



2022 FINANCIAL REPORT

20 YEARS OF INNOVATING TOGETHER

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2022 COMBINED FINANCIAL STATEMENTS

BALANCE SHEET – As at 31 December 2022 with 2021 comparative figures

<i>(in EUR)</i>	Notes	2022	2021
Current assets			
Cash and cash equivalents			
Banks and cash		35,796,731	36,064,835
Time deposits		565,078	3,264,245
Total cash and cash equivalents		36,361,809	39,329,080
Drug stocks		71,157	76,823
Current accounts and receivables			
Receivables from donors	7a	11,971,864	11,753,207
Other receivables		5,951,704	4,147,004
Prepaid expenses		937,838	740,415
Short-term programme-related financing PRV*		5,000,000	-
Total current accounts and receivables		23,861,406	16,640,626
Total current assets		60,294,371	56,046,529
Non-current assets			
Long-term programme-related financing PRV*		24,000,000	-
Tangible/intangible fixed assets, net	4	361,512	250,673
Bank guarantee deposits	12	575,429	551,816
Total non-current assets		24,936,241	802,489
Total assets		85,231,313	56,849,018
Current liabilities			
Payables		7,518,702	6,220,088
Accrued expenses		2,337,946	2,650,832
Deferred income	7a	25,243,929	32,247,080
Provisions	5	1,066,785	1,015,754
Total current liabilities		36,167,362	42,133,753
Capital of the organization			
Paid-in capital		32,510	32,510
Unrestricted operating funds		15,031,441	14,682,755
Sustainable investment reserve	7a	34,000,000	-
Total capital of the organization		49,063,951	14,715,265
Total liabilities and capital		85,231,313	56,849,018

* Short- and long-term programme-related financing PRV, see note 7a: Programme-related income.

STATEMENT OF OPERATIONS – As at 31 December 2022 with 2021 comparative figures

<i>(in EUR)</i>	Notes	2022	2021
Income			
Public institutional funding			
Governments and public international organizations, unrestricted		8,447,226	12,844,660
Governments and public international organizations, restricted		33,462,479	29,145,523
Total public institutional funding		41,909,706	41,990,184
Private resources			
Private foundations, corporate and individual, unrestricted		548,464	769,484
Private foundations, corporate and individual, restricted*		21,295,109	17,909,843
Total private resources		21,843,573	18,679,327
Resources from founders			
Médecins Sans Frontières, unrestricted		4,000,000	4,000,000
Médecins Sans Frontières, restricted		1,298,915	1,026,354
Total resources from founding partners		5,298,915	5,026,354
Programme-related financing and other income			
Programme-related financing*		6,422,952	1,260,857
Exceptional Programme Income related to PRV	7a	34,000,000	-
Sundry income and reimbursements		444,849	65,062
Total Programme-related financing and other income		40,867,801	1,325,919
Total Income	7	109,919,995	67,021,784
Social mission expenditure			
R&D and access expenditure			
R&D coordination and supervision, Strategy, monitoring and evaluation (M&E), and exploratory		5,780,444	6,233,596
Pandemic preparedness projects**		2,597,780	1,377,642
Lead optimization and portfolio building		5,258,431	4,215,270
Human African trypanosomiasis (HAT) projects		8,281,027	7,565,734
Leishmaniasis projects		12,180,681	11,493,103
Chagas disease projects		1,464,595	1,106,360
Filariasis disease projects		4,279,131	3,898,780
Mycetoma projects		637,950	474,567
HIV projects including paediatric		2,147,151	1,770,037
Hepatitis C projects		1,176,131	1,977,526
Dengue projects		706,029	-
Global Antibiotic R&D Partnership (GARDP)***	7c	2,457,285	1,376,111
COVID-19 projects**		14,322,429	11,035,543
PANdemic preparedness plaTform for Health and Emerging infections Response (PANTHER)		373,334	-
Total R&D and access expenditure	8	61,662,400	52,524,269
Strengthening capacities	8	4,437,280	4,059,399
Advocacy and research uptake	8	2,816,556	2,393,653
Total Social mission expenditure		68,916,236	58,977,322
Non-social mission expenditure			
Fundraising	9	2,405,582	2,489,025
General management	9	4,610,692	4,507,334
Total Non-social mission expenditure		7,016,274	6,996,359
Total Expenditure	10	75,932,510	65,973,680
Operating surplus		33,987,485	1,048,104
Other Income (Expenses)			
Financial income, net		165,977	20,069
Exchange (loss) or net gain		195,224	755,774
Total other Income (Expenses)		361,201	775,843
Net surplus for the year prior to allocations		34,348,686	1,823,947
Sustainable investment reserve		(34,000,000)	-
Allocation to unrestricted operating funds		(348,686)	(1,823,947)

* Adjustment of Programme-related financing: In 2021 the income related to the benznidazole PRV was allocated in Private foundations, corporate and individual, restricted: 17,909,843 + 1,260,857 = 19,170,700. In 2022 this PRV is merged with Fexinidazole PRV used in 2022: EUR 5 million (out of a total of EUR 39 million).

** Pandemic preparedness projects is identified as a new disease in 2022. In 2021 Pandemic preparedness was merged with COVID-19 projects: 11,035,543 + 1,377,642 = 12,413,185.

*** GARDP expenditure methodology changed in 2022. In 2021, GARDP expenditures were captured as: Direct costs (EUR1,376,111) and Indirect costs (EUR 1,118,374) which included Lead optimization (EUR 8,048); R&D coordination and supervision (EUR 274,426); Capacity strengthening (EUR 557,199); Advocacy (EUR 89,823); and General management (EUR 188,878).

In 2022, to ease the process and readability, almost the entire GARDP expenditure (direct and indirect) was allocated directly to GARDP projects (EUR 2,457,285) with the remaining amount to capacity-strengthening projects (EUR 2,665) and General management (EUR 1,119). Total GARDP expenditure reached EUR 2,461,069 in 2022, see note 7.c.

FUND FLOW STATEMENT – As at 31 December 2022 with 2021 comparative figures

<i>(in EUR)</i>	2022	2021
Fund flow from operations		
Net surplus for the year, unrestricted	34,348,686	1,823,947
Depreciation of fixed assets	216,196	223,938
Increase in provisions	51,032	275,110
Decrease in stocks	5,666	17,095
(Increase) in receivables from donors	(218,657)	(2,103,356)
(Increase) in founding partner and other receivables	(30,804,699)	(263,593)
(Increase) decrease in pre-paid expenses	(197,423)	293,169
Increase in payables	1,298,614	1,605,441
Increase (decrease) in accrued expenses	(312,886)	89,887
Increase (decrease) in deferred income	(7,003,150)	11,543,600
Fund flow from operations	(2,616,623)	13,505,238
Fund flow from investing activities		
(Increase) of investments in assets	(327,036)	(55,935)
(Increase) in bank guarantee deposits	(23,613)	(9,310)
Fund flow from investing activities	(350,649)	(65,245)
Fund flow from financing activities		
Cash decrease	(2,967,272)	13,439,993
Cash and cash equivalents – beginning of year	39,329,081	25,889,087
Cash and cash equivalents – end of year	36,361,809	39,329,081

STATEMENT OF CHANGES IN CAPITAL – As at 31 December 2022 with 2021 comparative figures

2022 (in EUR)	Opening balance	Allocation	Internal fund transfers	Closing balance
Paid-in capital	32,510	-	-	32,510
Surplus for the year	-	34,348,686	(34,348,686)	-
Unrestricted operating funds	14,682,755	-	348,686	15,031,441
Sustainable investment reserve*	-	-	34,000,000	34,000,000
Capital of the organization	14,715,265	34,348,686	-	49,063,951
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

* The sustainable investment reserve was created to manage the funds obtained with the Fexinidazole PRV, following the successful FDA registration of fexinidazole for HAT. See note 7a.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

a) Legal aspects

Drugs for Neglected Diseases initiative (DNDi) is a Swiss foundation registered in Geneva as a not-for-profit entity under statutes dated 17 July 2003. 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 of Directors establishes subcommittees (the Executive Committee, the Audit Committee, and the Nominations, Remunerations, and Safeguarding Committee) and reviews the recommendations of the independent Scientific Advisory Committee.

