

STICHTING EUPATI FOUNDATION

Annual Report 2022
June 27, 2023

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OTHER INFORMATION

FINANCIAL REPORT

To the management of
Stichting EUPATI Foundation
Daltonlaan 600
3584BK Utrecht
Netherlands

<i>Reference</i>	<i>Processed by</i>	<i>Date</i>
<31.12.02>	R.B.	June 27, 2023

Subject
Annual report

Dear board,

We hereby send you the report regarding the financial statements for the year 2022 of the foundation.

1 ENGAGEMENT

In accordance with your instructions we have compiled the annual account, as of December 31, 2022 of the foundation, including the balance sheet with counts of € 739,089 and the profit and loss account with a negative result of € 60,827.

For the auditors opinion we refer to the chapter “Other information” on page 19 of this report.

2 FINANCIAL POSITION

The balance sheet can be summarized as follows:

	12/31/2022	12/31/2021
	€	€
Long term funds:		
Corporate capital	641,261	702,088
Long term investments:		
Tangible fixed assets	2,928	2,326
Working capital	<u>638,333</u>	<u>699,762</u>

This amount is applied as follows:

Receivables, prepayments and accrued income	99,973	143,815
Cash and cash equivalents	<u>636,188</u>	<u>626,171</u>
	736,161	769,986
Debit: Short-term debt	97,828	70,224
Working capital	<u>638,333</u>	<u>699,762</u>

We will gladly provide further explanations upon request.

Sincerely yours,
Bacom administratie en advies

Management report

Introduction

The European Patients' Academy on Therapeutic Innovation (EUPATI) is a patient-led multi-stakeholder public-private partnership and an independent non-profit Foundation. Based on its original construct as a collaborative EU project, EUPATI partnership consists of patient organisations, academic institutions and pharmaceutical companies from Europe and all over the world.

EUPATI's vision is to improve health outcomes through the contribution from patients and patient representatives as valued stakeholders in the research and development of medicines and healthcare technologies. It does this by providing accessible, innovative and inclusive education that empowers patients and patient representatives with the right knowledge, skills and competencies to effectively engage and partner with all other stakeholders.

EUPATI is today, via its Open Classroom, the global leading platform for patient education in medicines research and development (R&D). It has trained more than 250 Patient Experts (EUPATI Fellows), and with more than 1,000 currently enrolled on the platform. In addition, over 220 Fellows have graduated from the national EUPATI trainings in Ireland, Italy and the Netherlands. EUPATI is active in 24 countries through its National Platforms, and also provides an open-access multilingual Toolbox that has served more than 6.5 million users in 14 languages around the world to date. In order to enhance patient engagement, EUPATI also provides trainings about patient involvement in medicines R&D for professionals working in academia and the pharmaceutical industry. To date, more than 1,100 individuals have participated in these trainings. Finally, EUPATI facilitates the collaboration between trained patients and other stakeholders via its EUPATIconnect platform.

EUPATI is committed to offering educational materials and information for patients, patient representatives and the wider public free of charge. This is made possible by financing in form of cash contributions from industry partners and in-kind contributions from public partners, grants (e.g. from the European Commission, EPFIA etc.), donations and fee-based trainings & services around patient engagement. EUPATI Foundation functions as a non-profit organisation and all generated income is re-invested in patient education.

Findings

This report provides an account of the second financial year of the EUPATI Foundation since its establishment as an independent entity. The initial budget was defined on the basis of the previous activity year and the best estimates available at the time for all income and cost categories. An adjusted budget forecast was provided at mid-year, on which this report is based.

The summary reflects the environment in which this year's activities were rolled out, post-COVID, re-introducing face-to-face meetings and events at a large scale. EUPATI celebrated its 10-year anniversary as an initiative and also organised a large in-person training event as part of its Patient Expert Training Programme.

The variances between the estimated versus actual costs can be understood in the light of the following elements:

- Personnel cost – While the Foundation’s staff and consultancy team is still limited in size, it has undergone several changes within this this period, e.g. a termination, parental leave and extension of several part-time roles due to increased workload and EUPATI’s augmented activity in key areas. Payroll was established in one new country, Germany, and continued running in the Netherlands, Belgium, France and Ireland. This is in line with the Foundation’s long-term goal to build sustainable team structure based on permanent employment contracts.
- Audit cost – The above-mentioned payroll set up resulted in an increased cost for checks on the HR side in the auditing process.
- Operational cost/IT – A new service for cybersecurity and further IT support was put in place as part of restructuring of the secretariat’s IT infrastructure. In addition, as a result of a special emphasis placed on accessibility and providing inclusive education, EUPATI’s online learning platform was upgraded to accommodate for best web accessibility standards.
- Administrative cost – The increased volume of in person meetings required engaging an external travel logistics provider and a travel insurance scheme.
- Administrative cost – A difference around 20% is due to not refundable VAT not being initially budgeted for.
- The activity area of fee-based patient engagement trainings for professionals from academia and industry demonstrated some challenges in forecasting both the income and the related trainer fees as the training calendar evolved throughout the year. Promotional efforts were put in place to guarantee stability in this income generating activity.

Conclusions

EUPATI Foundation and its operations are on a stable ground and have a strong potential for growth. The outlook for the future is that of expansion of the activities at all levels, while ensuring financial stability and well-resourced support structures.

