society, global health organizations, and extensive networks, CEPI is leveraging its unique position to pool and deploy resources in ways that nation states often cannot. CEPI is focused on engaging stakeholders and partners in the Global South and is increasing its presence in Global South regions and building deeper engagement through the programs and activities funded, convene, and implement. In 2023, CEPI enhanced its Global South engagement further by signing an LoI and MoU with ICMR (India)and PAHO (Latin America and Caribbean) respectively, in addition to establishing new enabling partnerships in Africa and Asia for CEPIs manufacturing preferred partner and central lab network. CEPI also recently launched a Global South Fellowship Program to identify and train five potential champions of pandemic prevention, preparedness and response in the Global South. Additionally, CEPI has been initiating discussions that we anticipate will lead to new MOUs/joint work plans in 2024 including with Africa CDC.

Equitable access: A commitment to equitable access is inscribed in CEPI's DNA. It is core to CEPI's vision of a world in which epidemics and pandemics are no longer a threat to humanity. CEPI's commitment to equitable access informs every aspect of its work and has done so since the very beginnings. CEPI's approach to enabling equitable access is guided by its [Equitable Access Policy](), and overseen by the [Equitable Access Committee](). CEPI's investments and activities are focused on four key enablers where CEPI can have the greatest impact: supporting system equity in the outbreak and pandemic prevention, preparedness and response ecosystem, connecting with other stakeholders for impact and system equity, making financial investments to drive equitable access, and investing in partners with an interest in equity. In 2023, CEPI published its equitable access framework: https://cepi.net/wp-content/uploads/2023/05/CEPI_Equitable-Access-Framework_May-2023_2.pdf. This framework articulates CEPI's overall approach to enabling Equitable Access (EA), capture what EA means for CEPI under CEPI 2.0 and describe CEPI's scope of accountability for EA in relation to other stakeholders in the public health ecosystem.

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 voting board members and the investors) approve annual audited accounts and annual board of directors report, and discuss the external audit.
- The CEPI Board has 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 2023 two new appointments were made to the Board.

In October 2023, CEPI refreshed the SAC. Five members rotated off, and ten new experts were appointed for a three-year initial term. The SAC now comprises 37 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&M programmes and broader outbreak preparedness and response efforts.

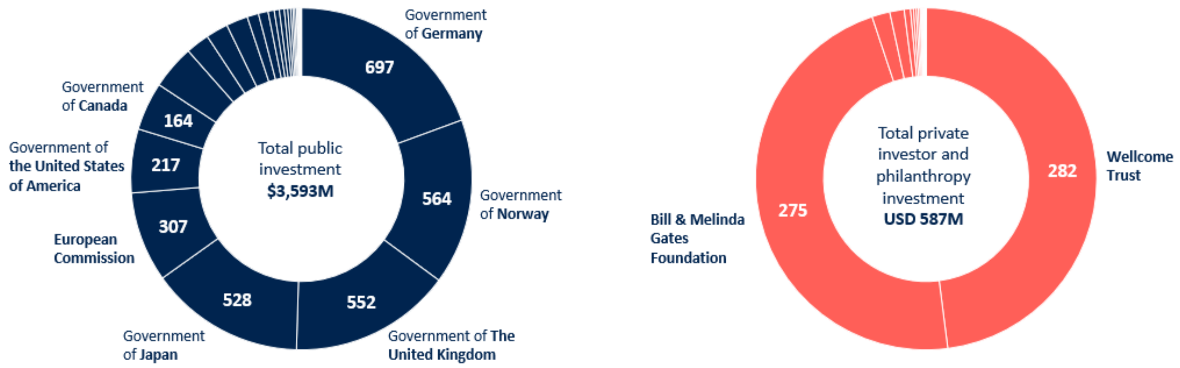
The Joint Coordination Group (JCG) serves as an institutional roundtable, bringing together organisations with key roles for EID vaccines (EMA, FDA, Gavi, UNICEF, MSF, IFRC, AVAREF, Wellcome, FIND, the World Bank, and WHO) and two representatives from industry selected in consultation with IFPMA and DCVMN. The JCG is intended to serve as a forum for CEPI to engage partners in issues related to our vaccine development and 100 Days Mission efforts a) to seek their non-binding advice to CEPI and b) for all partners to explore how they interact and the roles they play to support CEPIs mission. In 2023 a new Chair was appointed, the JCG met two times – including the first in-person meeting since the pandemic – and discussions began about ensuring regional and country representation at all meetings. Consensus was built around the framework of the 100 Days Mission, and partners expressed an eagerness to further articulate the ways in which JCG member organizations and processes will need to evolve to align with this mission in both the first and second 100 days. The JCG also agreed that partners at every part of the 'value chain' have a responsibility to prioritize and infuse equitable access into their work and that this represents a paradigm shift on par with the acceleration of timelines encapsulated by the 100 Days Mission.