The Audit Committee members are: Frédéric Vallat (Treasurer), Olivier Dunant, Chris Bird, Christos Christou and two new members joined in Q3 2022: Nadya Wells and Eric Lambert. Members of DNDi's Board of Directors 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) DNDi international network

DNDi has a global presence with offices in:

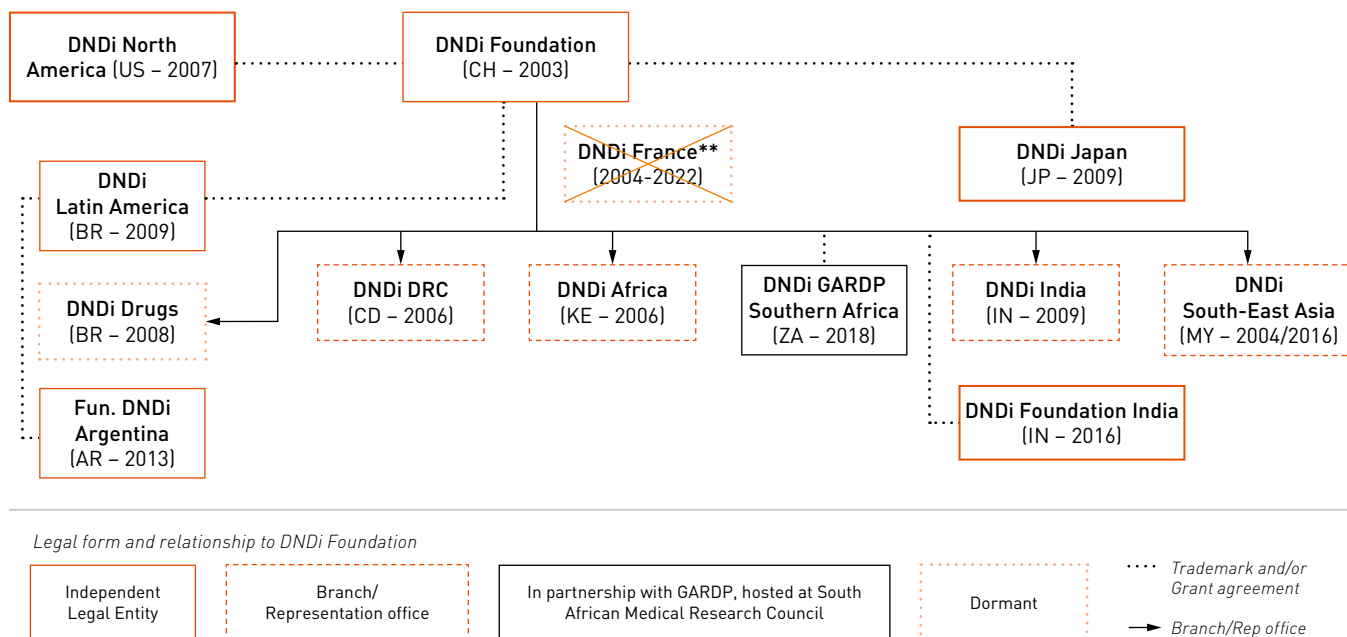
- East Africa: Nairobi
- DRC: Kinshasa
- South Asia: New Delhi
- South-East Asia: Kuala Lumpur
- Japan: Tokyo
- Latin America: Rio de Janeiro
- North America: New York, NY
- South Africa, (Joint office with GARDP): Cape Town

Establishment of DNDi offices outside Switzerland requires the authorization of the Board of Directors and 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 of the DNDi international network are consolidated in the Combined Financial Statements:

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

DNDi legal framework*

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

** DNDi France legal entity closed in Q4 2022.

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 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 a true and fair view of the financial situation in their financial statements, including:

- Balance sheet
- Statement of operations (activity-based method)
- Fund 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 DNDi financial statements includes all the offices presented above in point 1.c (DNDi international network), 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 for 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 includes: R&D and access, strengthening capacities and advocacy.

d) Functional currency

DNDi's Board of Directors 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 rate 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	2022	2021
USD/EUR	0.9797	0.8766
CHF/EUR	1.0166	0.9507
GBP/EUR	1.1505	1.1788
100 INR/EUR	1.1984	1.1767
100 KES/EUR	0.8032	0.7829
100 JPY/EUR	0.6898	0.7686
100 BRL/EUR	18.008	16.245

f) Income*Contributions:*

Recognition of contributions: 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.

Programme-related financing: Revenues from DNDi's contractual share of a Priority Review Voucher (PRV) received by our pharmaceutical partners Elea and Sanofi upon approval of, respectively, Benznidazole and Fexinidazole from the US Food and Drug Administration (FDA). Any similar future programme-related revenue will be recognized in this category.

The exceptional result from the programme-related financing is allocated to the sustainable investment reserve.

g) Expenditures incurred for projects and activities

The Board of Directors approves the annual action plan and budget, and revises budgets when variation is above a reasonable limit.

Partner expenditures are recorded:

- According to a financial report presenting expenditures incurred during the year on an accrual basis.
- If the financial reports are not available by 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 this 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 DNDi activity are recorded on an accrual basis.

h) 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.

As from 2022, DNDi has started capitalizing intangible fixed assets relating to third party charges for the setup of various information systems (for example, HRIS). No internal IT costs have been capitalized. Intangible fixed assets are long-term assets which continue to have value for DNDi.

The value of fixed assets are amortized over their useful lives of three to five years:

- IT equipment, laboratory equipment, site/field equipment, motor vehicle equipment (cars and motorbikes): 33%
- Office fittings and equipment: 20%

3. RISK EVALUATION

DNDi performs regular risk assessments where the likelihood and impact of strategic and operational risks are evaluated and documented in a risk map report. On a yearly basis, DNDi 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 by the Audit Committee and approved by the Board of Directors as part of the Annual Action Plan review. A mid-year review is also performed for the most impactful risks at the global organization level.

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

a) Delays: When milestones agreed in donor contracts are delayed, there is a risk of delaying payment from donors and exposing

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 DNDi 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, Institut Pasteur, the Kenya Medical Research Institute, and the International Office of Médecins Sans Frontières. The capital is fully paid in.

k) 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's core projects as incurred.

Sustainable investment reserve: The long-term strategic objective of this reserve is to improve DNDi's business sustainability, and/or to pursue possible future opportunities which are consistent with its mission.

l) In-kind contributions

DNDi does not estimate the full breadth of its in-kind contributions but records the auditable in-kind value its partners agree to declare.

In-kind gifts are not recorded, but are disclosed in the notes to the financial statements and valued at fair market values according to the following principles:

- They must be clearly identifiable and part of DNDi's projects and activities, as defined by DNDi's action plans and budgets.
- 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 in line with DNDi's mission and objectives.

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

DNDi is careful not to overestimate such valuations in compliance with Swiss GAAP FER basic principles such as materiality or prudence.

