



2021

FINANCIAL REPORT

DNDi

Drugs for Neglected Diseases *initiative*

CONTENTS

2021 Combined financial statements	4
Report of the statutory auditor	21
A word of thanks	23

2021 COMBINED FINANCIAL STATEMENTS

BALANCE SHEET – As at 31 December 2021 with 2020 comparative figures

<i>(in EUR)</i>	Notes	2021	2020
CURRENT ASSETS			
Cash and cash equivalents			
Banks and cash		36,064,835	25,779,313
Time deposits		3,264,245	109,774
Total cash and cash equivalents		39,329,080	25,889,087
Drug stocks		76,823	93,918
Current accounts and receivables			
Receivables from donors	7a	11,753,207	9,649,851
Other receivables		4,147,004	3,883,412
Prepaid expenses		740,415	1,033,584
Total current accounts and receivables		16,640,626	14,566,847
TOTAL CURRENT ASSETS		56,046,529	40,549,852
NON-CURRENT ASSETS			
Tangible fixed assets, net	4	250,673	418,675
Bank guarantee deposits	12	551,816	542,506
Total non-current assets		802,489	961,181
TOTAL		56,849,018	41,511,033
CURRENT LIABILITIES			
Payables		6,220,088	4,614,647
Accrued expenses		2,650,832	2,560,945
Deferred income	7a	32,247,080	20,703,479
Provisions	5	1,015,754	740,644
Total current liabilities		42,133,753	28,619,715
CAPITAL OF THE ORGANIZATION			
Paid-in capital		32,510	32,510
Unrestricted operating funds		14,682,755	12,858,808
Total capital of the organization		14,715,265	12,891,318
TOTAL		56,849,018	41,511,033

STATEMENT OF OPERATIONS – As at 31 December 2021 with 2020 comparative figures

<i>(in EUR)</i>	Notes	2021	2020
INCOME			
Public institutional funding			
Governments and public international organizations, unrestricted		12,844,660	17,179,781
Governments and public international organizations, restricted		29,145,524	20,926,615
Total public institutional funding		41,990,184	38,106,396
Private resources			
Private foundations, corporate and individual, unrestricted		769,484	1,082,700
Private foundations, corporate and individual, restricted		19,170,700	14,662,053
Total private resources		19,940,184	15,744,753
Resources from founders			
Médecins Sans Frontières, unrestricted		4,000,000	4,000,000
Médecins Sans Frontières, restricted		1,026,354	2,000,850
Total resources from founding partners		5,026,354	6,000,850
Other income			
Sundry income and reimbursements		65,062	89,142
Other income, net		65,062	89,142
Total INCOME	7	67,021,784	59,941,141
SOCIAL MISSION EXPENDITURE			
R&D and access expenditure			
R&D coordination and supervision, strategy, monitoring & evaluation (M&E), and exploratory		6,233,596	6,431,519 ¹
Lead optimization and portfolio building		4,215,270	5,198,924
Human African trypanosomiasis (HAT) projects		7,565,734	6,098,011
Leishmaniasis projects		11,493,103	10,144,425
Chagas disease projects		1,106,360	1,286,753
Filariasis disease projects		3,898,780	2,289,426
Mycetoma projects		474,567	1,103,255
Paediatric HIV projects		1,770,037	3,170,201
Hepatitis C projects		1,977,526	3,421,650
Global Antibiotic Research and Development Partnership (GARDP)		1,376,111	1,723,811
COVID-19 projects		12,413,185	5,235,678
Total R&D and access expenditure	8	52,524,269	46,103,653
Strengthening capacities	9	4,059,399	4,118,766
Advocacy	10	2,393,653	2,262,108
Total SOCIAL MISSION EXPENDITURE		58,977,321	52,484,527
NON-SOCIAL MISSION EXPENDITURE			
Fundraising	10	2,489,025	2,040,795
General management	10	4,507,334	4,706,108
Total NON-SOCIAL MISSION EXPENDITURE		6,996,359	6,746,903
TOTAL EXPENDITURE		65,973,680	59,231,430
Operating surplus		1,048,104	709,711
OTHER INCOME (EXPENSES)			
Financial income, net		20,069	7,373
Exchange gain (loss), net		755,774	(81,997)
Total OTHER INCOME (EXPENSES)		775,843	(74,624)
Net surplus for the year prior to allocations		1,823,947	635,087
Allocation to unrestricted operating funds		(1,823,947)	(635,087)

¹ In 2021 the lines 'R&D coordination and supervision' and 'Strategy, monitoring & evaluation, and exploratory' were merged. Therefore, the 2020 total was restated to EUR 6,431,519 compared to the previous year's presentation: EUR 5,880,575 for 'R&D coordination and supervision' and EUR 550,944 for 'Strategy, monitoring & evaluation, and exploratory'.

FUNDS FLOW STATEMENT – As at 31 December 2021 with 2020 comparative figures

<i>(in EUR)</i>	2021	2020
Funds flow from operations		
Net surplus for the year, unrestricted	1,823,947	635,087
Depreciation of fixed assets	223,938	205,225
Increase in provisions	275,110	83,327
Decrease in stocks	17,095	109,830
(Increase) decrease in receivables from donors	(2,103,356)	706,928
(Increase) in founding partner and other receivables	(263,593)	(541,931) ²
(Increase) decrease in pre-paid expenses	293,169	(278,776)
Increase in payables	1,605,441	982,160
Increase (decrease) in accrued expenses	89,887	(990,811)
Increase in deferred income	11,543,600	13,196,808
Funds flow from operations	13,505,238	14,107,848
Funds flow from investing activities		
(Increase) of investments in tangible fixed assets	(55,935)	(318,682)
(Increase) in bank guarantee deposits	(9,310)	(19,180)
Funds flow from investing activities	(65,245)	(337,862)
Funds flow from financing activities		
Cash increase	13,439,993	13,769,986
Cash and cash equivalents – beginning of year	25,889,087	12,119,101
Cash and cash equivalents – end of year	39,329,080	25,889,087

STATEMENT OF CHANGES IN CAPITAL – As at 31 December 2021 with 2020 comparative figures

2021 (in EUR)	Opening balance	Allocation	Internal fund transfers	Closing balance
Paid-in capital	32,510			32,510
Surplus for the year	-	1,823,947	(1,823,947)	-
Unrestricted operating funds	12,858,808		1,823,947	14,682,755
Capital of the organization	12,891,318	1,823,947	-	14,715,265
2020 (in EUR)	Opening balance	Allocation	Internal fund transfers	Closing balance
Paid-in capital	32,510	-	-	32,510
Surplus for the year	-	635,087	(635,087)	-
Unrestricted operating funds	12,223,721	-	635,087	12,858,808
Capital of the organization	12,256,231	635,087	-	12,891,318

² The balance sheet line 'Advances to staff and regional offices' has been merged with the balance sheet line 'Other receivables' in 2021. Therefore the 2020 amount of '(Increase) in founding partner and other receivables' was restated this year from EUR 525,175 to EUR 541,931, which is now the sum of previously '(Increase) in advances' (EUR 16,756) and '(Increase) in founding partner and other receivables' (EUR 525,175).

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

a) Legal aspects

Drugs for Neglected Diseases *initiative* (DNDi) is a Swiss foundation registered in Geneva under statutes dated 17 July 2003 as a not-for-profit legal entity headquartered in Geneva. DNDi is monitored by the Swiss Federal Supervisory Board for Foundations and was granted 'Other International Organization' status in 2011. DNDi complies with Swiss law and with Swiss GAAP FER.

The mission of DNDi is to develop new treatments for people living with neglected diseases. Acting in the public interest, DNDi bridges existing R&D gaps in essential drugs for these diseases by initiating and coordinating drug R&D projects in collaboration with the international research community, the public sector, the pharmaceutical industry, and other relevant partners.

DNDi is governed by a board of directors which appoints the Executive Director to conduct all of DNDi's activities, supported by the Executive team. The board establishes subcommittees (the Executive Committee, the Audit Committee, and the Nominations, Remunerations, and Safeguarding Committee) and it reviews the recommendations of the independent Scientific Advisory Committee and the Access Committee created in 2021.