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). In addition the Chair of the Investors Council serves as the Co-Chair of the Members meeting, and at each Board meeting provides a report from the Investors Council to the Board.

Strong support from investors

Close to USD 4.2B have been pledged to CEPI since its launch in 2017, whereof USD 3B have been received at the close of 2023 (details in appendix I).

Figure 1: Total contribution and pledges to CEPI as of 31.12.2023[2]



Management of the portfolio

During 2023, CEPI's portfolio management continued to be guided by the portfolio management and governance framework and delegations of authority levels approved by the Board in April 2022. Namely, the Vaccine Research & Development and Manufacturing Committee (VRDMC) and Portfolio Strategy & Management Board (PSMB) consisting of senior members of CEPI's leadership team and external experts, providing technical and strategic oversight, respectively, of CEPI's portfolio and investment decision-making. An internal review was conducted of CEPI's portfolio management framework and processes in spring 2023, i.e. one year after its implementation in its current form, to identify opportunities for enhanced effectiveness and efficiency. This has led to work clarifying roles and processes for governance groups, ensuring strategic portfolio considerations inform investment decisions, aligning governance requirements with risk appetite, and internal trainings.

In late 2023 CEPI focused considerable attention on improving its forecasting and investment management approach. This followed a recognition that to operate and manage a portfolio on the new scale, it is critical to view investments through an end-to-end approach and ensure CEPI pays considerable attention to each stage of its investment pipeline. This facilitated an improvement in efficiency of investment management in the second half of the year and will continue to be a major focus feeding into 2024, to ensure continued improved execution.

Portfolio composition

Figure 1 shows that CEPI's active R&D portfolio as of December 2023 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; ten broadly protective Pan-Sarbeco candidates; and twelve rapid response platform candidates to deploy against unknown threats, or Disease X. 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.

[2] Figures shown using actual exchange rates for contributions received and budget 2024 exchange rates for pledges not yet received.

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 131 partners are in the Global South; across 35 Global South Countries. Investments in laboratory, animal model, clinical research preparedness and manufacturing networks expanded this geographic footprint in 2023 with targeted partnerships in currently underrepresented continents as shown in Figure 3.