DNDi to non-funded expenses. To mitigate this risk, whenever possible, DNDi aims to define milestone delivery timelines that are realistic and signal potential scientific and operational challenges. Flexible funding conditions are much more adapted to R&D activities.

b) The geopolitical and economic situation: the global context has degraded in the last two years, triggering global financial instability, including inflation on energy and commodities prices, and has affected DNDi's areas of operation.

c) Inflation risk: DNDi closely monitors the current inflationary environment, which may result in an increase in clinical trial costs, as inflation will most likely drive up the costs of acquiring goods, related packaging materials, and employee wages.

d) Volatility of exchange rates: DNDi is exposed to currency risk on donations received, and 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. To minimize the risk from foreign exchange fluctuations, DNDi has implemented the following plan:

- ▶ Liquidity is deposited as much as possible in bank accounts denominated in foreign currencies in proportion to the breakdown of total expenditure by currency (natural hedging).
- ▶ A hedging strategy to cover DNDi's CHF needs, since 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.

e) Cyberthreats: The Internal Control system has been reviewed to cope with these new challenges, technical measures and regular DNDi cybersecurity trainings have been extended to DNDi staff, partners and governance members.

f) 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.

g) Credit risk: As of the date of the balance sheet, 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.

h) Reduction of core funding: since 2021, there has been a reduction of core funding (30% in 2022 vs. 50% in 2021). Fixed costs remain stable at best, mainly due to R&D activities that require building and retaining a strong and solid internal R&D team and knowledge process. The ongoing mitigation actions include:

- ▶ A continuing effort to regionalize some key positions in line with DNDi long-term strategy to reinforce regions where the diseases are endemic and where the knowledge and expertise are based. This benefits DNDi by supporting regional leadership and ownership while increasing cost-effectiveness.
- ▶ Identification of donors to fund new projects and cover costs related to transversal work areas (i.e., gender, climate change, paediatric or M&E).
- ▶ Project to reduce office costs.
- ▶ Diagnostic of efficiency opportunities and development of a roadmap to better leverage our global footprint, and to implement agility through virtuality/outsourcing activities.
- ▶ Investment of Priority Review Voucher (PRV) funds in fundraising and advocacy projects to increase sustainability.
- ▶ Strengthening the capacity of non-finance staff in financial issues through training to reinforce resource management, budget monitoring, and accountability.

4. FIXED ASSETS, NET

<i>(in EUR)</i>	TANGIBLE			INTANGIBLE	Total
	Computer equipment	Office fittings and installations	R&D equipment*	Software	
Net carrying amounts 1 January 2022	51,416	34,939	164,318	-	250,673
Gross values of cost					
Beginning of the period 1 January 2022	1,075,256	464,533	587,402	-	2,127,191
Additions	35,189	-	122,321	169,526	327,036
End of the period 31 December 2022	1,110,445	464,533	709,723	169,526	2,454,226
Accumulated amortization					
Beginning of the period 1 January 2022	(1,023,840)	(429,594)	(423,084)	-	(1,876,518)
Charge for the year	(37,816)	(15,960)	(141,902)	(20,519)	(216,196)
End of the period 31 December 2022	(1,061,656)	(445,554)	(564,986)	(20,519)	(2,092,715)
Net carrying amounts 31 December 2022	48,789	18,979	144,737	149,007	361,512
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	-	2,071,255
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

* 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)	Provision for pension plan (DRC team)	Provision for BIAC bankruptcy risk*	Programmatic provision**	Total
Carrying period as at 1 January 2022	819,772	57,769	138,213	-	1,015,754
Creation	814,606	68,476	16,256	84,238	983,576
Utilization	-	(73,080)	-	-	(73,080)
Reversal	(859,464)	-	-	-	(859,464)
Carrying period as at 31 December 2022	774,914	53,166	154,469	84,238	1,066,785
Carrying period as at 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 at 31 December 2021	819,772	57,769	138,213	-	1,015,754

* In March 2016, DNDi's financial services provider in the DRC, Banque internationale pour l'Afrique au Congo (BIAC), was announced to be at risk of bankruptcy. To help manage this risk, DNDi provisioned the blocked assets progressively from 2016 to 2018. This 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.

** Due to one partner at risk of not complying with their obligation.

6. CONSOLIDATED ACCOUNTS

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

<i>(in ,000s EUR)</i>	Income raised by legal entity* (A)	Income transferred by DNDi Geneva (B)	Total income 2022 (A) + (B)	Income raised by legal entity (%)	Total expenditure 2022*	Expenditure by legal entity (%)
DNDi Geneva and branches	109,080	(4,952)	104,128	99.2	70,759	93.2
DNDi Japan and DNDi India Foundation	29	738	767	-	666	0.9
DNDi North America	628	1,663	2,290	0.6	1,968	2.6
DNDi Latin America	183	2,552	2,735	0.2	2,540	3.3
Total consolidated accounts	109,920	-	109,920	100.0	75,933	100.0

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

7. INCOME, DEFERRED INCOME AND PROGRAMME-RELATED FINANCING

a) Receivables from donors vs deferred income

The total deferred income decreased by EUR 7,003,150 in 2022 compared to 2021, totalling EUR 25,243,929. This is due to the utilization of cash advances from donor grants received in 2021 for the year 2021 and 2022. These were mainly the grants related to Anticov project incurring a decrease of EUR 3.2 million. In addition, various grants paid in advance in 2021 totalling 11 grants were not entirely used in 2021 and were also used in 2022, incurring a decrease of advance payments of EUR 4.8 million.

DNDi ensures that the funds recorded as deferred income will be used within the timelines agreed with the donors or, if not, that negotiations take place to extend the timelines.

The receivables from donors remain stable at EUR 11,971,864.

In 2022: Programme-related financing

A Priority Review Voucher Award resulted from the fexinidazole registration by the USFDA in 2021. The DNDi share was valued at EUR 39 million reflecting a fair share of the DNDi contribution and investment in the development of this product.

- EUR 29 million has been registered in short and long-term receivables related to programme-related financing, increasing current accounts and receivables by EUR 5 million and long-term programme-related financing by EUR 24 million.
- EUR 10 million was received in cash in 2022. EUR 5 million was used to cover expenditure in 2022 and EUR 5 million was kept as cash in hand.