The Audit Committee members are: Frédéric Vallat (Treasurer), Olivier Dunant, Barbara Kessler, Chris Bird as from Q3 2021, Christos Christou as from Q3 2021, and Marie-Paule Kiény until Q2 2021. DNDi board members and leadership can be found on the DNDi website (<https://dndi.org/our-people>). The board of directors meets twice a year: in June and December. The financial statements and the performance report are validated in June.

b) Income tax

Under provisions of the promulgated Swiss Host State Act, DNDi signed an agreement with the Swiss Federal Council that granted DNDi certain privileges effective as of 1 January 2011 for an indeterminate period. The principal advantages for DNDi as a Swiss foundation with 'Other International Organization' status include:

- Exoneration from all direct and indirect federal, cantonal, and communal taxes.
- Exoneration from VAT on all goods and services acquired for the sole use of the foundation within Switzerland.
- Unrestricted access to work permits for non-Swiss nationals.

c) Regional offices

DNDi has a global presence with offices in several countries. Establishment of DNDi regional offices outside Switzerland requires the authorization of the board of directors. Such regional offices are set up according to DNDi's vision, its mission, and its model as a not-for-profit organization. DNDi complies with all local laws and regulations wherever it operates.

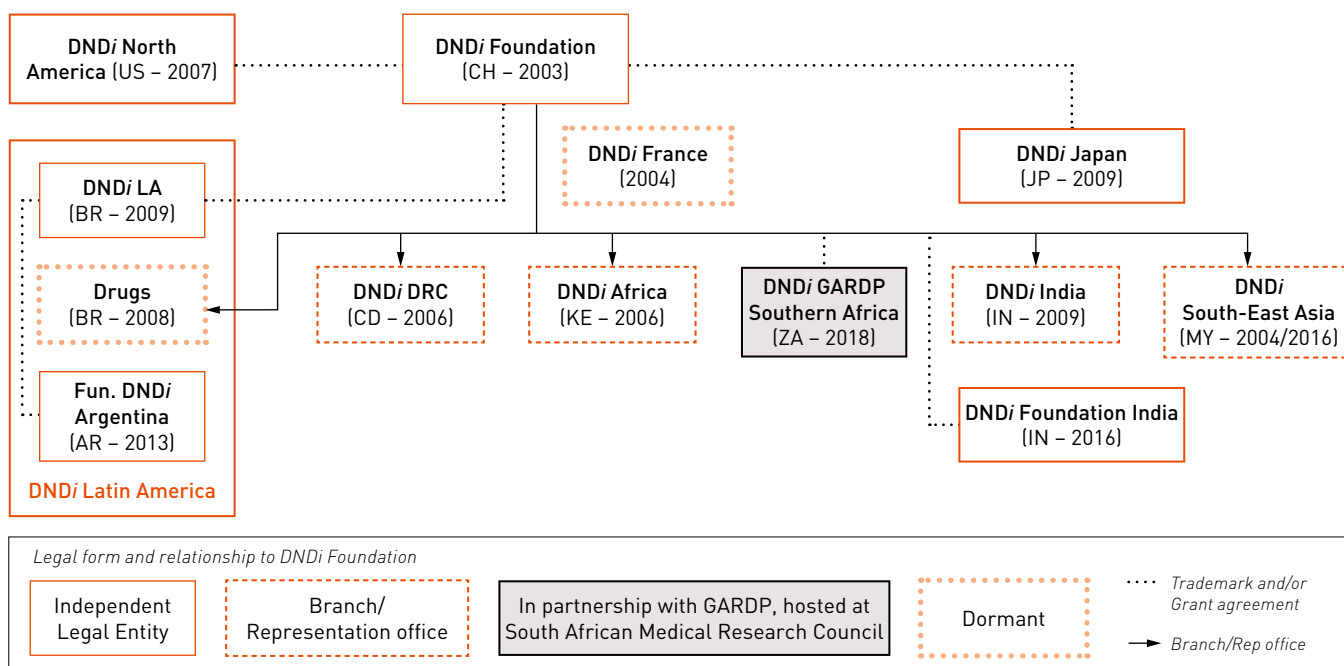
The accounts of all the independent legal entities are consolidated in the Combined Financial Statements:

- North America (New York, USA, 2007)
- Latin America (Rio de Janeiro, Brazil, 2009 and Buenos Aires, Argentina, 2013)
- South Asia (New Delhi, India, 2016)
- Japan (Tokyo, 2009)

DNDi also issues Standalone Financial Statements which are prepared in compliance with the Swiss Code of Obligations (Articles 957 to 963 b).

d) Covid-19 impact

In 2021, even though the global health agenda continued to focus on the COVID-19 crisis and pandemic preparedness, DNDi managed to secure EUR 91.5 million, including funding for its core portfolio (via a blend of public bridge funding, Priority Review Voucher (PRV) resulting from the US FDA programme and successes in competitive project funding) and new funding for COVID-19/Pandemic preparedness activities. This demonstrates the agility of the DNDi model, allowing us to expand into new areas without neglecting our core portfolio.

DNDi Legal framework*

* All dates refer to the establishment of branches or legal entities.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Accounting basis

The financial statements of the foundation have been prepared in accordance with the provisions of the Swiss Code of Obligations and in accordance with the Swiss GAAP, in particular Swiss GAAP FER 21 relating to accounting for charitable non-profit organizations. Swiss GAAP FER are Swiss accounting standards geared to entities that operate primarily in Switzerland. The recommendations have been established for entities seeking to present their financial statements to reflect a true and fair view of the financial situation, including:

- Balance sheet
- Statement of operations (activity-based method)
- Funds flow statement
- Statement of changes in capital
- Notes

The principal accounting policies are set forth below.

b) Scope of the financial statements

The scope of the financial statements of DNDi includes all the offices presented above in point 1.c (Regional offices), which DNDi controls.

These financial statements present all activities of the foundation and the controlled offices.

c) Social mission expenditure

Social mission expenditure represents expenses according to the purposes defined in Article 5 of the DNDi statutes. They are defined in the present general notes above in point 1.a (Legal aspects). DNDi's social mission expenditure comprises: R&D and access, strengthening capacities, advocacy.

d) Functional currency

The board of DNDi has determined that the assets, liabilities, and operations should be measured using EUR as the functional currency. The environment in which the entity primarily generates and expends cash determines this decision. All amounts presented in the financial statements are stated in EUR, except when specified otherwise.

e) Foreign currency translation

Transactions in currencies other than EUR are converted at the monthly average of the daily closing exchange rates of the previous month. Year-end balances in other currencies are converted at the last prevailing exchange rates available in the system for the year. Resulting exchange differences are recognized in the statement of operations.

The principal exchange rates used at year end to re-evaluate the balance sheet items in EUR are:

Currency	2021	2020
USD/EUR	0.8766	0.8451
CHF/EUR	0.9507	0.9278
GBP/EUR	1.1788	1.1163
100 INR/EUR	1.1767	1.1421
100 KES/EUR	0.7829	0.7731
100 JPY/EUR	0.7686	0.8092
100 BRL/EUR	16.245	16.604

f) Income

Public and private institutional donations based on annual or multi-year agreements are recorded on an accrual basis over the life of the agreement, as and when the milestones set out in the agreement are achieved. A reconciliation between donations committed to DNDi and income recognized in the statement of operations is shown under point 7.b below.

g) Expenditures incurred for projects and activities:

The board approves the annual action plan and budget, and all revised budgets.

Partner expenditures are recorded:

- According to a financial report presenting expenditures incurred during the year on an accrual basis.
- If the financial reports are unavailable by the deadline of 1 March of the following year, the amount is calculated based on an estimate provided by the partner or on the prorated approved budget when the former is not available. The unpaid portion remaining at year end is included under current liabilities.

Vendor expenditures incurred on behalf of a project or for any activity of DNDi are recorded on an accrual basis.

h) Tangible fixed assets

Tangible fixed assets are stated at cost in EUR, less accumulated depreciation. The threshold for capitalization of an asset is EUR 5,000 in all DNDi offices. Depreciation is charged to the statement of operations on a straight-line basis over the estimated useful lives of the tangible fixed asset items.

