

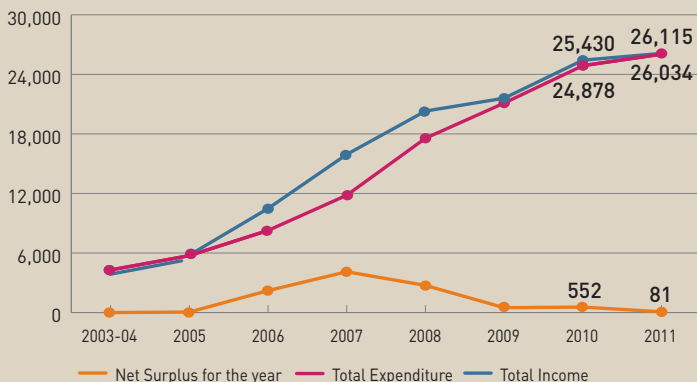
2011 KEY FINANCIAL PERFORMANCE INDICATORS



Supporting expansion of DNDi activities by reinforcing the team, partnerships, and processes

Statement of activities 2004-2011

Budget of EUR 26 million in 2011



DNDi expenditure totals **EUR 120 million since its inception in 2003**. In 2011, expenditure amounted to **EUR 26 million**, + 4.6% as compared to 2010. The operating loss of EUR 0.2 million was compensated by a positive exchange rate gain, mainly due to the weakness of the Euro against the US dollar.

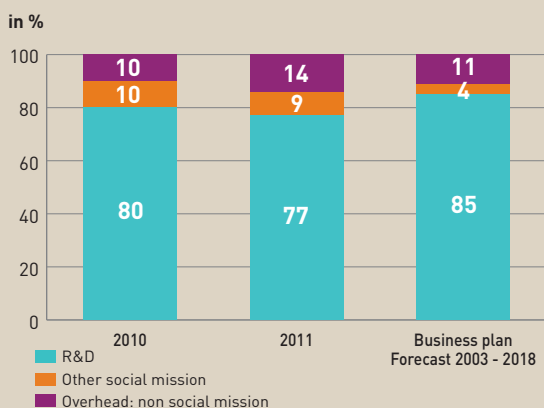
- The number of R&D projects increased by 30% (from 20 in 2010 to 24 in 2011) at all stages of the R&D process.
- R&D expenditure increased slightly in 2011 (+ 1.5% between 2010 and 2011 as compared to +20% between 2009 and 2010) due to: several projects having reached key transition points or at preparation stage – e.g. fexinidazole (preparation of Phase II); Oxaborole (preparation of Phase I); Nitroimidazole (VL) project selected VL-2098 for in-depth evaluation; new VL therapies in South Asia, including preparation of large implementation studies; start of activities for paediatric HIV and helminth infections; start of implementation for cutaneous leishmaniasis; and entry in the non-regulatory pre-clinical phase for fenarimol for Chagas.

To support these transitions, DNDi management and coordination were key:

- To identify and select **new partners**: from 81 in 2010 to 102 in 2011.
- To strengthen the **DNDi team**: + 8 FTEs in Regional Offices and + 7 FTEs at Headquarters.
- To improve **internal processes**: general management from 6% to 8% of annual expenditure.

2011 Social mission breakdown

Transitioning to prepare for the future



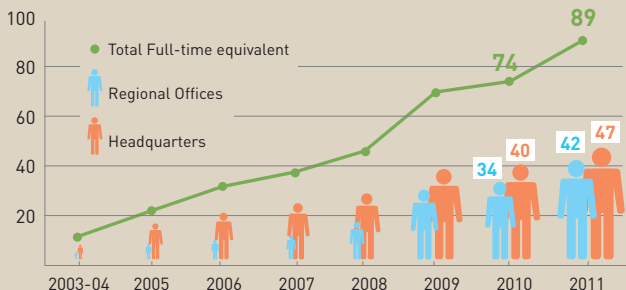
In 2011, the non social mission ratio increased temporarily as new resources were dedicated to improve processes to match the growth of DNDi (R&D portfolio is expected to grow by 30% in the coming years) notably by:

- Supporting the elaboration of the new Business Plan 2011-2018 (issued in September 2011); Recruiting an Operational Director to support empowerment of Regional Offices as well as operational practices and policies; and a Coordinator to support increased financial requests and reporting duties.
- IT support was adjusted to meet the increase of staff worldwide.
- Fundraising expenses increased by 26% to reinforce activities in Regional Offices.