Figure 2: CEPI's active vaccine R&D portfolio overview as of December 2023

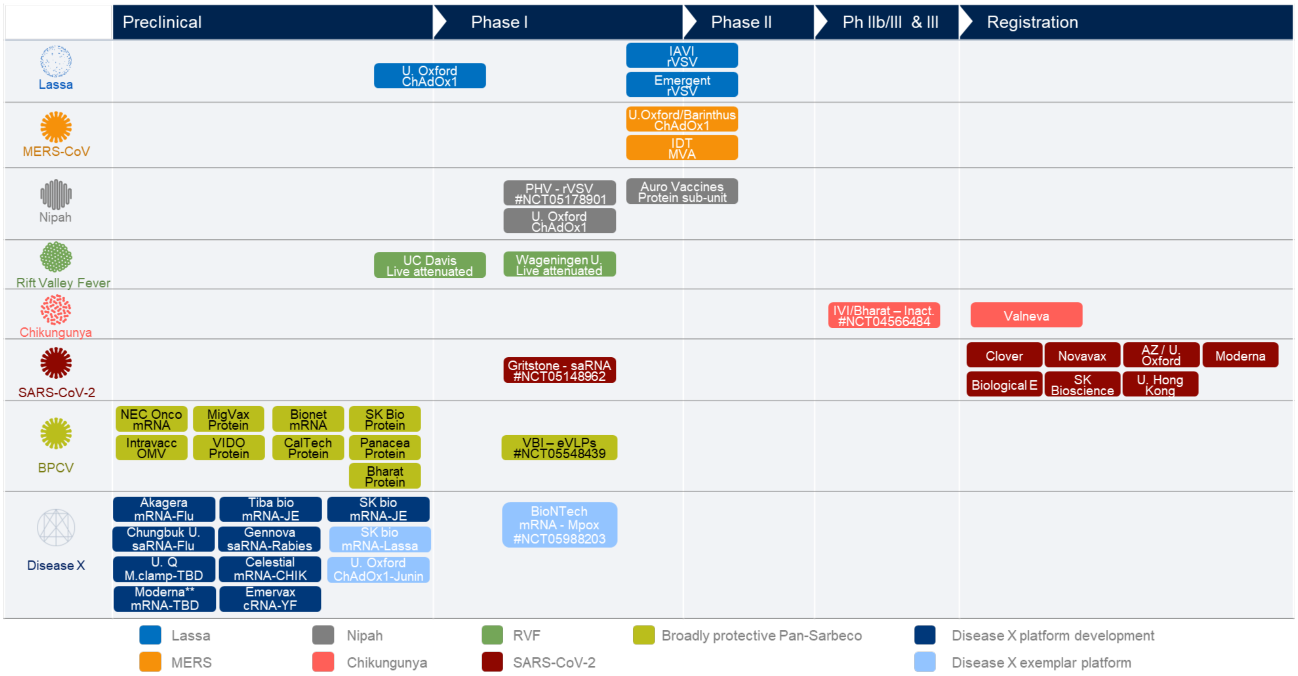
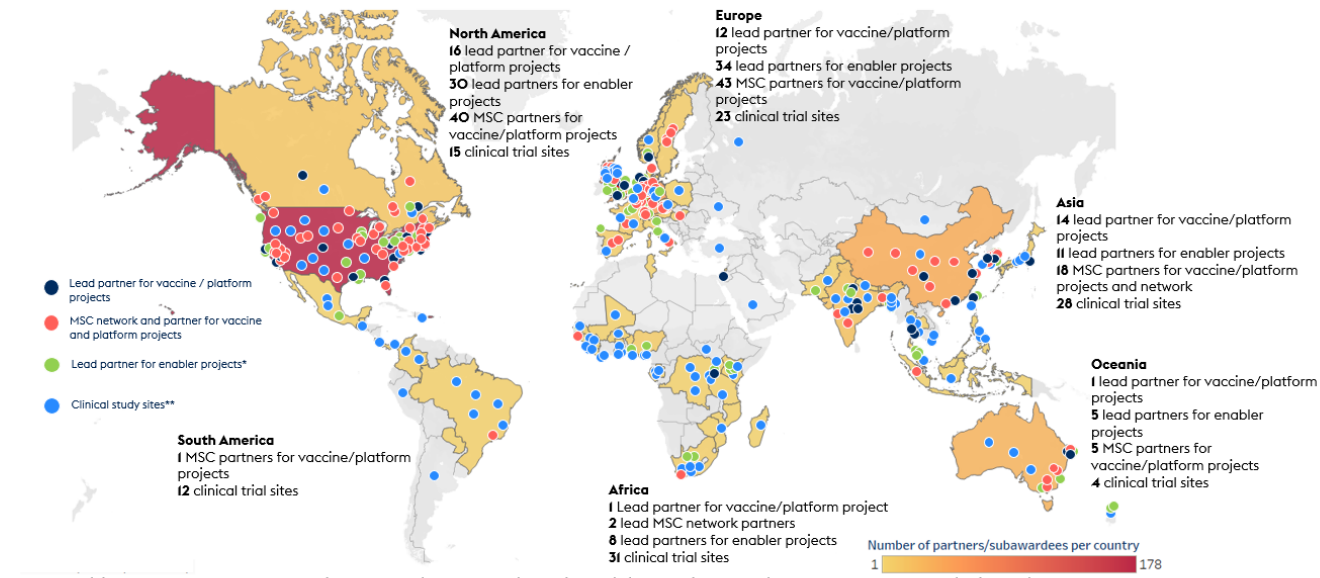