b) Cumulative resources committed to DNDi and/or received by 2022, in EUR

Contributions	Total commitment	As per statement of operations 2022	To be used after 2022
Public and private contributions	753,817,764	66,806,129	83,177,971
United Kingdom, UK aid ⁽¹⁾	169,471,139	7,030,131	5,345,304
Bill & Melinda Gates Foundation	127,746,571	9,654,198	8,204,407
Médecins Sans Frontières (MSF) ⁽²⁾	95,188,631	5,298,915	4,727,273
Germany, Federal Ministry of Education and Research (BMBF) through KfW ⁽³⁾	52,050,919	9,803,161	12,804,104
The Netherlands, Ministry of Foreign Affairs (DGIS) ⁽⁴⁾	50,175,000	500,000	13,500,000
EU & Developing Countries Clinical Trials Partnership (EDCTP)	34,287,024	4,718,625	14,744,574
Wellcome ⁽⁵⁾	34,112,156	8,266,215	6,547,017
Japan, Global Health Innovative Technology Fund (GHIT) ⁽⁶⁾	31,420,405	5,173,260	2,346,692
Switzerland, Swiss Agency for Development and Cooperation (SDC)	27,621,413	1,984,247	4,066,400
Unitaid	27,240,684	7,173,521	238,561
France, MEAE / AFD	24,255,006	2,411,856	1,298,525
Spain, Spanish Agency for International Development (AECID)	12,000,000	-	-
Various other contributions ⁽⁷⁾	8,623,188	1,227,905	167,768
Takeda Pharmaceutical Company Limited, Global CSR Program	7,340,934	1,996,599	2,778,915
Norwegian Government ⁽⁸⁾	7,330,101	-	4,860,550
United States, NIH/NIAID/USAID ⁽⁹⁾	6,516,248	169,019	-
Medicor Foundation	4,515,966	285,256	-
Switzerland, Republic and Canton of Geneva ⁽¹⁰⁾	3,286,706	152,799	406,640
WHO-TDR ⁽¹¹⁾	2,812,525	98,958	26,942
Associação Bem-Te-Vi Diversidade ⁽¹²⁾	2,403,401	183,115	-
DRC, Ministry of Health (through PDSS funded by the World Bank)	2,125,253	-	-
Pharmaniaga	2,020,816	-	-
UBS Optimus Foundation	1,441,440	-	-
Sarr International Foundation	1,120,837	-	-
Dioraphte ⁽¹³⁾	850,000	215,021	634,979
Stavros Niarchos Foundation	639,797	-	-
The Global Fund	532,809	-	-
ELMA	652,174	217,391	-
Brian Mercer Trust	504,162	55,454	-
Brazil, Ministry of Health and Finep	409,611	-	-
RIGHT Foundation ⁽¹⁴⁾	342,895	88,673	254,222
Monaco, Cooperation for Development ⁽¹⁵⁾	300,000	101,809	198,191
Funds received to incubate Global Antibiotic R&D Partnership (GARDP) ⁽¹⁶⁾	14,479,953	-	-
Programme-related financing and other income	70,258,599	9,113,866	38,249,827
Exceptional Income related to Priority Review Voucher (PRV) ⁽¹⁷⁾	39,000,000	5,000,000	34,000,000
Fundación Mundo Sano (PRV) ⁽¹⁸⁾	7,135,029	1,422,952	50,944
Sanofi Global Health reimbursement ⁽¹⁹⁾	2,421,343	229,845	-
GARDP reimbursement with collaborative agreement (2019-2021) and alliance agreement (2022-2024)	21,702,227	2,461,069	4,198,883
Total donations	824,076,363	75,919,995	121,427,799

Notes:

- (1) UK aid granted: (a) a multiple year unrestricted grant (GBP 69.3 million, April 2017 – March 2023, and a supplemental amount of GBP 7.4 million, April 2022 – March 2023) of which GBP 5,032,127 (EUR 5,907,840) was spent in 2022; and (b) a restricted grant of GBP 3.8 million, August 2021 – March 2023, of which GBP 949,783 (EUR 1,122,291) was spent in 2022 for ANTICOV India.
- (2) In 2019, MSF granted a multi-year, unrestricted grant of EUR 20 million of which EUR 4 million were spent in 2022. DNDi and MSF also collaborate in various innovation and R&D programmes for neglected patients. These joint programmatic activities were supported in 2022 by MSF as follows: (a) a restricted grant of CHF 1.8 million of which CHF 965,761 was spent in 2022 for activities in South Sudan and Guatemala; (b) a restricted grant of EUR 0.6 million of which EUR 290,024 was spent for global Hepatitis C access; (c) a restricted grant of NOK 4.6 million (EUR 400,000) signed in 2022 for January 2023 – December 2024.
- (3) BMBF through KfW granted: (a) a multi-year portfolio grant (EUR 14.5 million, 2016-2022) of which EUR 3.5 million was spent in 2022; (b) a supplemental grant for COVID-19 (EUR 15 million, 2020 – June 2023) of which EUR 5,902,743 was spent in 2022; (c) a supplemental grant for PANTHER (2.4 million, August 2022 – June 2023) of which EUR 400,419 was spent in 2022.
- (4) DGIS provided a multiple year portfolio grant (EUR 14 million, December 2022 – November 2027) of which EUR 500,000 was spent in 2022.
- (5) Wellcome provided four grants: (a) a portfolio grant of EUR 11.3 million for the leishmaniasis New Chemical Entity portfolio (December 2018 – January 2022) of which EUR 169,650 was spent in 2022; (b) a restricted grant for COVID-19 discovery of GBP 1.5 million (EUR 1.7 million, September 2020 – December 2021) and a supplement of GBP 1 million (EUR 1.2 million, January 2022 – March 2023) of which GBP 910,008 (EUR 1,060,010) was spent in 2022; (c) a restricted grant for the Moonshot project (including COVID-19/pandemic preparedness) of GBP 8 million (July 2021 – February 2024) of which GBP 2,165,327 (EUR 2,548,989) was spent in 2022; and (d) a portfolio grant of EUR 5.6 million (January 2022 – April 2023) of which EUR 4,487,566 was spent in 2022.
- (6) GHIT provided eight restricted grants: (a) JPY 244.6 million (EUR 1,783,265) for the project CpG-D35 for cutaneous leishmaniasis (CL); (b) JPY 268.5 million (EUR 2,000,450) for a leishmaniasis New Chemical Entity (VL6174); (c, d, e, f, g) JPY 102.4 million (EUR 751,248) for screening, discovery, hit-to-lead in NTDs and Mycetoma; and (h) JPY 89.9 million (EUR 638,297) for Lead optimization project S07.
- (7) Figures include: (a) Caixa Foundation EUR 36,237; (b) Oxford University (IDDO) USD 21,628 (EUR 19,835); (c) Arpe Foundation CHF 10,000 (EUR 9,847); (d) CHAI (EUR 24,041); (e) JA Delmas (EUR 33,000); (f) FIND granted for COVID-19 USD 69,597 (EUR 66,985); (g) Prince Mahidol Prize USD 100,000 (EUR 93,509); (h) various donations from individual donors, private foundations, corporations, reimbursement, and financial management (EUR 944,451).
- (8) Gift from the Government of Norway with restricted allocation (NOK 50 million, January 2023 – December 2024).
- (9) The US Government contributed USD 59,419 (EUR 55,454) as financial support for the North America office to cover the impact of COVID-19.
- (10) Republic and Canton of Geneva provided a multiple year restricted grant (CHF 550,000, April 2022 – December 2024) of which CHF 150,000 (EUR 152,799) was spent in 2022.
- (11) WHO provided a restricted grant of USD 72,738 (EUR 62,467) for snakebite assessment activity.
- (12) Associação Bem-Te-Vi Diversidade provided an unrestricted grant of BRL 1 million (EUR 183,115) in 2022.
- (13) Dioraphte provided a multiple year restricted grant (EUR 850,000, January 2022 – December 2024) of which EUR 215,021 was spent in 2022.
- (14) RIGHT Foundation provided a restricted grant of USD 350,000 (EUR 342,895, April 2022 – March 2023) of which USD 90,510 (EUR 88,673) was spent in 2022.
- (15) Monaco provided a restricted grant of EUR 300,000 (January 2022 – December 2024) of which EUR 101,809 was spent in 2022.
- (16) Donors who invest to incubate GARDP: UK Government (UK aid and DHSC), German Government MoH, BMG and BMBF; Dutch Government VWS; Bill & Melinda Gates Foundation; Wellcome; Swiss Government FOPH; South Africa Medical Research Council, MSF; Grand Duchy of Luxembourg; Leo Model Foundation; Principality of Monaco funds.
- (17) The Priority Review Voucher (PRV of fexinidazole) of EUR 39 million.
- (18) The Priority Review Voucher (PRV of benzinidazole) of USD 7.5 million (January 2018 – December 2022).
- (19) Reimbursement of EUR 229,845 from Sanofi Global Health based on the collaboration agreement (dated 06 April 2009) to support DNDi's work with the FDA preparation file and the obtention of PRV for fexinidazole.