The rates of depreciation used are based on the following estimated useful lives:

IT equipment	
Laboratory equipment	
Site/Field equipment	33%
Motor vehicle equipment (cars and motorbikes)	
Office fittings and equipment	20%

3. RISK EVALUATION

DNDi performs regular assessments focusing on strategic and operational risks. On a yearly basis, the DNDi Extended Executive Team reviews the risks associated with its short- and medium-term plans and identifies mitigation strategies. Outputs are captured in a risk register and highlights are discussed and approved by the board as part of the Annual Action Plan review. In 2021, COVID-19 continued to impact DNDi's projects and operations, however our experience from 2020 helped anticipate and mitigate the effects on projects.

In parallel, the financial risks are assessed regularly by the Finance team and brought to the attention of the Executive team and the Audit Committee at least twice a year or on an ad hoc basis if the need arises. The main financial risks for DNDi are:

- a) No cost extensions of donor agreements. The potential impact of delay in delivering milestones agreed in contracts with donors is a risk of delaying payment from the donors. This can be translated into no cost extension of existing donor contracts. To mitigate this risk, DNDi tries

i) Provisions

A provision is recognized on the balance sheet when the organization has a legal or constructive obligation resulting from a past event, and it is probable that a payment will be required to settle the obligation.

Provisions are measured at the management's best estimates of the expenditure required to settle that obligation at the balance sheet date.

j) Organizational capital

The founding capital (paid-in capital) of EUR 32,510 (CHF 50,000) referenced in the statutes was received from the founding members of DNDi, including the Indian Council of Medical Research, the Institut Pasteur, the Kenya Medical Research Institute, and the International Office of Médecins Sans Frontières. The capital is fully paid in.

k) Restricted and unrestricted reserves

Restricted and unrestricted reserves represent the excess of income over expenditure since the inception of DNDi. Restricted reserves are available to DNDi for future specific projects. Unrestricted reserves will be utilized for DNDi core projects as incurred.

l) In-kind contributions

Gifts in kind are not recorded but disclosed in the notes to the financial statements and valued at fair market values according to the following principles: in-kind goods transferred to a DNDi project or services rendered to DNDi must be free, excluding the involvement of a monetary transfer. They must be:

- Clearly identifiable and part of DNDi's projects and activities, as defined by DNDi's action plans and budgets.
- Recognizable as a visible contribution to DNDi's projects and activities, and in line with DNDi's mission and objectives.

For goods or services paid at prices below market prices, the difference between real payment and current market price is not considered as a gift in kind.

Fair market value is defined as the price DNDi would have paid to utilize the goods or service. However, DNDi is careful not to overestimate such valuations in compliance with Swiss GAAP FER basic principles such as materiality or prudence.

Gifts in kind estimated at EUR 5,000 and above are taken into account. Exceptions can be made by DNDi when it serves the purpose of providing consistency and completeness of a project's accounts.

to negotiate the milestones with donors to include whenever possible: buffers for potential project delays; balance between restricted and unrestricted project funding sources; flexible funding conditions adapted to R&D activities.

- b) Inflation risk. DNDi monitors closely the current inflationary environment. DNDi may face an increase in clinical trial costs, as inflation will most likely drive up the costs of acquiring goods, related packaging materials, and employee wages.
- c) Volatility of the exchange rates that can affect the value of the organization's holdings in various currencies (USD, EUR, GBP, JPY, and CHF). DNDi is exposed to currency risk on donations received, project expenditures, and general and administrative expenses that are denominated in a currency other than EUR. These transactions are mainly denominated in CHF, USD, GBP, BRL, KES, INR, MYR, and JPY. Natural hedging is targeted as much as possible. DNDi has put in place a hedging strategy to cover its CHF needs as natural hedging is lacking for this currency. Forward contracts are utilized

as hedging instruments with a horizon that can extend to 12 months. The remaining needs are ensured by buying or selling foreign currencies at spot rates when necessary.

d) Liquidity risk. DNDi's liquid assets are maintained in cash, low-risk short-term deposits, or flexible Forex products used as part of the hedging strategy. Any form of speculation is prohibited.

e) Credit risk. At the balance sheet dates, there are no significant concentrations of credit risk. The receivables in the balance sheet (receivable donors and subgrantees) are usually settled in the first 12 months after the balance sheet date through payments from the donors and financial reports, justifying prior cash advances from the subgrantees.

4. TANGIBLE FIXED ASSETS, NET

<i>(in EUR)</i>	Computer equipment	Office fittings & installations	R&D equipment*	Total
Net carrying amounts 1 January 2021	73,963	51,098	293,614	418,675
Gross values of cost				
Beginning of the period 1 January 2021	1,063,496	464,533	543,227	2,071,256
Additions	11,760	-	44,175	55,935
End of the period 31 December 2021	1,075,256	464,533	587,402	2,127,191
Accumulated amortization				
Beginning of the period 1 January 2021	(989,532)	(413,435)	(249,613)	(1,652,580)
Charge for the year	(34,308)	(16,159)	(173,471)	(223,938)
End of the period 31 December 2021	(1,023,840)	(429,594)	(423,084)	(1,876,518)
Net carrying amounts 31 December 2021	51,416	34,939	164,318	250,673
Net carrying amounts 1 January 2020	59,986	48,200	197,033	305,218
Gross values of cost				
Beginning of the period 1 January 2020	1,013,318	442,122	297,134	1,752,573
Additions	50,178	22,411	246,093	318,682
End of the period 31 December 2020	1,063,496	464,533	543,227	2,071,255
Accumulated amortization				
Beginning of the period 1 January 2020	(953,332)	(393,922)	(100,101)	(1,447,355)
Charge for the year	(36,201)	(19,513)	(149,512)	(205,225)
End of the period 31 December 2020	(989,532)	(413,435)	(249,613)	(1,652,580)
Net carrying amounts 31 December 2020	73,963	51,098	293,614	418,675

* R&D equipment for clinical trial sites located in Africa.

5. PROVISIONS

<i>(in EUR)</i>	Provision for HR expenses (holidays not taken and other HR expenses)	Provision for pension plan for the DRC team	Provision for BIAC bankruptcy risk*	Total
Carrying period as per 1 January 2021	561,662	45,735	133,247	740,644
Creation	805,492	48,144	4,966	858,602
Utilization	-	(36,110)	-	(36,110)
Reversal	(547,382)	-	-	(547,382)
Carrying period as per 31 December 2021	819,772	57,769	138,213	1,015,754
Carrying period as per 1 January 2020	468,425	45,930	142,961	657,317
Creation	516,365	36,006	-	552,371
Utilization	-	(36,201)	(9,714)	(45,915)
Reversal	(423,128)	-	-	(423,128)
Carrying period as per 31 December 2020	561,662	45,735	133,247	740,644

* In March 2016, DNDi's financial services provider in the DRC, Banque internationale pour l'Afrique au Congo (BIAC), was announced at risk of bankruptcy. To help manage this risk, DNDi provisioned the blocked assets progressively from 2016 to 2018. The provision is utilized for the monthly bank charges as the bank continues to operate, but the funds are still blocked and withdrawals are not allowed.

6. CONSOLIDATED ACCOUNTS

These consolidated financial statements include the activities of the Swiss Foundation, its branches, and subsidiaries. The table below summarizes the details by legal entity:

<i>(in ,000 EUR)</i>	Income raised by legal entity* (A)	Income transferred by DNDi Geneva (B)	Total income 2021 (A) + (B)	Income raised by legal entity (%)	Total expenditure 2021*	Expenditure by legal entity (%)
DNDi Geneva and branches	65,772	(3,205)	62,566	98.2	62,078	94.1
DNDi Japan and DNDi India Foundation	-	687	687	-	662	1.0
DNDi North America	1,087	903	1,991	1.6	1,535	2.3
DNDi Latin America	163	1,615	1,778	0.2	1,699	2.6
Total consolidated accounts	67,022	-	67,022	100.0	65,974	100.0

* Total operational income and expenditure excluding financial income and expenses, such as bank interest and exchange gains and losses.