Other social mission expenditure – which includes capacity strengthening and advocacy activities – remained stable in 2011 (- 1%). Cost savings were generated at the Partner's Meeting in December 2011 by holding other key meetings at the same occasion: launch of the paediatric dosage form of benznidazole; advocacy workshop; malaria expert meeting; Chagas Clinical Research Platform meeting; VL expert meeting; and the DNDi Board meeting.

Human Resources Evolution 2004-2011

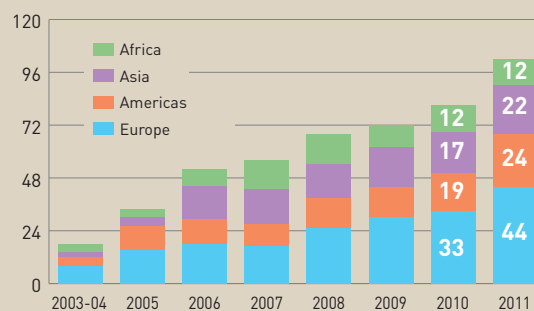
Reinforcing the team to match growth



In 2011, DNDi recruited an additional 15 FTEs. Seven new staff joined DNDi Headquarters (+18%) in order to: lead the new paediatric HIV formulation programme; complete the drug discovery team; and reinforce the finance and fundraising departments as well as the management team. In Regional Offices, eight staff joined DNDi in New Delhi, Rio de Janeiro, Kinshasa, and New York (+24%). The new staff members reinforce clinical teams in the endemic regions and support the expansion of DNDi's fundraising strategy in the USA and in emerging economies.

R&D Partners & subcontractors per continent

Strong increase in partners worldwide



In 2011, 102 partners and subcontractors participated in advancing the DNDi portfolio, + 24% as compared with 2011. New partners were identified and selected to progress DNDi projects through the R&D pipeline and start new projects (e.g. large implementation studies for new VL therapies in South Asia, paediatric HIV, helminth infections, and CL activities).

2011 KEY FINANCIAL PERFORMANCE INDICATORS



R&D expenditure by disease

EUR 20.1 million in 2011 for R&D and a balanced kinetoplastid portfolio

2010: EUR 19.8 million



2011: EUR 20.1 million



■ Leishmaniasis Projects ■ Chagas disease Projects
■ HAT Projects ■ New Diseases: Helminth infections and paediatric HIV
■ Malaria Projects

Overall R&D expenditure remains stable between 2010 and 2011 (EUR 20.1 million). With two new treatments available and at least one product in clinical stage and one pre-clinical candidate for each of the three kinetoplastid diseases (Chagas, HAT, and VL), the breakdown of R&D expenditure by disease shows a balanced portfolio.

Leishmaniasis: The level of activities remains high with ten projects as of December 2011. Overall expenditure decreased due to slower patient recruitment in clinical trials and additional time required for preparation of the implementation study in Asia.

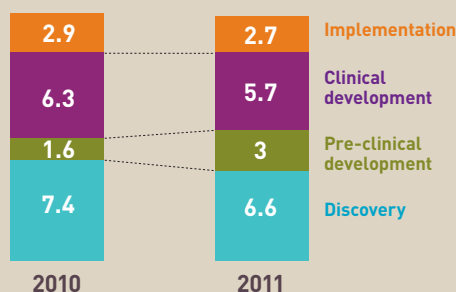
Chagas disease: Expenditure increased in 2011 by 62% with the registration of the paediatric dosage form of benznidazole (+ EUR 0.2 M), the launch of the Azole E1224 Phase II study (two sites in Bolivia, + EUR 0.6 M), the start of a test of cure project - PCR and biomarkers (+ EUR 0.2 M), and completion of the Chagas Lead Optimization Consortium development (+ EUR 0.7 M).

Malaria: In accordance with the Business Plan, expenditure continues to decrease (- EUR 200 K in 2011). The main activities were the Phase IV clinical trial in Burkina Faso, Kenya, and Tanzania (+ EUR 100 K) and technology transfer to Zenufa (Tanzania) for the production of ASAQ (+ EUR 150 K).

Portfolio expansion: Pre-clinical and screening activities started for the helminth infections project (flubendazole, macrofilaricide: + EUR 0.2 M) and in-kind contributions brought expenditures down in 2011. The paediatric HIV project (+ EUR 0.3 M) started pre-clinical activities following the TPP definition and the set-up of a network of clinical partners.

R&D expenditure by R&D stage

Seeking efficiency in building a robust portfolio



Discovery: Lead optimization programmes moved from 3 consortia (1 per disease) to an integrated model with 2 consortia for the 3 kinetoplastid diseases. Each consortium will implement 2 parallel programmes. A new partner was selected in China to work on chemistry, DMPK, and parasitology. This rationalization saves EUR 0.8 M in 2011 as compared to 2010.