c) GARDP collaboration

- DNDi led a successful three-year incubation of GARDP (2016-2019). DNDi supported GARDP in securing funding and during this period EUR 14.5 million was allocated to GARDP activities from the following donors: UK Government, German Government; Dutch Government; Bill & Melinda Gates Foundation; Wellcome; Swiss Government; South Africa Medical Research Council, MSF; Grand Duchy of Luxembourg; Leo Model Foundation; Principality of Monaco.
- GARDP was established as a separate entity in 2019 and, since then, DNDi and GARDP have sought to drive efficiencies by sharing specialized R&D expertise, policy advocacy expertise, and some infrastructure and support services. In-country implementation of GARDP's programmes is supported by DNDi's regional network and a joint DNDi GARDP office in Southern Africa.
- In 2022, the two organizations renewed their collaboration and signed an alliance agreement for the period 2022-2024. In 2022 GARDP reimbursed DNDi's net¹ expenses of EUR 2,461,069 (2021 EUR 2,491,486) or 3.2% (2021 3.8%) of DNDi's total expenses. The total net cumulated expenditure to date (2016-2022) totals EUR 21,702,227.
- From January to June 2022, DNDi and GARDP had one common member on their respective Board of Directors, Marie-Paule Kieny. Since July 2022, the two organizations do not share any governance member. Dr Bernard Pecoul, founder of DNDi, represents DNDi on GARDP's Board of Directors. DNDi and GARDP are not related parties, as defined by 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 DNDi's Board of Directors and Audit Committee are appointed by DNDi's Board of Directors; they receive no remuneration for their mandates from DNDi or from GARDP.

¹ Costs relating to the DNDi GARDP South Africa office and consultancy are paid for by GARDP and reimbursed by DNDi (2022 EUR 258,185, 2021 EUR 155,298).

d) 2022 funding per project (restricted and unrestricted)

Income (Operational income (EUR 109,919,995) - PRV income related to 2023 and onward (EUR -34,000,000) = EUR 75,919,995⁽¹⁾)

(in EUR)

Donors ⁽²⁾	UKaid	The Netherlands, DGIS	Germany, BMBF through KfW	Switzerland, SDC ⁽³⁾	France, AFD	EU, EDCTP	Unitaid	
IMPLEMENTATION AND DEVELOPMENT	New VL treatments (Asia, Latin America, HIV/VL co-infection, combination in Africa)	147,747	28,613	34,746	39,275	-	1,297,195	-
	New treatment for PKDL	46,310	-	1,521	-	-	-	-
	New CL Combination	65,490	32,885	319,653	20,866	-	-	-
	Fexinidazole (HAT)	336,784	-	164,469	92,591	586,381	1,215,891	-
	Acoziborole (HAT)	6,958	-	28,417	107,995	-	514,789	-
	Mycetoma – fosravuconazole	18,485	-	-	154,043	-	-	-
	Hepatitis C – ravidasvir/sofosbuvir – policy and access	407,600	-	-	3,289	-	-	-
	Paediatric HIV – 2-in-1 LPV/r pellets – 4-in-1 (ABC/3TC/LPV/r) and access	-	-	-	142,546	830,222	-	-
	New benznidazole regimen for Chagas and access	35,695	15,906	28,577	-	-	-	-
	COVID-19 – Anticov – Coalition and Policy	987,392	-	4,457,288	-	-	-	7,010,734
TRANSLATION	Leishmaniasis candidates: DNDi-0690 + DNDi-6148 + DNDi-6174 + Novartis LXE408 + GSK compounds	71,004	-	335,255	11,197	-	-	-
	Macrofilaricide for filariasis (emodepside, TylAMac, oxfendazole, and CCG166)	-	-	21,511	-	-	219,060	-
	Fexinidazole (Chagas)	1,524	-	18,369	-	-	-	-
	Biomarkers (Chagas)	-	-	-	-	-	-	-
	Biomarkers (Filarial)	-	-	13,814	-	-	2,815	-
	CpG-D35 (CL) and CL combination	7,999	-	319,441	-	-	148,373	-
	Cryptococcal meningitis – 5FC-(HIV)	-	-	-	120,762	-	886,447	-
	Moonshot and pre-clinical (COVID-19/Pandemic preparedness)	-	-	785,964	-	-	-	-
	Dengue	37,809	9,677	85,137	-	546,988	-	-
	RESEARCH	Lead optimization consortia	1,365,992	12,090	1,004,465	104,856	46,323	-
Screening resources and reference screening centres	194,722	131,076	130,923	-	-	-	-	
AVIDD ASAP (Pandemic preparedness)	-	-	-	-	-	-	-	
R&D coordination and supervision	867,809	1,066	474,743	762,863	-	467	-	
Strategy M&E and exploratory	132,168	6,650	73,499	-	99,833	-	-	
GARDP	-	-	-	-	-	-	-	
PANTHER	-	-	373,334	-	-	-	-	
HAT, LEAP, redLEISH and Chagas platforms	87,530	6,547	27,747	-	66,327	6,945	-	
Other capacity-strengthening activities	666,403	171,823	-	156,993	15,871	2,157	-	
Advocacy	674,365	24,195	-	148,779	38,860	(145)	-	
Fundraising	273,768	5,072	35,505	8,489	8,788	122,242	151,046	
General management	596,578	54,400	1,068,783	262,501	172,263	302,388	11,740	
Financial expenses	-	-	-	-	-	-	-	
Net surplus allocated to unrestricted funds	-	-	-	-	-	-	-	
Total income + other income	7,030,131	500,000	9,803,161	2,137,046	2,411,856	4,718,625	7,173,521	

Notes:

(1) As per the Statement of Operations: Total operational income (EUR 109,919,995) plus total financial income (EUR 361,201) minus total expenditures (EUR 75,932,510) equal net surplus for the year: EUR 34,348,686. The EUR 34 million related to the PRV are not disclosed in this table.

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

(3) Swiss Government SDC (EUR 1,984,247) and the Republic and Canton of Geneva (EUR 152,799).

(4) MSF International (EUR 4 million); MSF-TIC (EUR 290,024); MSF Switzerland (EUR 937,523); and MSF Holland (EUR 71,368).

(5) Programme financing related to PRV for two drugs: Mundo Sano for Benznidazole (EUR 1,422,952); Sanofi Fexinidazole (EUR 39 million).