Figure 3: CEPI's R&D and manufacturing & supply chain (MSC) portfolio overview per geographical location as of December 2023



*Includes clinical research, standard & assay; animal model, epi, central lab, diagnostic, predictive modeling, system immunology and manufacturing innovation
**Planned and confirmed based on available information

Notable portfolio developments related to CEPI's vaccine candidate portfolio in 2023 include: [3]

- U.S. FDA regulatory approval achieved for the first ever Chikungunya vaccine - with additional regulatory plans for review in multiple markets. This is also supported by CEPI investment to transfer vaccine manufacturing to the Latin American endemic region.
- Progression in clinical stage of development for one Nipah candidate and one SARS-CoV-2 candidate;
- Expansion of CEPI's portfolio with 1) the establishment of Disease X portfolio via new project signatures and rescoping of current platforms; 2) the extension of collaborations with RVF vaccine developers
- Termination of investments in three broadly protective Pan-Sarbeco virus vaccine candidates due to technical failure, project deprioritisation, or rescoping
- Continued expansion of previous enabling science and manufacturing programmes, including expansion of CEPI's Centralized Laboratory Network, Animal Model Network and Manufacturing Network, and new investments in projects spanning laboratory tools, clinical research, epidemiology and modelling.
- Calls for Proposals (CfP's) launched during 2023 for Chikungunya vaccine candidates, Controlled Human Infection Model (CHIM) studies, Adjuvants, Innovations to prepare for future epidemics and pandemics, Nipah monoclonal antibody (mAb), Vaccine manufacturability focused on speed, Correlates of protection to support vaccine development, Partnership for preparing clinical trial sites in West Africa, Animal model network expansion, and Novel RNA vaccine platforms
- Strategic partnerships entered during 2023 with BioNTech, IQVIA, Moderna and the University of Oxford to contribute towards equitable global preparedness and response, enhancing the way CEPI can work with industry and academic partners with unique capabilities or technologies that may be vital to the success of the 100 Days Mission.

Portfolio investment

As of end of 2023, CEPI has entered partnership agreements with total investment requirements of up to USD 2.583M and disbursed USD 1.928M in funding across its portfolio. Approximately 37% of the funds remaining to be disbursed are gated (USD 245M of USD 655M), 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 ~67% (USD 1.7B). Priority pathogens account for ~18% (USD 474M), with the largest proportion of the priority pathogen budget signed to Lassa projects (USD 234M). Disease X portfolio investment has been increasing rapidly and represents ~8% (USD 222M). Actual spend will be contingent on attrition.

In terms of its financial allocations, ~85% (USD 2.2B) of the signed portfolio supports priority pathogen vaccine development, while ~8% (USD 222M) has been allocated to Disease X, and ~6% (USD 154M) Manufacturing and cross-cutting non-pathogen specific enabler projects (clinical research, animal models, standards and assays, Centralized Laboratory Network, epidemiology and regulatory). 62% (USD 1.2B) of signed vaccine projects by value utilize protein-based platforms; and the share of mRNA investments has increase significantly in 2023, approaching ~9% (USD 181M).