7. INCOME AND DEFERRED INCOME

a) Receivables from donors vs deferred income

The total deferred income increased significantly by EUR 11,543,600 in 2021 compared to 2020, totalling EUR 32,247,080. This is due to the receipt of cash advances from donor grants: mainly the Bill & Melinda Gates Foundation (three grants paid in advance), the European and Developing Countries Clinical Trials Partnership (EDCTP) (seven grants paid in advance), the Global Health Innovative Technology Fund (GHIT Fund) (six grants paid in advance), Federal Ministry of Education and Research (BMBF) through and the KfW (two grants paid in advance). The receivables from donors increase by EUR 2,103,356 in 2021 compared to 2020, totalling EUR 11,753,207 mainly due to three contractual engagements with Wellcome paid upon receipt of the reporting. The DNDi management ensures that the funds recorded as deferred income will be used within the agreed timelines with the donors or, if not, that negotiations will take place to extend the timelines.

b) Cumulative resources committed to DNDi and/or received by 2021

	Currency	Total commitment in original currency	Total commitment in EUR	As per statement of operations 2021 in EUR	To be used after 2021 in EUR
United Kingdom, UK aid ⁽¹⁾	GBP	135,563,592	160,900,847	11,673,354	3,805,143
Bill & Melinda Gates Foundation ⁽²⁾	USD	152,924,572	126,098,735	7,123,891	16,210,769
Médecins Sans Frontières (MSF) ⁽³⁾	EUR	94,644,544	94,644,544	5,034,992	9,482,102
Germany, Federal Ministry of Education and Research (BMBF) through KfW ⁽⁵⁾	EUR	39,601,381	39,601,381	6,680,405	10,157,727
Netherlands, Ministry of Foreign Affairs (DGIS) ⁽⁶⁾	EUR	36,175,000	36,175,000	3,200,000	-
European Union, FP5, FP6, FP7, Horizon 2020, EDCTP (FP = Framework Programme)	EUR	34,287,024	34,287,024	3,262,757	19,463,199
Japan, Global Health Innovative Technology Fund (GHIT) ⁽⁷⁾	JPY/USD	4,319,037,620	28,703,819	5,005,032	4,803,366
Wellcome ⁽⁸⁾	EUR/USD/ GBP	26,450,237	27,457,227	7,534,753	8,158,302
Switzerland, Swiss Agency for Development and Cooperation (SDC) ⁽⁹⁾	CHF	30,835,520	27,274,966	1,849,833	5,704,200
Unitaid	USD	30,683,568	26,626,921	4,341,332	6,798,319
France, MEAE/AFD	EUR	24,255,006	24,255,006	1,715,255	3,710,381
Spain, Spanish Agency for International Development (AECID)	EUR	12,000,000	12,000,000	-	-
Takeda Pharmaceutical Company Limited, Global CSR Program	JPY	1,000,000,000	7,781,525	1,237,750	5,216,104
Various other donors ⁽¹⁰⁾	EUR/GBP/ USD/CHF	8,089,892	7,311,569	1,180,170	493,659
US, NIH/NIAID/USAID ⁽¹¹⁾	USD	7,616,216	6,347,228	196,631	-
Medicor Foundation	EUR/USD	5,250,000	4,493,690	296,968	262,980
WHO-TDR ⁽¹²⁾	EUR/USD	3,001,684	2,909,235	62,467	222,609
Switzerland, Republic and Canton of Geneva	CHF	3,391,793	2,727,267	198,283	-
Norway, NORAD	NOK	22,000,000	2,469,551	-	-
Associação Bem-Te-Vi Diversidade ⁽¹³⁾	BRL	8,700,000	2,220,286	162,846	-
Ministry of Health DRC (through PDSS funded by the World Bank)	USD	2,500,000	2,125,253	1,276,772	-
Pharmaniaga	USD	2,266,150	2,020,816	207,179	-
UBS Optimus Foundation	CHF	2,000,000	1,441,440	-	-
Starr International Foundation	USD	1,350,000	1,120,837	-	-
Stavros Niarchos Foundation ⁽¹⁴⁾	USD	750,000	639,797	213,482	-
The Global Fund	EUR	532,809	532,809	-	-
Bristol-Myers Squibb Company	USD	500,000	424,976	-	-
Brazil, Ministry of Health and Finep	BRL	1,384,212	409,611	-	-
BBVA Foundation	EUR	400,000	400,000	-	-
Canada, IDRC	EUR	97,778	97,778	-	-
Else Kröner-Fresenius-Stiftung	EUR	100,000	100,000	-	-
Sanofi Global Health ⁽⁴⁾	EUR	41,191,498	41,191,498	747,229	39,000,000
Fundación Mundo Sano (Priority Review Voucher)	USD	7,829,850	6,827,081	1,260,857	1,165,948
Global Antibiotic R&D Partnership (GARDP) ⁽¹⁵⁾	EUR/GBP/ USD/ZAR	42,370,963	35,834,630	2,494,485	6,340,559
Total			767,452,346	66,956,722	140,995,368

Notes:

- (1) UK aid granted: (a) a multiple year unrestricted grant (GBP 64 million, April 2017- March 2021, and a supplemental amount of GBP 5.3 million, April 2021-March 2023) of which GBP 9,264,637 (EUR 10,620,630) was spent in 2021; and (b) a restricted grant of GBP 896,109 (EUR 1,052,724) for ANTICOV India.
- (2) The Bill & Melinda Gates Foundation granted USD 8,444,724 (EUR 7,123,891) for HAT (acoziborole) and filariasis/onchocerciasis.
- (3) MSF granted: (a) a multiple year unrestricted grant (EUR 20 million, 2019-2023) of which EUR 4 million was spent in 2021; (b) a restricted grant of CHF 1.8 million of which CHF 897,526 was spent in 2021 for activities in South Sudan and Guatemala; and (c) a restricted grant of EUR 0.6 million of which EUR 131,528 was spent for global HCV access.
- (4) Reimbursement of EUR 747,229 from Sanofi Global Health based on the collaboration agreement (dated 06 April 2009) to support DNDi's work on the Food and Drug Administration (FDA) preparation file and the obtention of the Priority Review Voucher (PRV of fexinidazole). In addition, DNDi expects to receive around EUR 39 million of the fair share of DNDi contribution and investment at risk of the global value of the PRV, following the successful FDA registration of fexinidazole for HAT.
- (5) BMBF through KfW granted: (a) a multi-year portfolio grant (EUR 10 million, 2016-2021, and a supplement grant of EUR 4.5 million, 2021-2022) of which EUR 1.8 million was spent in 2021; and (b) a supplemental grant for COVID-19 (EUR 15 million 2020-2022) of which EUR 4,880,405 was spent in 2021.
- (6) DGIS provided a supplemental portfolio grant of EUR 3.2 million in 2021.
- (7) GHIT granted six restricted grants: (a) JPY 282,236,166 (EUR 2,177,702) for the project CpG-D35 for cutaneous leishmaniasis (CL); (b) JPY 207,477,134 (EUR 1,592,461) for a leishmaniasis New Chemical Entity (VL6174); (c, d, e) JPY 68,936,505 (EUR 533,191) for screening, discovery, and hit-to-lead in NTDs; and (f) JPY 91,708,971 (EUR 701,678) for Lead Optimization project S07.
- (8) Wellcome granted three grants: (a) a portfolio grant of EUR 11.3 million for leishmaniasis New Chemical Entity portfolio (December 2018-January 2022) of which EUR 4,498,620 was spent in 2021; (b) a restricted grant for COVID-19 discovery of GBP 1.5 million (September 2020-December 2021) of which GBP 1,319,270 (EUR 1,541,496) was spent in 2021; and (c) a restricted grant for the Moonshot project (including COVID-19/pandemic preparedness) of GBP 8 million (July 2021-February 2023) of which GBP 1,271,648 (EUR 1,494,638) was spent in 2021.
- (9) SDC granted a multiple year unrestricted grant of CHF 8 million (2021-2024) of which CHF 2 million (EUR 1,849,833) was spent in 2021.
- (10) Figures given here include: (a) Brian Mercer Trust GBP 50,000 (EUR 57,496); (b) Caixa Foundation EUR 34,854; (c) Oxford University (IDDO) GBP 29,487 (EUR 34,314); (d) Ophirex USD 85,000 (EUR 72,114); (e) CHAI USD 104,478 (EUR 87,319) (f) various donations from individual donors, private foundations, and corporations, mostly from North America (EUR 631,258 in unrestricted funding, EUR 217,392 restricted to HAT, and EUR 4,819 restricted for HIV); and (g) various donations received by DNDi in Geneva (EUR 40,604).
- (11) The US Government contributed USD 234,609 (EUR 196,631) as financial support for the North America office to cover COVID-19 impact in 2021.
- (12) WHO granted a restricted grant of USD 72,738 (EUR 62,467) for snakebite assessment activity.
- (13) Associação Bem-Te-Vi granted an unrestricted grant of BRL 1,000,000 (EUR 162,846) in 2021.
- (14) Stavros Niarchos Foundation granted a restricted grant of USD 250,000 (EUR 213,483) for COVID-19 projects in 2021: ANTICOV Africa and the COVID-19 Coalition.
- (15) GARDP/DNDi alliance agreements amounted to EUR 2,494,485 in 2021.