Japan, GHIT	Bill & Melinda Gates Foundation	MSF ⁽⁶⁾	Programme-related financing ⁽⁶⁾	Wellcome	Takeda Pharmaceutical Company Limited, Global CSR Program	Foundations and other ⁽⁶⁾	GARDP	Shared ⁽⁷⁾	Result on FX gain/loss (net)	Total expenditure
-	-	307,667	45,103	946,070	1,063,477	71,751	-	-	-	3,981,645
-	-	160,400	2,175	-	-	-	-	-	-	210,406
-	-	-	14,395	-	-	912	-	-	-	454,200
-	-	28,350	80,585	-	284,571	315,516	-	-	-	3,105,140
-	4,323,891	30,929	74,611	-	-	88,296	-	-	-	5,175,887
136,848	-	323,841	440	-	-	4,294	-	-	-	637,950
-	-	639,586	105,973	-	-	19,684	-	-	-	1,176,131
-	-	4,750	2,465	-	-	109,891	-	-	-	1,089,874
-	-	105,705	454,496	-	347,409	8,776	-	-	-	996,563
-	-	-	-	-	-	66,985	-	-	-	12,522,399
1,734,331	-	4,937	27,071	3,203,096	-	88,673	-	-	-	5,475,564
-	3,842,220	-	31,331	-	-	-	-	-	-	4,114,121
-	-	-	81,836	-	-	-	-	-	-	101,730
-	-	-	366,303	-	-	-	-	-	-	366,303
-	148,381	-	-	-	-	-	-	-	-	165,010
1,554,784	-	-	28,269	-	-	-	-	-	-	2,058,866
-	-	-	16,521	-	-	33,548	-	-	-	1,057,278
-	-	-	-	3,507,191	-	-	-	-	-	4,293,155
-	-	-	26,418	-	-	-	-	-	-	706,029
544,009	-	576,398	42,759	-	-	205,504	-	-	-	3,902,397
508,729	-	297,286	49,135	-	-	44,162	-	-	-	1,356,034
-	-	-	-	-	-	104,656	-	-	-	104,656
22,723	206,923	679,346	494,686	135,030	37,076	283,123	-	1,346,109	-	5,311,963
-	-	110,057	2,160	-	-	44,114	-	-	-	468,481
-	-	-	-	-	-	-	1,597,484	859,801	-	2,457,285
-	-	-	-	-	-	-	-	-	-	373,334
-	-	48,930	5,944	-	28,921	10,853	-	-	-	289,744
38,821	53,060	827,459	1,638,052	42	-	574,189	2,665	-	-	4,147,535
-	-	546,661	1,002,075	44,904	21,169	80,946	-	234,747	-	2,816,556
182,030	298,817	264,434	336,862	38,882	24,016	386,409	-	269,222	-	2,405,582
450,986	780,907	342,179	1,493,288	390,998	189,960	342,679	860,921	(2,709,879)	-	4,610,692
-	-	-	-	-	-	-	-	-	(361,201)	-361,201
-	-	-	-	-	-	(12,515)	-	-	361,201	348,686
5,173,260	9,654,198	5,298,916	6,422,952	8,266,214	1,996,599	2,872,446	2,461,069	-	-	75,919,995

(6) Figures include: (a) Brian Mercer Trust GBP 50,000 (EUR 55,454); (b) Caixa Foundation EUR 36,237; (c) Oxford University (IDDO) USD 21,628 (EUR 19,835); (d) Arpe Foundation CHF 10,000 (EUR 9,847); (e) CHAI (EUR 24,041); (f) JA Delmas (EUR 33,000); (g) Unitaid via FIND granted for COVID-19 USD 69,597 (EUR 66,985); (h) Medicor USD 300,000 (EUR 285,256); (i) Associação Bem-Te-Vi granted BRL 1 million (EUR 183,115); (j) Sanofi Global Health EUR 229,845; (k) WHO granted USD 108,679 (EUR 98,958); (l) RIGHT Foundation USD 90,510 (EUR 88,673); (m) the US Government contributed USD 59,419 (EUR 55,139); (n) Prince Mahidol Prize USD 100,000 (EUR 93,509); (o) Dioraphte (EUR 215,021); (p) Monaco (EUR 101,809); (q) NIH USD 115,748 (EUR 113,880); (r) various donations from individual donors, private foundations, corporations, and reimbursement (EUR 956,965).

(7) Shared expenses are related to administrative and running costs of the Geneva office and the IT system expenses. These costs were shared in proportion to the FTE for each team based in Geneva: 1) R&D coordination and supervision; 2) GARDP; 3) Advocacy; 4) Fundraising; 5) General management.

e) Collaborative funding and in-kind contributions

2022 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 given directly to our partners and vendors for DNDi R&D-related initiatives.

Project	Donor	Currency	2022 Amount (own currency)	2022 Amount (EUR)	2021 Amount (EUR)
Lead optimization consortia (Latin America)	FAPESP - Fundação de Amparo à Pesquisa do Estado de São Paulo	BRL	509,665	96,486	70,578
Cutaneous leishmaniasis (CL)	CNPq – Conselho Nacional de Desenvolvimento Científico e Tecnológico	BRL	365,041	69,107	80,219
Hepatitis C	Ministry of Health Malaysia: Selayang Hospital	MYR	226,968	48,973	34,036
Dengue	Institute for Medical Research (IMR), Malaysia	MYR	118,000	25,461	-
Hepatitis C	Ministry of Health Malaysia: Clinical Research Malaysia	MYR	-	-	5,255
Total collaborative funding			-	240,027	190,088

2022 in-kind contributions

In collaboration with its R&D partners and vendors, DNDi secured in-kind contributions from R&D partners to support its projects. The value of in-kind contributions secured by DNDi in 2022 totalled EUR 10,340,523. For policy on in-kind contributions, see Section 2: Significant accounting policies, l) In-kind contributions.

(in EUR)	Scientific staff	Non- scientific staff	R&D services	Office, furniture, admin, and travel	2022 Amount	2021 Amount
Lead optimization consortia (Australia)	25,264	33,413	6,677	41,157	106,510	103,541
Lead optimization consortia (Latin America 'LOLA')	168,512	86,402	224,913	75,059	554,886	428,274
Hit-to-lead	33,442	-	-	-	33,442	47,644
Hepatitis C	216,000	120,000	1,661,728	37,396	2,035,124	3,571,500
Neglected Tropical Diseases (NTD) - Drug Booster	-	-	-	-	-	756,964
Screening resources and reference screening centres	143,552	34,437	460,944	253,111	892,044	255,001
COVID-19 Screening and Pandemic preparedness	4,000	-	-	-	4,000	9,500
TylAMac/ABBV-4083 Macrofilaricide (Filaria: River blindness)	1,397,533	-	-	-	1,397,533	1,353,434
Chagas	67,063	-	3,733	1,895	72,691	92,596
Dengue	49,002	249	28,217	4,596	82,064	-
HIV Cryptococcal Meningitis	111,600	13,241	76,607	5,675	207,123	461,288
Mycetoma	-	32,001	9,947	-	41,948	42,286
Visceral leishmaniasis	2,954,424	43,127	1,897,208	18,398	4,913,157	2,842,509
Toxicological study of Acoziborole (SCYX-7158)	-	-	-	-	-	162,105
Total	5,170,393	362,870	4,369,973	437,287	10,340,523	10,126,642

Main in-kind contributors in 2022: Novartis Pharma AG, Switzerland; Pharco Europea Pharmaceuticals, Egypt; Abbvie, USA; Institut Pasteur Korea, Korea; Takeda Pharmaceutical Company Limited, Japan; Eisai Co., Ltd, Japan; Mylan Laboratories Limited, India (A Viatrix Company), USA; Swiss TPH, Switzerland; University of Sao Polo (USP), Brazil; Eurofarma Laboratórios, Brazil; Monash University, Australia; Pharmaniaga, Malaysia; UNICAMP, Brazil; Laboratório

Elea Phoenix, Argentina; Mahidol University (Faculty of Medicine Siriraj Hospital), Thailand; Mitsubishi Tanabe Pharma Corporation, Japan; Fundacion Medina, Spain; Daiichi Sankyo Company, Limited, Japan; Institute of Medical Research (IMR), Malaysia; University of Sussex, UK; University of Dundee, UK; Translational Health Science and Technology Institute (THSTI), India.