[3] For more details, please refer to CEPI's Annual Progress Report 2023 on CEPI's website (to be published by end of Q2 2024)

The year ahead

Based on its current trajectory, and noting changes in the ecosystem, it became clear in late 2023 that CEPI is unlikely to deploy all of the pledged financial resources by end of the CEPI 2.0 timeframe (2022-2026). To support accelerating achieving its goals, in the second half of 2023, CEPI focussed on its approach to investment management, and introduced mechanisms beyond traditional Calls for Proposals that diversify routes to our programming and pipelines. Examples include Strategic Partnerships with leading institutions that bring unique capabilities or technologies vital to the success of the 100 Days Mission, and the broad 'Innovations to Prepare for Future Epidemics and Pandemics' call that will accept proposals on a rolling basis through to 2026.

CEPI ended the year by agreeing on the need in 2024 to look at the long term financial and strategic picture, and consider whether there are opportunities for additional or targeted programmatic activities (e.g. starting in 2024-2025) that accelerate progress towards meeting CEPI 2.0 and 100 Days Mission goals. Key strategic events this year will create the space for CEPI to initiate additional portfolio activities as well as learn from an independent assessment of our progress (Mid-Term Review) halfway through our strategic cycle. The Board will engage closely with Management throughout 2024 on the investment management approach, organisational evolution, ecosystem development, and strategic deliverables and direction.

As well as these wider objectives, CEPI Managemetn has developed a set of organisational priorities formulated as overarching, high-level "Must Wins" that it aims to accomplish in 2024:

- *Strategic approach*: Evolve CEPI's strategic direction and redefine expectations for CEPI 2.0
- *Execution*: Improve CEPI's 1) operational efficiency to ensure significant progress against its projected budget and 2) decision-making processes and clarity of roles so working within CEPI is clear, effective and impactful,
- *Core portfolio*: Advance and accelerate CEPI's core portfolio through Disease Programme Teams. This is a major focus of effort and spend, and is perhaps the most significant of all of these areas,
- *Vaccine Manufacturing*: Expand the capabilities of geo-diversified manufacturing partners and implement new manufacturing innovations projects,
- *Public Partnerships*: Strengthen CEPI's ability to shape the global health architecture and the R&D&M ecosystem, including sharpening ways of working on preparedness and response between global health organizations,
- *Global Pandemic Preparedness Summit 2*: Partner with Brazil (G20 Presidency), WHO and other key opinion leaders to deliver a second Global Pandemic Preparedness Summit (GPPS2) that enhances international focus on the 100 Days Mission with speed and equity at its core,
- *Global Vaccine Library*: Initiate an international campaign to adopt a faster and more collaborative approach to vaccine R&D that combines optimized antigen design with rapid response platforms - and gain significant buy-in
- *Investor Relations*: Maximize investors momentum for PPR in support of CEPI's strategic objectives

Risks

CEPI's risk management framework was updated in 2023. It is designed to enable and support consistent, effective, and informed decision making across all levels of the organizations, needed in the pursuit of 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. In September 2023, the Board also approved a Risk Appetite Framework, which defines the amount of risk at the strategic level, that CEPI is willing to accept in pursuit of its strategic objectives.

CEPI maintains a roster of 39 organization level risks, (which includes a subset 'top risks') agreed with Management. The assessment of these organization level risks takes in consideration the external risk landscape, which is ever evolving. The risks are divided into 4 categories: Strategic risks, Program related risks, Operational Risks and Finance and Funding related risks. Risk appetite is set for each of these four categories.

The top risks identified at the start of 2023, remained unchanged throughout the year. Progress on these Top Risks, including the management's assessment of the risk exposure and mitigating actions is presented to the ARC (and the Board) quarterly. Progress is noted on the mitigating actions for many of the top risks.