c) GARDP collaboration

- Effective 1 January 2019, DNDi entered into a three-year collaboration agreement with GARDP. Under this agreement, DNDi and GARDP agreed to collaborate strategically to drive efficiencies by sharing specialized R&D expertise and capacity, policy advocacy expertise, and some infrastructure and support services. In-country implementation of GARDP's programmes is now supported by DNDi's regional network and a joint DNDi-GARDP office in Southern Africa.
- As at 31 December 2021, DNDi and GARDP have two common board members, Marie-Paule Kieny and Frédéric Vallat, and two common Audit Committee members, Frédéric Vallat, and Barbara Kessler. DNDi and GARDP are not related parties within the

meaning of Swiss GAAP FER 15; neither DNDi nor GARDP is directly or indirectly owned or controlled by the other organization, or by any other natural or legal person. All members of the DNDi board and Audit Committee are appointed by the DNDi board; they receive no remuneration for their mandates from DNDi or from GARDP.

- GARDP and DNDi renewed their collaboration and signed a three-year Alliance Agreement on 21 December 2021, demonstrating the willingness of both organizations to strengthen their collaboration and to develop a more strategic partnership in certain areas.
- In 2021, the expenses related to the collaboration agreement paid by DNDi on behalf of GARDP and entirely reimbursed by GARDP were as follows:

GARDP expenditure reimbursement	2021	2020
Collaboration Agreement Expenses (expense reimbursed by GARDP)	2,494,486	2,808,956
Total DNDi expenditures	65,973,680	59,231,430
GARDP expenses as share of total expenditures	3.8%	4.7%

d) 2021 funding per project (restricted and unrestricted)

Operational Income (Grand TOTAL = EUR 67,021,784⁽¹⁾)

(in EUR)

	Resources ⁽²⁾	UKaid	Germany, BMBF through KfW	Japan, GHIT	Unitaid	EU, EDCTP	Netherlands, DGIS	Switzerland, SDC ⁽³⁾
IMPLEMENTATION AND DEVELOPMENT	New treatment for PKDL	125,301	-	-	-	-	110,207	-
	New VL treatments (Asia, Latin America, HIV/VL co-infection, combination in Africa)	260,400	309,211	-	-	862,762	397,534	12,424
	Fexinidazole (HAT)	174,985	75,515	-	-	1,229,323	272,933	8,136
	Acoziborole (HAT)	51,863	-	-	-	342,668	128,751	-
	Mycetoma – fosravuconazole	74,987	-	-	-	-	86,907	160,317
	Hepatitis C – ravidasvir/sofosbuvir – policy and access	1,652,541	-	-	-	-	-	13,298
	Paediatric HIV – 2-in-1 LPV/r pellets – 4-in-1 (ABC/3TC/LPV/r) and access	-	-	-	-	-	-	337,121
	New benznidazole regimen for Chagas and access	30,187	-	-	-	-	71,118	-
	COVID-19 – ANTICOV – Coalition and Policy	869,756	3,692,423	-	4,171,191	-	-	-
TRANSLATION	Leishmaniasis candidates: DNDi-0690 + DNDi-6148 + DNDi-6174 + Novartis LXE408 + GSK compounds	41,366	65,182	1,374,947	-	-	24,392	-
	Macrofilicide for filariasis (emodepside, TylAMac, oxfendazole, CCG166 and biomarker)	20,896	49,627	-	-	296,206	-	-
	Fexinidazole (Chagas)	27,822	-	-	-	-	15,672	-
	Biomarkers (Chagas)	97,628	-	-	-	-	-	-
	CpG-D35 (CL) and CL combination	143,272	403,586	1,881,422	-	20,117	194,418	-
	Cryptococcal meningitis – 5FC-(HIV)	-	-	-	-	185,260	-	3,884
RESEARCH	Moonshot & Pre-clinical (COVID-19/Pandemic preparedness)	-	614,173	-	-	-	-	-
	Lead optimization consortia (for VL and Chagas)	1,520,665	392,331	593,844	-	-	582,080	41,186
	Discovery and exploratory kinetoplastids	289,430	93,097	464,607	-	-	174,830	-
	R&D coordination and supervision	1,475,264	121,262	57,027	-	74,814	607,821	524,704
	Strategy, M&E, and exploratory	283,973	21,429	-	-	-	-	23,069
	GARDP	-	-	-	-	-	-	-
	HAT, LEAP, redLEISH, and Chagas platforms	10,288	63,011	-	-	9,806	61,999	-
	Other capacity-strengthening activities	1,440,518	-	23,813	-	9,897	-	304,600
	Advocacy	1,179,890	1,491	-	-	77,657	103,405	44,472
	Fundraising	674,215	419,819	275,418	22,883	11,585	81,237	145,651
	General management	1,228,108	358,248	333,953	147,258	142,662	286,696	429,255
	Financial expenses	-	-	-	-	-	-	-
	Net surplus allocated to unrestricted funds	-	-	-	-	-	-	-
	Total income + other income	11,673,354	6,680,405	5,005,032	4,341,332	3,262,757	3,200,000	2,048,116

Notes:

(1) Total expenditures as per the Statement of Operations amounted to EUR 65,973,680. The difference with the total of EUR 67,021,784 is due to the operating surplus.

(2) The resource full names are listed on page 23 (A word of thanks).

(3) Swiss Government SDC (EUR 1,849,833) and the Republic and Canton of Geneva (EUR 198,283).

(4) MSF International (EUR 4,000,000); MSF-TIC (EUR 131,528); MSF-Swiss (EUR 839,867); and MSF Holland (EUR 63,597).

France, AFD	Wellcome	Bill & Melinda Gates Foundation	MSF ^(a)	DRC PDSS/ World Bank	Fundación Mundo Sano- PRV	Takeda Pharmaceutical Company Limited, Global CSR Program	Foundations and other ^(b)	GARDP	Result on foreign exchange gain/loss (net)	TOTAL EXPENDITURE
-	-	-	218,863	-	-	-	-	-	-	454,371
-	694,147	-	323,940	-	-	385,823	72,398	-	-	3,318,638
557,399	-	-	19,714	1,204,570	-	303,021	338,071	-	-	4,183,668
-	-	2,462,626	333,022	-	-	-	63,137	-	-	3,382,066
-	-	-	152,356	-	-	-	-	-	-	474,567
-	-	-	126,553	-	-	-	185,135	-	-	1,977,526
706,662	-	-	354,466	-	-	-	40,105	-	-	1,438,355
-	-	-	29,890	-	369,459	155,663	19,430	-	-	675,747
-	-	-	-	-	-	-	258,529	-	-	8,991,899
-	3,569,274	-	2,118	-	-	-	-	-	-	5,077,278
-	-	3,420,059	111,992	-	-	-	-	-	-	3,898,780
-	-	-	-	-	48,879	-	16,654	-	-	109,026
-	-	-	-	-	223,959	-	-	-	-	321,588
-	-	-	-	-	-	-	-	-	-	2,642,815
-	-	-	109,345	-	-	-	33,193	-	-	331,682
-	2,807,112	-	-	-	-	-	-	-	-	3,421,286
15,041	-	-	8,335	-	-	-	-	8,048	-	3,161,530
-	-	-	89	-	-	-	31,688	-	-	1,053,740
-	321,188	300,434	908,276	-	185,684	242,139	519,080	274,426	-	5,612,117
97,328	-	-	-	-	-	-	195,679	-	-	621,479
-	-	-	-	-	-	-	-	1,376,111	-	1,376,111
91,299	-	-	461	-	33,116	19,532	83,528	-	-	373,040
-	-	7,479	896,742	39,176	133,745	-	273,190	557,199	-	3,686,359
18,277	22,693	9,822	643,530	-	74,249	4,381	123,964	89,823	-	2,393,653
79,026	85,970	252,905	28,051	-	191,766	88,001	132,499	-	-	2,489,025
150,224	34,369	670,566	390,821	33,025	-	39,190	74,081	188,878	-	4,507,334
-	-	-	-	-	-	-	-	-	-775,844	-775,844
-	-	-	367,793	-	-	-	680,310	-	775,844	1,823,947
1,715,255	7,534,753	7,123,891	5,026,355	1,276,772	1,260,857	1,237,750	3,140,670	2,494,486	-	67,021,784