8. SOCIAL MISSION EXPENDITURE

8.a) R&D and access project-related expenditure

<i>(in EUR)</i>	2022	2021
Implementation project		
New VL treatments in Asia	142,600	95,227
Chagas disease - access	632,291	334,436
Paediatric HIV and access – 4-in-1 (ABC/3TC/LPV/r)	1,089,874	1,172,402
Ravidasvir and other direct-acting antivirals (DAAs)	400,998	298,661
Fexinidazole (HAT) access for <i>T.b. gambiense</i>	2,090,408	3,284,290
COVID-19 Coalition and policy	706,352	926,859
New VL treatments in Africa / Latin America (moved to implementation in 2022)	3,839,044	-
Total Implementation projects	8,901,567	6,111,876
Development projects (Phase IIB/III, registration)		
Fexinidazole (HAT) for <i>T.b. rhodesiense</i> (<i>T.b. gambiense</i> moved to implementation in 2019)	1,014,732	899,377
Acoziborole (HAT)	5,175,887	3,382,066
New VL treatments in Africa / Latin America (moved to implementation in 2022)	-	3,223,411
Post-kala-azar dermal leishmaniasis (PKDL)	210,406	454,371
New CL Combination	454,200	434,436
Fosravuconazole	637,950	474,567
Hepatitis C – Ravidasvir/Sofosbuvir	775,134	1,678,865
Paediatric HIV – 4-in-1 (ABC/3TC/LPV/r) (moved to implementation in 2022)	-	265,952
New benznidazole regimen (Chagas)	364,272	341,310
Anticov (COVID-19)	11,816,046	8,065,041
Total Development projects	20,448,628	19,219,396
Translation projects (pre-clinical, phase I, phase IIA/proof of concept)		
Dengue	706,029	-
Leishmaniasis candidates: DNDi-0690 + DNDi-6148 + DNDi-6174 + Novartis LXE408 + GSK compounds	5,475,564	5,077,278
CpG-D35 (CL)	2,058,866	2,208,379
Fexinidazole (Chagas)	101,730	109,026
Biomarkers (Chagas)	366,303	321,588
Oxfendazole (filariasis)	240,317	351,830
TylAMac/ABBV-4083 (filariasis)	1,770,339	2,087,919
Emodepside (filariasis)	2,103,465	1,121,361
5FC (cryptococcal meningitis)	1,057,278	331,682
Biomarkers (Filarial)	165,010	337,670
Pre-clinical (COVID-19)	1,800,031	2,043,644
Total Translation projects	15,844,932	13,990,377
Research projects (screening, hit-to-lead, lead optimization)		
Lead optimization consortia	3,902,397	3,161,530
Moonshot (Pandemic preparedness)	2,493,124	1,377,642
AViDD ASAP (Pandemic preparedness)	104,656	-
Screening resources and reference screening centres	1,356,034	1,053,740
Total Research projects	7,856,211	5,592,912
Project-related variable expenditures		
Global Antibiotic R&D Partnership (GARDP)*	2,457,285	1,376,111
PANdemic preparedness platform for Health and Emerging infections Response (PANTHER)	373,334	-
R&D coordination, supervision, strategy, M&E and exploratory	5,780,444	6,233,596
Total Project-related variable expenditures	8,611,063	7,609,707
Total R&D expenditure	61,662,400	52,524,269

* Total 2022 GARDP expenditure included direct costs and indirect costs merged in a unique project code (EUR 2,457,285), and a remaining amount to capacity-strengthening projects (EUR 2,665) and General management (EUR 1,119), totalling EUR 2,461,069 as per the note 7.c. In 2021, GARDP expenditure included only direct costs in R&D and access project-related expenditure per project (EUR 1,376,111), and indirect costs (EUR 1,118,375) were allocated through various DNDi projects, totalling EUR 2,494,486.

8.b) Breakdown of R&D coordination expenditure per activity

<i>(in EUR)</i>	2022	2021
Coordination	3,951,231	3,519,453
Scientific Advisory Committee	78,565	8,957
Business Development and Legal	1,235,556	1,841,569
Medical, access	46,611	242,139
Strategy, M&E, and exploratory	468,481	621,479
Total	5,780,444	6,233,596

8.c) Strengthening support capacities expenditure

DNDi expenditure on strengthening capacities in countries where the diseases are endemic:

- Building strong collaboration and facilitating scientific exchange with local clinicians, scientists, and experts.
- Establishing working partnerships and strengthening existing R&D capacity in a sustainable manner: through know-how to facilitate access to new tools, including technology transfers, with public and private institutions and researchers, particularly in low- and middle-income countries.
- 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 directly to GARDP.

<i>(in EUR)</i>	2022	2021
DNDi International network: Brazil, India, Japan, Kenya, Malaysia, North America, South Africa, Democratic Republic of Congo, and International Development Coordination	4,147,535	3,686,359
Leishmaniasis East African Platform (LEAP) until 2021, moved to Leish access in 2022 / redLEISH Network Latin America	42,575	192,416
Human African trypanosomiasis (HAT) platform	128,000	134,371
Chagas clinical research platform	119,169	46,252
Total	4,437,280	4,059,399

8.d) Advocacy expenditure

DNDi advocates for neglected patients and supports policy changes to enable more equitable R&D and access to the fruits of sciences for all people. These communication and policy engagement activities bear the following expenditure.

<i>(in EUR)</i>	2022	2021
Human resources	1,993,683	1,884,288
Office and Administration	366,234	282,502
Travel expenses	187,164	37,171
Communication	269,475	189,692
Total	2,816,556	2,393,653

9. NON SOCIAL MISSION: FUNDRAISING, AND GENERAL AND ADMINISTRATION EXPENSES

<i>(in EUR)</i>	Fundraising		General and Administration	
	2022	2021	2022	2021
Human resources	1,755,179	2,131,377	3,794,336	3,633,117
Office and Administration	528,823	341,733	499,118	819,381
Travel expenses	77,579	4,264	185,349	10,284
Communication	44,002	11,651	131,889	42,325
Exceptional expenses	-	-	-	2,227
Total	2,405,582	2,489,025	4,610,692	4,507,334

10. PRESENTATION OF DNDi EXPENDITURE PER NATURE OF EXPENSES

<i>(in EUR)</i>	2022	2021
Personnel		
Personnel	27,630,373	26,102,193
Consultant	5,064,111	4,806,144
Travel and accommodation	2,131,716	435,672
Total personnel	34,826,200	31,344,009
Operational R&D and access		
Purchase and logistics	1,520,657	1,324,216
Equipment	625,895	843,070
Discovery and lead optimization (partners and service)	6,187,781	6,303,345
Pre-clinical (partners and service)	2,413,098	2,130,908
Quality assurance and training	578,425	610,207
Clinical and post-clinical (partners and service)	17,774,719	14,696,744
Chemistry, Manufacturing, and Controls (partners and service)	3,738,425	2,660,496
Access (partners and service)	738,811	382,296
Total operational R&D and access	33,577,810	28,951,283
Other		
Communication (tools, meetings, organization of documents)	1,352,341	698,239
Administration and IST (depreciation, furniture, service providers)	6,176,158	4,980,149
Total other	7,528,500	5,678,388
Grand total	75,932,510	65,973,680

11. REMUNERATION GIVEN TO DIRECTORS AND MEMBERS OF THE BOARD OF DIRECTORS

All members of the Board of Directors are appointed on a voluntary basis. Members of the Board of Directors received no remuneration for their mandate in 2021 or 2022. In 2022, the top five employees' salaries

(including all salaries, benefits, and social charges) at DNDi totalled CHF 1,507,785 (EUR 1,495,889). In 2021, the top five employees' salaries totalled CHF 1,582,722 (EUR 1,462,464).