The risk appetite and the roster of organization level risks will be reviewed annually (anticipated in Q3 of 2024) which will include review of the risk exposure, likelihood, and impact of the risks on CEPI. The annual review provides the opportunity to Management to review/ remove or add any emerging risks as relevant to the context. 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 01.01.2023–31.12.2023. The accounts reflect a significant drop in the investments to contracted awardees from 2022 to 2023. The costs reflected in 2022 were mainly related to Covid-19 projects. In early 2023 the WHO determined that Covid-19 is now an established and ongoing health issue which no longer constituted a public health emergency of international concern. In 2023 CEPI's focus continued to be on COVID-19 but pivoted more broadly to the 2.0 programme. It is noted that the large-scale investments CEPI was able to make in COVID-19 were in a unique context, and the investments CEPI has made in 2023 have been at a smaller scale.

While the investments to contracted awardees have decreased, there was an increase in operational costs of 26.2% over 2022, which reflect CEPI's work in building the organization to be fit for purpose for the 2.0 strategic period.

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 2023, total revenue recognized was USD 455.0M compared to USD 597.4M in 2022, while remaining funds received are recorded on the balance sheet as prepaid incoming contributions under short term liabilities.

CEPI's total expenditure in 2023 was USD 257.9M, of which USD 236.0M was recorded as R&D costs. Of the total R&D costs, USD 189.0M was recorded as R&D project costs and USD 47.0M as R&D project support costs. R&D prepayments to awardees, not spent in 2023, are reflected in the balance sheet and amount to net USD 85.5M.

Resource mobilisation costs relate to CEPI's efforts to increase ongoing, and secure new funding commitments. In 2023 these efforts absorbed USD 4.0M. Administrative expenses amounted to USD 17.9M in 2023. Administrative costs represented 6,9% of total expenditure, an increase from 2,6% compared to 2022. The increase primarily stems from the decline in 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 2023 show a surplus of USD 196.8M, compared to a surplus of USD 29.4M in 2022. The increase in surplus is driven by a significant increase in returns from CEPI's bank deposits and financial investments, combined with donations with no repayment clause which is reflected as revenue without offsetting expense.

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. During November 2023, CEPI also set up a fixed income portfolio with Citi Bank to further spread risk and its cash reserves.

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

In 2023 the organization grew from 194 permanent and temporary employees in the beginning of the year, to 237 at the end of the year. The number of workers engaged through an Employer of Record (EOR) service, or who are employed through a non-resident payroll, grew from 18 to 22. Due to CEPI's increased presence in certain countries, we have commenced statutory registration processes in accordance with the permanent establishment requirements of countries like France. Similar internal preparations have likewise been commenced for PE registration in Germany. There were 67 starters and 20 leavers over the year. CEPI is also supported by a strong cadre of expert consultants that serve to broaden CEPI's global reach and operational flexibility.

CEPI's priority is to protect the health and safety of all those who work in the organization. In 2023, there were no reported injuries or accidents. Sickness absence remained stable at a low level. CEPI had a sick leave percentage of 2.08% in 2023, compared to 1,83% in 2022 and 1,75% in 2021. CEPI is committed to working systematically to maintain sickness absence at a low level.

CEPI is also committed to providing a safe and healthy working environment where staff and managers feel respected and trusted; harassment or discrimination is not tolerated; and injuries or accidents are avoided. CEPI has defined minimum requirements and operational responsibilities for Health and Safety at all CEPI offices; this includes physical and mental health and well-being.

CEPI has continued to monitor Health and Wellbeing in the workforce and has established internal wellbeing opportunities for employees such as:

- Get together opportunities for employees such as team retreats as well as summer and yearend celebrations etc.,
- Employee recognition program celebrating individual and team achievements,
- Marking of the International Day of Women and Girls in Science and World Mental Health Day,
- Flexible working arrangement giving people the freedom to manage when and where they work based on their tasks and personal circumstances in agreement with their line manager,
- Meeting free Fridays giving employees uninterrupted time to focus on their work,

- Health and wellbeing group offering various employee driven activities from sharing of relevant articles to skiing trips.

CEPI also has a Working Environment Committee following closely up on Health and Wellbeing topics. In addition, Management identified a need to focus on protecting mental health.

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 54 different nationalities (31.12.2023).