[5] Figures include: (a) Brian Mercer Trust GBP 50,000 (EUR 57,496); (b) Caixa Foundation EUR 34,854; (c) Oxford University (IDDO) GBP 29,487 (EUR 34,314); (d) Ophirex USD 85,000 (EUR 72,114); (e) CHAI USD 104,478 (EUR 87,319) (f) various donations from individual donors, private foundations, and corporations, mostly from North America (EUR 236,431); (g) FIND granted for COVID-19 USD 59,641 (EUR 51,032); (h) Medicor USD 350,000 (EUR 296,968); (i) Associação Bem-Te-Vi granted BRL 1,000,000 (EUR 162,846); (j) Sanofi Global Health EUR 747,229; (k) WHO granted USD 72,738 (EUR 62,467); (l) Stavros Niarchos Foundation granted USD 250,000 (EUR 213,483); (m) the US Government contributed USD 234,609 (EUR 196,631); and (n) Pharmaniaga USD 248,829 (EUR 207,179).

e) Collaborative funding and in-kind contributions

2021 collaborative funding

In collaboration with its R&D partners and vendors, DNDi secured funding from local donors to help offset R&D expenditures. These collaborative funds were directly given to our partners and vendors for DNDi R&D-related initiatives.

Project	Donor	Currency	2021 Amount (own currency)	2021 Amount (EUR)	2020 Amount (EUR)
Hepatitis C	Ministry of Health Malaysia: Clinical Research Malaysia	MYR	25,822	5,255	5,423
Hepatitis C	Ministry of Health Malaysia: Selayang Hospital	MYR	167,231	34,036	138,788
Lead Optimization Consortium (Latin America)	BNDES – Brazilian Development Bank	BRL	-	-	54,572
Lead Optimization Consortium (Latin America)	FAPESP - Fundação de Amparo à Pesquisa do Estado de São Paulo	BRL	439,395	70,578	-
Cutaneous leishmaniasis (CL)	CNPq – Conselho Nacional de Desenvolvimento Científico e Tecnológico	BRL	499,416	80,219	-
Total collaborative funding				190,088	198,783

2021 in-kind contributions

The value of in-kind contributions secured by DNDi in 2021 totalled EUR 10,126,642. For policy on in-kind contributions, see Section 2: Significant accounting policies, l) In-kind contributions.

(in EUR)	Staff scientific	Staff non- scientific	R&D services	Office, furniture, admin, and travel	2021 Amount	2020 Amount
Lead Optimization Consortia (Australia)	23,276	21,137	-	59,128	103,541	126,248
Lead Optimization Consortia (Latin America 'LOLA')	153,962	21,595	166,858	85,859	428,274	434,791
Lead Optimization Consortia (Chagas)	92,596	-	-	-	92,596	95,508
COVID-19 Screening	3,500	-	6,000	-	9,500	-
Hit-to-lead	26,541	11,955	9,148	-	47,644	53,662
Hepatitis C	144,000	102,000	3,300,000	25,500	3,571,500	-
Neglected Tropical Diseases (NTD) -Drug Booster	157,767	-	599,197	-	756,964	690,958
Screening resources and reference screening centres	99,478	30,431	92,632	32,460	255,001	347,516
Toxicological study of Acoziborole (SCYX-7158)	-	-	162,105	-	162,105	851,236
TylAMac/ABBV-4083 Macrofilaricide (Filaria: River blindness)	1,353,434	-	-	-	1,353,434	2,139,353
Visceral leishmaniasis	2,140,915	-	701,594	-	2,842,509	27,390
HIV Cryptococcal Meningitis	99,988	11,763	340,295	9,242	461,288	-
Mycetoma	42,286	-	-	-	42,286	21,709
Total	4,337,742	198,881	5,377,829	212,189	10,126,642	4,788,370

Main in-kind contributors in 2021: Abbvie, USA; CQMED, Brazil; Daiichi Sankyo, Japan; Eisai Co., Japan; Eurofarma Laboratórios, Brazil; Fundación Medina, Spain; Institut Pasteur Korea, Korea; Instituto de ciencias Biomedicas/USP, Brazil; Instituto de Física de São Carlos, Brazil; Laboratorio Elea, Argentina; Mitsubishi Tanabe Pharma Corp., Japan; Monash University, Australia; National

Center for Advancing Translational Sciences/NIH, USA; Novartis Pharma AG, Switzerland; Pharco Europea Pharmaceuticals, Egypt, Italy, Malaysia; Swiss TPH, Switzerland; Takeda Pharmaceutical Company Limited, Japan; Unicamp, Brazil; University of Geneva, Switzerland; Viatriis Inc., USA.

8. EXPENDITURE

R&D and access project-related expenditure

<i>(in EUR)</i>	2021	2020
Implementation project		
New VL treatments in Asia	95,227	72,633
Chagas disease - access	334,436	333,985
Paediatric HIV - access	1,172,402	2,233,711
Ravidasvir and other direct-acting antivirals (DAAs)	298,661	204,988
Fexinidazole (HAT) access for <i>T.b. gambiense</i>	3,284,290	2,406,529
COVID-19 Coalition and policy	926,859	673,514
Total implementation projects	6,111,876	5,925,360
Development projects (Phase IIB/III, registration)		
Fexinidazole (HAT) for <i>T.b. rhodesiense</i> (<i>T.b. gambiense</i> moved to implementation in 2019)	899,377	569,890
Acoziborole (HAT)	3,382,066	3,121,592
New VL treatments in Latin America	57,607	82,801
New VL treatments in Africa	3,165,804	2,708,662
Post-kala-azar dermal leishmaniasis	454,371	516,034
New CL Combination	434,436	387,295
Fosravuconazole	474,567	1,103,255
Hepatitis C – Ravidasvir/Sofosbuvir	1,678,865	3,216,662
Paediatric HIV – 4-in-1 (ABC/3TC/LPV/r)	265,952	673,660
New benznidazole regimen (Chagas)	341,310	200,199
ANTICOV (COVID-19)	8,065,040	4,277,198
Total development projects	19,219,396	16,857,246
Translation projects (pre-clinical, Phase I, Phase IIA/proof of concept)		
Leishmaniasis candidates: DNDi-0690 + DNDi-6148 + DNDi-6174 + Novartis LXE408 + GSK compounds	5,077,278	4,236,678
CpG-D35 (CL)	2,208,379	2,140,323
Fexinidazole (Chagas)	109,026	403,653
Biomarkers (Chagas)	321,588	348,916
Oxfendazole (filariasis)	351,830	346,064
TylAMac/ABBV-4083 (filariasis)	2,087,919	918,320
Emodepside (filariasis)	1,121,361	786,474
5FC (cryptococcal meningitis)	331,682	262,830
Biomarkers (Filarial)	337,670	238,568
Pre-clinical (COVID-19/Pandemic preparedness)	2,043,644	284,967
Moonshot (COVID-19/Pandemic preparedness)	1,377,642	-
Total translation projects	15,368,019	9,966,793
Research projects (screening, hit-to-lead, lead optimization)		
Lead optimization consortia	3,161,530	3,993,553
Screening resources and reference screening centres	1,053,740	1,205,370
Total research projects	4,215,270	5,198,924
Project-related variable expenditures		
GARDP*	1,376,111	1,723,811
R&D coordination, supervision, strategy, M&E, and exploratory	6,233,596	6,431,519
Total project-related variable expenditures	7,609,707	8,155,330
TOTAL R&D EXPENDITURE	52,524,269	46,103,652

* Total 2021 GARDP expenditure included direct costs (EUR 1,376,111) and indirect costs (EUR 1,118,375), totalling EUR 2,494,486 as stated in the total income table (Note 7c funding per project) for GARDP. For comparison, in 2020, GARDP expenditure included direct costs of EUR 1,723,811 and indirect costs of EUR 1,085,145.