Pre-clinical: Expenditure increased between 2010 and 2011 (+ EUR 1.4 M), due to progression of 4 drug candidates: completion of pre-

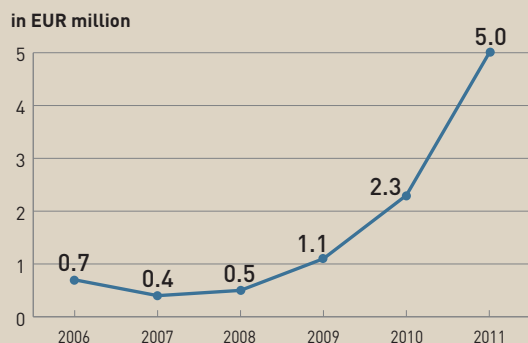
clinical studies of Oxaborole SCYX-7158 (+ EUR 0.4 M) for HAT; start of pre-clinical testing for VL-2098 (+ EUR 0.4 M) for VL; pre-clinical tests for flubendazole (+ EUR 0.2 M) for helminth infections; studies on the fenarimol series (+ EUR 0.1 M) for Chagas. Activities began on new formulations and prodrug development for paediatric HIV (+ EUR 0.3 M).

Clinical: Expenditure is stable compared to 2010, with **6 clinical studies** implemented in 2011: Patient recruitment started for Azole E1224 for Chagas disease (+ EUR 0.6 M); fexinidazole for HAT in transition phase before entering Phase II (- EUR 0.6 M); recruitment continued for new VL treatments (Africa, Bangladesh) but was slower than expected due to protocol criteria and implementation of new sites (- EUR 0.6 M).

Implementation: Expenditure is stable in 2011 as compared to 2010, whereas **two new treatments were delivered:** the paediatric dosage form of benznidazole was registered in December - therefore no implementation costs in 2011 - and VL Asia treatments, which required additional time for preparing the implementation study (+ EUR 0.3 M). Expenditure for malaria projects is decreasing (- EUR 0.3 M) as well as the NECT field study (- EUR 0.2 M) as both projects are entering the follow-up phase.

In-kind contributions

Leveraging EUR 5 million for R&D from partners



In-kind contributions are an integral part of the DNDi business model. To present a comprehensive view of activities, DNDi values the in-kind contribution of its partners (private companies, academic groups, individuals). Monitoring in order to more accurately value such contributions and thus obtain more accurate figures is a continually improving process. In six years, in-kind contributions have increased six-fold, reflecting DNDi's investment in consolidating partnerships.

The total of in-kind contributions in 2011 reached 20% of total operational expenses.

The major increase in 2011 in-kind contributions from those of 2010 (+100%) is due to pharmaceutical development of Azoles E1224 and fexinidazole with industrial partners.