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 2022, the open hedging instruments were:

Expiry date (2022)	Currency sold	Sold	Strike rate	CHF to receive	Valuation as at 31 December 2022		Theoretical loss
					Spot rate	Amount in CHF	CHF
20 June 2023	EUR	500,000	0.981	490,542	0.984	491,836	(1,294)
20 June 2023	GBP	471,429	1.131	532,977	1.132	533,522	(545)
20 June 2023	100 JPY	30,000,000	0.007	204,070	0.679	203,561	509
Total				1,277,589		1,228,919	(1,330)
20 September 2023	EUR	372,277	1.075	400,015	1.021	379,991	20,024
20 September 2023	100 JPY	26,767,556	133.838	200,000	0.704	188,469	11,531
Total				600,015		568,460	31,556

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)

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 1.0166 (2021: CHF 1 = EUR 0.9507).

	2022	2021
Total assets	83,839,576	59,780,540
Capital of the organization	48,262,788	15,478,348
Total income	108,125,118	70,497,301
Total social mission expenditure	67,790,907	62,035,681
Total non-social mission expenditure	6,901,706	7,359,166

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 EUR 57,120 increase in 2022 compared to 2021 is due to:

- The Interim Audit that focused on the review of the updated Internal Control Manual (payable accounts in particular) and an extension of control on the tools and information system (SANS20).
- An exceptional credit coming from a local audit in India registered in 2021 for EUR 27,700 that incurred a decrease of the global audit cost in 2021.
- The impact of a stronger CHF compared to EUR in 2022 for approximately EUR 20,000.

(in EUR)	2022	2021
Total audit services	217,347	160,227

16. SUBSEQUENT EVENTS

Bank system

On 19 March 2023, the Swiss Federal Council welcomed the planned takeover of Credit Suisse by UBS. To strengthen financial market stability until the takeover is complete, the Swiss Federal Government is guaranteeing additional liquidity assistance from the Swiss National Bank (SNB) to Credit Suisse. The Swiss Federal Council created the necessary legal basis for SNB to provide Credit Suisse with additional liquidity assistance and to ensure that Credit Suisse has sufficient liquidity at all times.

The Credit Suisse merger with UBS has not resulted in losses for DNDi, however the banking system is fragile and DNDi will pay close attention to banking operations and relations. DNDi has put the following mitigation plan in place:

- Set up a global DNDi work group that will aim to consolidate relations with the bank, share expertise, and review processes.
- Continue the consultancy with the treasurer and other committee members, join forces with GARDP, and maintain relations with the independent advisory.
- Establish a new banking relationship in Geneva office and in the international network when the needs and potential risk have been identified.

No other events took place in 2022.

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) Foundation,
Geneva

Report on the Audit of the Combined Financial Statements

Opinion

We have audited the combined financial statements of Drugs for Neglected Diseases initiative (DNDi) Foundation which comprise the combined balance sheet as at 31 December 2022, the combined statement of operations, the combined funds flow statement, the combined statement of changes in capital for the year then ended, and notes to the combined financial statements, presented on pages 4 to 20, including a summary of significant accounting policies.

In our opinion, the combined financial statements 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.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s Responsibilities for the Audit of the Combined Financial Statements” section of our report. We are independent of the Foundation in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, 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

The Board of the Foundation is responsible for the other information. The other information comprises the information included in the annual report but does not include the combined financial statements and our auditor’s report thereon.

Our opinion on the combined 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 combined financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the combined financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Drugs for Neglected Diseases initiative Foundation (DNDi), Geneva
Report of the Audit of the Combined Financial Statements
for the year ended December 31, 2022

Board of the Foundation's Responsibility

The Board of the Foundation is responsible for the preparation of the combined financial statements in accordance with Swiss GAAP FER, the requirements of Swiss law and the charter of the Foundation, and for such internal controls as the Board of the Foundation determines are necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, the Board of the Foundation is responsible for assessing the Foundation'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 the Board of Foundation either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 Swiss law and SA-CH 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 combined financial statements.

A more detailed description of our responsibilities for the audit of the combined financial statements can be found on the EXPERTSuisse website: <https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits>. This description forms an integral part of our report.

Report on Other Legal Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 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 20, 2023
FBR/SDU/rex

Enclosures

- Combined 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 12 new treatments for six neglected diseases. Every contribution is essential to advancing DNDi's mission and goals. We are deeply grateful to the following key donors for their support in 2022.

A complete list of all DNDi's donors since 2003 is available on our website: dndi.org/donors

PUBLIC INSTITUTIONAL SUPPORT

- DRC – Ministry of Health of the Democratic Republic of the 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/Unitaid
- France – French Development Agency (Agence Française de Développement - AFD)
- Germany – Deutsches Zentrum für Infektionsforschung - German Center for Infection Research (DZIF)
- Germany - Federal Ministry of Education and Research (BMBF) through KfW
- Japan – Global Health Innovative Technology Fund (GHIT Fund)
- Monaco - Monegasque Cooperation for Development
- Republic of South Korea – Research Investment for Global Health Technologies (RIGHT Foundation)
- The Netherlands – Dutch Ministry of Foreign Affairs (DGIS)
- Norway – Government of Norway
- Portugal – Fundação para a Ciência e a Tecnologia (FCT)³
- South Africa – National Research Foundation, through COVID-19 Africa Rapid Grant Fund
- Switzerland – Republic and Canton of Geneva, International Solidarity Service
- Switzerland – Swiss Agency for Development and Cooperation (SDC)
- UK – UK aid
- Unitaid
- US – National Institute of Allergy and Infectious Diseases of the National Institutes of Health (NIAID-NIH)⁴
- World Health Organization

PRIVATE SUPPORT

- Anna-Maria and Stephen Kellen Foundation
- Associação Bem-Te-Vi Diversidade
- Bennett Shapiro and Fredericka Foster, USA
- Bill & Melinda Gates Foundation⁵
- Brian Mercer Trust
- Broadway Cares/Equity Fights AIDS
- The Broder Family Foundation, USA
- Mr. Clifford N. Burnstein & Ms. Sabra C. Turnbull, USA
- Clinton Health Access Initiative, Inc. (CHAI) (supported by Unitaid)
- Dioraphte Foundation
- The ELMA Foundation
- Fondation ARPE
- Fundación La Caixa
- JA Delmas
- Médecins Sans Frontières – International
- Médecins Sans Frontières – Switzerland
- Médecins Sans Frontières - Transformational Investment Capacity (MSF-TIC)
- Medicor Foundation
- PB and K Family Foundation
- Pharmaniaga
- Private donations from the Norwegian TV-Aksjonen
- The Stainman Family Foundation
- Takeda Pharmaceutical Company Limited⁶
- Wellcome
- Zegar Family Fund
- And other individuals and foundations

COLLABORATIVE FUNDING

- 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/SCITIE)
- Brazil - The São Paulo Research Foundation (Fundação de Amparo à Pesquisa do Estado de São Paulo - FAPESP)
- Malaysia - Institute for Medical Research (IMR)-Kuala Lumpur
- Malaysia - Ministry of Health Malaysia

¹ Grant number RIA2017NCT-1846 - HAT-r-ACC; RIA2018CO-2516 - 5FC HIV-Crypto; RIA2019PD-2890 - ACOZI-KIDS; RIA2020S-3301 LeishAccess; RIA2020I-3290 - VL INNO; CSA2018HS-2526 - FEX-g-HAT

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)

⁴ Award number U19AI171399

⁵ Support to HAT (INV 002384) & onchocerciasis (INV 001878)

⁶ Support to NTDs Access

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DNDi 
Best Science
for the Most Neglected