Breakdown of R&D coordination expenditure per activities

<i>(in EUR)</i>	2021	2020
Coordination	3,519,453	4,236,948
Scientific Advisory Committee	8,957	31,187
Business Development and Legal	1,841,568	1,413,826
Medical, Access	242,139	198,614
Strategy, monitoring & evaluation (M&E), and exploratory	621,479	550,944
Total	6,233,596	6,431,519

Presentation of DNDi expenditure per nature of expenses

	2021	2020
Personnel		
Personnel at headquarters	19,812,191	19,001,649
Personnel at regional offices	6,290,002	6,145,947
Consultant	4,806,144	3,910,372
Travel and accommodation	435,672	597,961
Total personnel	31,344,009	29,655,930
Operational R&D		
Purchase and logistics	1,324,216	1,099,827
Equipment	843,070	924,309
Discovery and lead optimization (partners and service)	6,303,345	4,255,636
Pre-clinical (partners and service)	2,130,908	1,343,380
Quality assurance and training	610,207	630,627
Clinical and post-clinical (partners and service)	14,696,744	11,436,662
Product manufacturing and CMC (partners and service)	3,042,793	4,125,302
Total operational R&D	28,951,283	23,815,742
Other		
Communication (tools, meetings, organization of documents)	698,239	441,363
Administration and IST (depreciation, furniture, service providers)	4,980,149	5,318,395
Total other	5,678,388	5,759,759
Grand total	65,973,680	59,231,430

9. STRENGTHENING CAPACITIES EXPENDITURE

DNDi expenditure on strengthening existing capacities in developing countries is for:

- Building strong collaborations and facilitating scientific exchange with local clinicians, scientists, and experts;
- Establishing working partnerships and strengthening existing R&D capacity to facilitate access to new tools, including technology transfers, with public and private institutions and researchers in low- and middle-income countries fostering new innovation ecosystems;
- Fostering sustainable capacity and leadership among key actors in endemic countries, including health ministries, national disease control programmes, regulatory authorities, WHO, academia, and civil society groups, as well as clinicians and health professionals;
- Supporting GARDP activities in the regions. These expenses are charged to GARDP.

<i>(in EUR)</i>	2021	2020
Regional support offices: Brazil, India, Japan, Kenya, Malaysia, North America, South Africa, Democratic Republic of Congo, and International Development Coordination	3,686,359	3,744,600
Leishmaniasis East African Platform (LEAP) / redLEISH Network Latin America	192,416	155,793
Human African trypanosomiasis (HAT) platform	134,371	131,818
Chagas clinical research platform	46,252	86,555
Total	4,059,399	4,118,766

10. ADVOCACY, FUNDRAISING, AND GENERAL AND ADMINISTRATION EXPENSES

	Advocacy		Fundraising		General and Administration	
	2021	2020	2021	2020	2021	2020
Human resources	1,884,288	1,832,825	2,131,377	1,775,064	3,633,117	3,706,968
Office charges	88,912	86,108	107,068	73,661	242,122	275,797
Travel expenses	37,171	40,464	4,264	9,246	10,284	26,032
Administration	82,186	35,928	113,199	84,957	326,104	418,318
IT & Telecommunication	110,411	91,498	120,221	65,861	248,408	245,413
Communication	189,692	171,943	11,651	29,220	42,325	24,663
Depreciation	993	3,343	1,246	2,786	2,747	8,914
Exceptional expenses	-	-	-	-	2,227	4
Total	2,393,653	2,262,109	2,489,025	2,040,795	4,507,334	4,706,109

11. REMUNERATION GIVEN TO BOARD MEMBERS AND DIRECTORS

All members of the board are appointed on a voluntary basis. Board members did not receive any remuneration for their mandate in 2021, nor did they in 2020. In 2021, the top five salaries (including

salaries, all benefits, and all social charges) at DNDi totalled CHF 1,582,722 (EUR 1,462,464). In 2020, the top five salaries totalled CHF 1,552,386 (EUR 1,447,957).

12. BANK GUARANTEE DEPOSITS AND CREDIT LINES

a) Bank guarantee deposits: Rental bank guarantees are presented as non-current assets in the balance sheet.

b) Credit line: In 2017, the board of directors approved DNDi to enter into a credit facility agreement with a bank in Geneva for CHF 2 million.

DNDi can utilize this facility a maximum of twice per year. If the facility is used more than once per year, the Audit Committee must give its approval, ensuring internal control. This facility has not been used since its creation.

13. FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

DNDi works in a multi-currency environment, with income and expenses in various currencies, and is therefore exposed to the risk of foreign currency fluctuations. This risk is covered by natural hedging for income received in the same currency as expenses incurred. However, DNDi needs to buy CHF using the unutilized balance of other currencies (GBP, JPY, EUR). DNDi hedges its foreign exchange needs using forward contracts, but also spot and limited orders. Forward contracts are utilized as hedging instruments with a horizon that can extend to 12 months.

At 31 December 2021, the open hedging instruments were:

Expiry date (2022)	Currency sold	Sold	Strike rate	CHF to receive	Valuation as at 31 December 2021		Theoretical loss
					Spot rate	Amount in CHF	CHF
21 February	GBP	1,233,756	1.216	1,500,000	1.240	1,529,769	(29,769)
21 March	GBP	1,234,771	1.215	1,500,000	1.240	1,531,028	(31,028)
20 April	GBP	1,235,992	1.214	1,500,000	1.240	1,532,542	(32,542)
20 May	100 JPY	184,956,843	0.811	1,500,000	0.808	1,495,296	4,704
20 June	100 JPY	185,070,943	0.811	1,500,000	0.808	1,496,219	3,781
Total				7,500,000		7,584,854	(84,854)

At 31 December 2020, the open hedging instruments were:

Expiry date (2021)	Currency sold	Sold	Strike rate	CHF to receive	Valuation as at 31 December 2020		Theoretical loss
					Spot rate	Amount in CHF	CHF
20 January	EUR	800,000	1.075	860,320	1.078	862,255	(1,935)
19 February	EUR	800,000	1.075	860,160	1.078	862,255	(2,095)
19 March	EUR	800,000	1.075	859,920	1.078	862,255	(2,335)
20 April	EUR	800,000	1.075	859,680	1.078	862,255	(2,575)
20 April	100 JPY	35,348,180	0.849	300,000	0.872	308,296	(8,296)
20 May	EUR	800,000	1.074	859,520	1.078	862,255	(2,735)
20 May	100 JPY	35,369,017	0.848	300,000	0.872	308,478	(8,478)
21 June	EUR	800,000	1.074	859,360	1.078	862,255	(2,895)
21 June	100 JPY	35,385,704	0.848	300,000	0.872	308,624	(8,624)
Total				6,058,960		6,098,927	(39,967)

14. CHF EQUIVALENT OF KEY FIGURES

The foundation maintains its accounting records in EUR. The key figures below have been converted into CHF for information purposes only, using a closing rate of CHF 1 = EUR 0.9507 (2020: CHF 1 = EUR 0.9278).