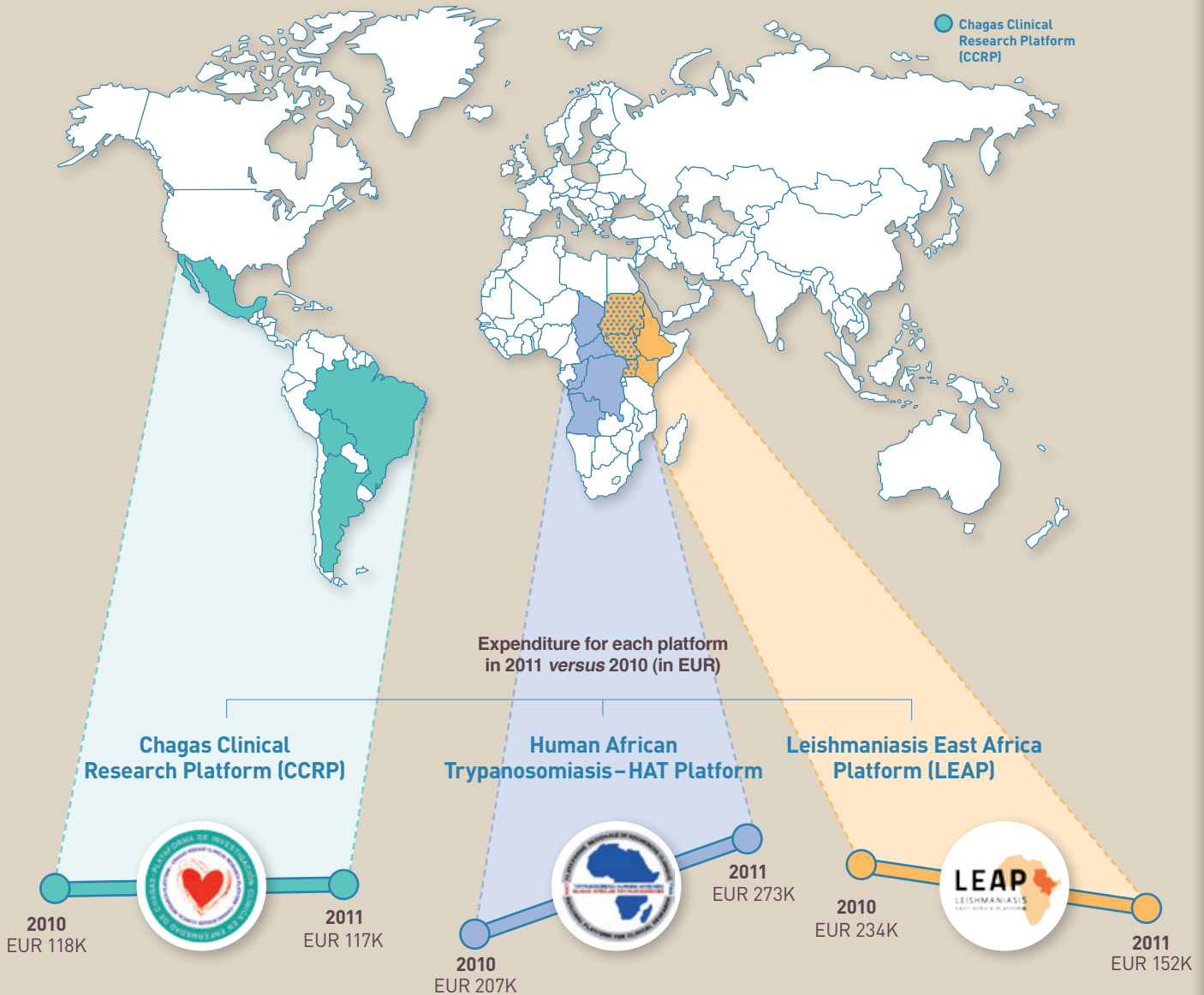
2011 KEY FINANCIAL PERFORMANCE INDICATORS



Three Regional Clinical Research Platforms

Bringing together key actors to address patient needs from A to Z

- Leishmaniasis East Africa Platform (LEAP)
- Human African Trypanosomiasis-HAT Platform
- LEAP + HAT
- Chagas Clinical Research Platform (CCRP)



The **Chagas Clinical Research Platform (CCRP)** is operational at two sites for the E1224 Phase II study (Bolivia) and five sites for paediatric benznidazole pharmacokinetics (Argentina). The CCRP expenses remain stable, and include the organization of a platform meeting in December 2011 in Rio de Janeiro, Brazil. **In 2011, 70 people were trained.**

The **HAT Platform** is operational at six sites for the NECT study. In addition, five to six sites are in preparation in DRC (Bandundu-Ville, Vanga, Masi-Manbimba) and in CAR (Batangafo) for the fexinidazole Phase II/III study expected to start in 2012. The increase of expenses is due to human resource strengthening to support the preparation of clinical trial sites for this study. **In 2011, 62 people were trained.**