The composition of CEPI staff on 31 December 2023:

- The CEPI organisation had a total of 259 employees (237 permanent and fixed-term employees plus 22 global workers, i.e. employed through Norway on a non-resident payroll or through an employer of record arrangement)
- The gender balance among staff: 63% female and 37% male
- The gender balance in the CEPI Leadership Team: 43% female and 57% male
- The 259 employees are from 54 different countries: 29% 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 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 will conduct an assessment of these organisations' environmental impact in 2024.

Transparency

Since 1 July 2022 CEPI has been subject to the Norwegian Transparency Act ("Åpenhetsloven"). CEPI has established integrity 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. To comply with the Transparency Act, CEPI:

- has further strengthened its integrity due diligence process, covering all third parties including awardees and suppliers,
- will update and publish its annual statement on its due diligence strategies on www.cepi.net, no later than 30 June 2024, 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 is USD 196.8M and 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.

Brussels, 12 March 2024

Jane Holton
Chair of the CEPI Board

Jeanette Vega

Jeanette Vega Morales
Vice-Chair of the CEPI Board

David Reddy
Board member

Rajeev Venkayya
Board member

鈴木康裕

Yasuhiro Suzuki
Board member

Alex Pym
Board member

Veronika von Messling
Board member

L. Rizka Andalucia
Board member

Cyrus Ardalan
Board member

Githinji Gitahi Evanson
Board member

Samba Sow
Board member

Soumya Swaminathan

Soumya Swaminathan
Board member

Richard Hatchett
CEO and Secretary to the Board

Appendix I

Contribution proceeds from inception of CEPI until end of 2023.

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

Investor	Local currency	Contribution proceeds LTD	Currency	USD amount LTD
European Commission	EUR	159,736	USD	181,608
Government of Australia	AUD	64,000	USD	43,093
Government of Austria	EUR	5,200	USD	5,777
Government of Belgium	EUR	5,500	USD	6,037
Government of Canada	CAD	134,350	USD	103,917
Government of Denmark	DKK	10,000	USD	1,447
Government of Ethiopia	USD	398	USD	398
Government of Finland	EUR	8,000	USD	8,639
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	3,000	USD	3,000
Government of Italy	EUR	17,500	USD	19,712
Government of Italy	USD	6,064	USD	6,064
Government of Japan	USD	334,273	USD	334,273
Government of Kuwait	USD	10,000	USD	10,000
Government of Lithuania	EUR	200	USD	221
Government of Luxembourg	EUR	1,200	USD	1,368
Government of Malaysia	USD	3,000	USD	3,000
Government of Mexico	USD	1,250	USD	1,250
Government of Netherlands	EUR	55,000	USD	64,022
Government of New Zealand	NZD	19,000	USD	13,254
Government of Norway	NOK	4,488,102	USD	488,551
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	7,800	USD	7,800
Government of Switzerland	CHF	20,000	USD	21,103
Government of the Republic of Korea	USD	33,000	USD	33,000
Government of the United Kingdom	GBP	318,000	USD	407,390
Government of the United States of America	USD	117,000	USD	117,000
Kingdom of Saudi Arabia	USD	150,000	USD	150,000
Total Public investors			**USD**	**2,693,184**

Investor	Local currency	Contribution proceeds LTD	Currency	USD amount LTD
	USD	8,000	USD	8,000
Bill and Melinda Gates Foundation	USD	185,279	USD	185,279
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	130,850	USD	130,850
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	110	USD	12
Other Private investors and Philanthropies	USD	2,179	USD	2,179
Total Private investors & Philanthropies			**USD**	**346,210**
Total contributions			**USD**	**3,039,395**

Statsautoriserte revisorer
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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 2023, 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 2023 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 Company 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 of the financial statements that give a true and fair view 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.

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In preparing the financial statements, management is responsible for assessing the Company'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 Company 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 Company'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 Company'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 Company 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.

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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, 12 Mars 2024
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The auditor's report is signed electronically

Tommy Romskaug
State Authorised Public Accountant (Norway)

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

Tommy Romskaug
Partner
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