	2021	2020
Total assets	59,780,540	44,741,359
Capital of the organization	15,478,348	13,894,501
Total income	70,497,301	64,605,671
Total social mission expenditure	62,035,681	56,568,794
Total non-social mission expenditure	7,359,166	7,271,938

15. AUDIT FEES

Audit services include statutory audits, project audits, and donor audits. To date, Deloitte, the foundation's statutory auditor, does not provide DNDi with other services such as tax or legal services. Following competitive bidding in 2019, Deloitte SA has been reappointed as statutory auditor with the lead audit partner changing regularly. The decrease in audit-related expenditure is

mainly due to the termination of the external audit agreement in India. This decision was taken due the low percentage (0.81% in 2021) of the DNDi India annual budget compared to total DNDi consolidated budget. The external audit in India will be replaced with more systematic internal reviews and controls (ICR – Internal Control Review).

(in EUR)	2021	2020
Total audit services	160,227	174,473

16. SUBSEQUENT EVENTS

On 24 February 2022, Russian troops invaded Ukraine. The military attack has led and continues to lead to significant fatalities, dislocation of the population, damage to infrastructure, and disruption to economic activity. In response, multiple countries – including the EU, Switzerland, the UK, the US, Japan, Canada, and Australia – have imposed initial tranches of economic sanctions on Russia and, in certain cases, Belarus.

One of the DNDi projects was conducted in Kyiv, Ukraine, at the time of the invasion, but the work on this project was almost complete

when the attack started. The remaining work was completed in April 2022 when Kyiv was no longer under siege. This delay has not impacted the project's overall timelines. Currently, DNDi has no partnerships in Ukraine, Russia, or Belarus.

However, DNDi acknowledges the risks triggered by this attack on the global economic landscape (notably inflation, see Note 3.b) and will continue to monitor the situation closely and take appropriate measures if necessary.

REPORT OF THE STATUTORY AUDITOR



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Report of the Statutory Auditor

To the Board of the Foundation of
Drugs for Neglected Diseases initiative (DNDi), Geneva

Report of the Statutory Auditor on the Combined Financial Statements

As statutory auditor, we have audited the accompanying combined financial statements of Drugs for Neglected Diseases initiative (DNDi), which comprise the combined balance sheet as at December 31, 2021, the combined statement of operations, the combined funds flow statement, the combined statement of changes in capital and notes to the combined financial statements, presented on pages 4 to 20, for the year then ended.

Board of the Foundation's Responsibility

The Board of the Foundation is responsible for the preparation of these combined financial statements in accordance with Swiss GAAP FER, the requirements of Swiss law, the charter of the foundation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error. The Board of the Foundation is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the combined financial statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the combined financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Drugs for Neglected Diseases initiative (DNDi), Geneva
Report of the statutory auditor
for the year ended December 31, 2021

Opinion

In our opinion, the combined financial statements for the year ended December 31, 2021 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law and the charter of the foundation.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 83b Civil Code (CC) in connection with article 728 Code of Obligations (CO)) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of combined financial statements according to the instructions of the Board of the Foundation.

We recommend that the combined financial statements submitted to you be approved.

Deloitte SA

Fabien Bryois
Licensed Audit Expert
Auditor in Charge

Sophie Durand
Licensed Audit Expert

Geneva, June 17, 2022
FBR/SDU/rex

Enclosures

- Financial statements (combined balance sheet, combined statement of operations, combined funds flow statement, combined statement of changes in capital and notes)

A WORD OF THANKS

DNDi has now delivered nine new treatments for five neglected diseases. Every contribution has helped to advance DNDi's mission and goals. A complete list of all our donors since 2003 is available on our website. Listed below are DNDi's major supporters during 2021.

PUBLIC INSTITUTIONAL SUPPORT

- Brazil - Fundação de Amparo à Pesquisa do Estado de São Paulo (FAPESP)
- Brazil - National Council of Scientific and Technological Development (Conselho Nacional de Desenvolvimento Científico e Tecnológico - CNPq) and the Ministry of Health through the Department of Science and Technology of the Secretariat of Science, Technology and Strategic Inputs (Decit/SCTIE)
- DRC - Ministry of Health of the Democratic Republic of Congo (through the Projet de Développement du Système de Santé (PDSS) funded by the World Bank)
- European and Developing Countries Clinical Trials Partnership Association (EDCTP2) programme supported by the European Union¹
- European Union - funding from the European Union's Horizon 2020 research and innovation programme²
- FIND, the global alliance for diagnostics (supported by Unitaid)
- France - French Development Agency (AFD)
- Germany - Federal Ministry of Education and Research (BMBF) through KfW
- Japan - Global Health Innovative Technology Fund (GHIT Fund)
- The Netherlands - Dutch Ministry of Foreign Affairs (DGIS)
- Portugal - Fundação para a Ciência e a Tecnologia (FCT)³
- South Africa - National Research Foundation
- Switzerland - Innosuisse, Swiss Innovation Agency
- Switzerland - Republic and Canton of Geneva, International Solidarity Service
- Switzerland - Swiss Agency for Development and Cooperation (SDC)
- UK - UK aid
- Unitaid
- World Health Organization

PRIVATE SUPPORT

- Associação Bem-Te-Vi Diversidade
- Bennett Shapiro and Fredericka Foster
- Bill & Melinda Gates Foundation
- Brian Mercer Trust
- Broadway Cares/Equity Fights AIDS
- The Broder Family Foundation
- Charles and Sheri Thompson
- Clifford N. Burnstein & Sabra C. Turnbull
- Clinton Health Access Initiative, Inc. (CHAI) (supported by Unitaid)
- Darin Portnoy and Glenda Hersh
- Dioraphte Foundation
- Elizabeth and Robert Pittorino
- The ELMA Foundation
- Family of Richard Rockefeller
- Fundación La Caixa
- George H. Stout
- Harlan and Sally Weisman
- Jeffrey Nelson and Betsabe Aristud-Carrillo
- Kristin Ecklund
- Leo Model Foundation, Inc.
- Margaret Golden MD, MPH
- Dr. Matthew H. Hulbert
- Médecins Sans Frontières - International
- Médecins Sans Frontières - Switzerland
- Médecins Sans Frontières - Transformational Investment Capacity (MSF-TIC)
- Medicor Foundation
- Meena and Liaquat Ahamed
- Nancy and Jesse Ishikawa
- PB & K Family Foundation
- Peter Mensch
- Pharmaniaga
- Robert Chartoff Charitable Foundation
- Ronald L. Thatcher
- The Stainman Family Foundation
- Stavros Niarchos Foundation
- Sun Hill Family Foundation
- Takeda Pharmaceutical Company Limited
- Wellcome
- Zegar Family Fund
- Anonymous individuals and organizations

¹ Grant number RIA2016S-1635 - AfriKADIA; RIA2017NCT-1846 - HAT-r-ACC; RIA2018CO-2516 - 5FC HIV-Crypto; RIA2019PD - ACOZI-KIDS; RIA2020S-3301 LeishAccess; RIA2020I-3290 - VL INNO.

² Grant agreement No 815628.

³ Project grant number RIA2017NCT-1846- HAT-r-ACC, part of the EDCTP2 programme supported by the European Union and the Fundação para a Ciência e a Tecnologia (FCT).

Best science for the most neglected

A not-for-profit research and development organization, the Drugs for Neglected Diseases *initiative* (DNDi) works to deliver new treatments for neglected patients, those living with Chagas disease, sleeping sickness (human African trypanosomiasis), leishmaniasis, filariasis infections, mycetoma, paediatric HIV, and hepatitis C. DNDi is also coordinating a clinical trial to find treatments for mild-to-moderate COVID-19 cases in Africa. Since its inception in 2003, DNDi has delivered nine new treatments, including new drug combinations for visceral leishmaniasis (kala-azar), two fixed-dose antimalarials, and DNDi's first successfully developed new chemical entity, fexinidazole, approved in 2018 for the treatment of both stages of sleeping sickness.

We innovate to save lives

Working on behalf of people affected by neglected diseases to discover and develop urgently needed treatments, ensuring that they're affordable, available, and adapted to the communities that need them.

We foster sustainable solutions

Working hand in hand with partners in low- and middle-income countries to power our progress and strengthen innovation ecosystems that put people's needs first.

We advocate for change

Speaking out for policy change to enable more effective and equitable R&D and access to the fruits of science for all people, no matter their income or where they live.

DNDi

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DNDi

Drugs for Neglected Diseases *initiative*