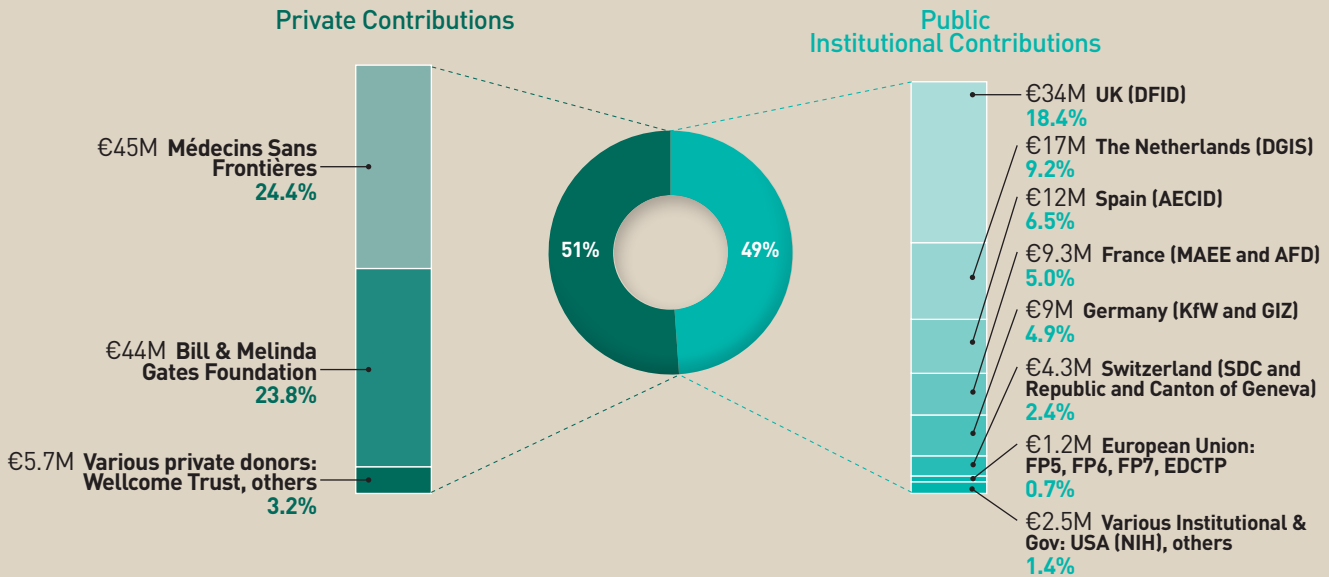
In 2011, clinical trial activities are conducted at seven sites managed by the **LEAP platform**: two in Sudan (Kassab, Dooka), one in Uganda (Amudat), one in Kenya (Kimalel), and two in Ethiopia (Arba Minch, Gondar). In addition, in 2011, MSF and MoH sites in Sudan have implemented studies for SSG&PM co-administration. No rehabilitation was undertaken in 2011, whereas the site in Dooka was rehabilitated in 2010 (EUR 0.1 Million) and opened as a new LEAP clinical site in 2011 for the VL studies. **Over 100 people were trained in 2011.**

2011 KEY FINANCIAL PERFORMANCE INDICATORS



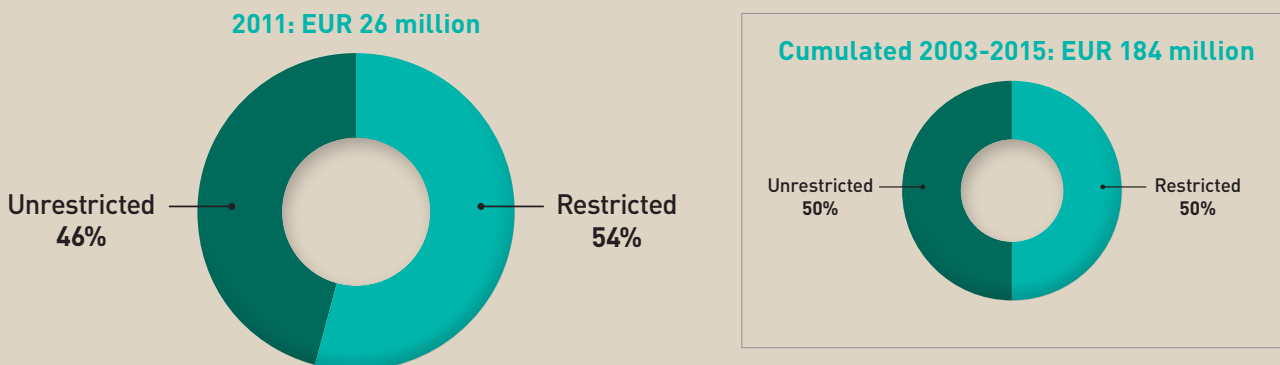
Balanced and diversified funding – key to DNDi’s vision

EUR 184 Million committed to DNDi for 2003-2015 (as per January 2012)



To realize its vision and mission, DNDi seeks to ensure balanced and diversified financial support from public and private donors, allowing the organization flexibility and sustainability, while also preserving its independence. The public-private balance has been maintained thus far, and the diversification of donors has increased – with two new donors in 2011 (Wellcome Trust and BMBF/KfW).

Unrestricted core funding vital to flexible portfolio management



The trend shows an increase in the number of restricted grants in 2011 (compared to 46% in 2010 and 34% in 2009). Under these restricted grants a new and more flexible category has emerged: portfolio grants. Covering various diseases and/or various projects, these grants are estimated at 18% of the 2011 total income. However, to maintain flexibility and independence in managing the scientific portfolio, it is critical that DNDi continues to raise unrestricted core funding in the coming years.