EUPATI has its roots in the European setting but is already reaching out globally. This brings new opportunities but also additional complexity in terms of managing expectations of the rate of growth and expansion.

It is essential that EUPATI maintains a balanced public-private multi-stakeholder structure, reflected both in the partnership and the funding base. The main challenge EUPATI is facing is to stabilize its sustainability plan based on a mixed business model with different interconnected funding streams. It is evident that each of the income-generating pillars brings difference challenges and risks and requires dedicated resources and expertise.

In this mission for stable growth, it is important to further strengthen EUPATI’s vision and maintain a clear identity and communication strategy. This will ensure EUPATI’s leadership role in enhancing patient education and patient engagement in medicines R&D.

Utrecht, June 27, 2023

FINANCIAL STATEMENTS

Balance sheet as at December 31, 2022

Profit & loss account from 2022

Notes to the Statements

Notes to the balance sheet as of December 31, 2022

Notes to the profit & loss account from 2022

1 BALANCE AS AT DECEMBER 31, 2022
(before appropriation of results)

	December 31, 2022		December 31, 2021	
	€	€	€	€
ASSETS				
Fixed assets				
Tangible fixed assets	(1)	2,928		2,326
Current assets				
Receivables, prepayments and accrued income	(2)	99,973		143,815
Cash and cash equivalents	(3)	636,188		626,171
TOTAL OF ASSETS		<u>739,089</u>		<u>772,312</u>
EQUITY AND LIABILITIES				
Equity	(4)			
Cumulative appropriated reserve for Stichting EUPATI Foundation		601,261		637,088
Reserves for special purposes		<u>40,000</u>		<u>65,000</u>
		641,261		702,088
Current liabilities	(5)	97,828		70,224
TOTAL OF EQUITY AND LIABILITIES		<u>739,089</u>		<u>772,312</u>

2 INCOME AND EXPENSE ACCOUNT 2022

		2022	Budget 2022	2020/2021
		€	€	€
Income	(6)	780,968	725,575	813,862
Cost trainers	(7)	21,737	39,000	33,870
Expenses				
Employee expenses	(8)	553,285	590,087	482,013
Amortisation and depreciation		667	-	244
Other operating expenses	(9)	263,319	214,171	138,480
		<u>817,271</u>	<u>804,258</u>	<u>620,737</u>
Operating result		<u>-58,040</u>	<u>-117,683</u>	<u>159,255</u>
Financial income and expenses	(10)	-2,787	-5,400	-2,198
		<u>-</u>	<u>-</u>	<u>-</u>
Result		<u><u>-60,827</u></u>	<u><u>-123,083</u></u>	<u><u>157,057</u></u>

3 NOTES TO THE FINANCIAL STATEMENTS

GENERAL

Activities

The Foundation bears the name "Stichting EUPATI Foundation". It is a Foundation under Dutch civil law, registered in Amsterdam, and has legal capacity. The Foundation's nature is of public interest and not-for-profit. The Foundation develops and offers education and training for patients and other stakeholders in healthcare in order to enable meaningful Patient Engagement in therapeutic innovation.

Registered office, legal form and registration number at the chamber of commerce

The registered and actual address of Stichting EUPATI Foundation is Daltonlaan 600, 3584 BK in Utrecht of the company and is registered at the chamber of commerce under number 80029019.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE ANNUAL ACCOUNTS

The financial statements are drawn up in accordance with Title 9, Book 2, of the Dutch Civil Code and Dutch Accounting Standards applicable to non-profit small organizations. (RJkc1)

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet, income statement and the cash flow statement, references are made to the notes.

Income and expenses are allocated to the year to which they relate. Profits are only included insofar as they have been realized on the balance sheet date. Liabilities and possible losses that originate before the end of the reporting year are taken into account if they have become known before the preparation of the annual accounts.

ACCOUNTING PRINCIPLES APPLIED TO THE VALUATION OF ASSETS AND LIABILITIES

Tangible fixed assets

The depreciation on tangible fixed asset is calculated by using a fixed rate on the acquisition cost based on the expected life cycle.

Depreciation rates

Asset	%
Equipment	20

Cash and cash equivalents

The cash is valued at face value. If cash equivalents are not freely disposable, then this has been taken into account in the valuation.

Equity

When Stichting EUPATI Foundation purchases treasury shares, the consideration paid is deducted from equity (other reserves) or any other reserve (if the articles of association allow so) until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received is included in equity (other reserves or any other reserve). The consideration received will be added to the reserve from which earlier the purchase price has been deducted.

Incremental costs directly attributable to the purchase, sale and/or issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

ACCOUNTING PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

The result is the difference between the realisable value of the donations, contributions and services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Income

The sustainability plan for EUPATI is based on a mixed business model with different interconnected funding streams serving to sustain the core EUPATI activities (EUPATI Patient Expert Training Programme, EUPATI Toolbox and the network of EUPATI National Platforms) and enabling a widening of EUPATI's scope.

The five pillars of the model are: Fee-for-service training to all stakeholder groups, member contributions, grants/projects, fundraising and matchmaking.

Expenses general

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Amortisation and depreciation

The depreciation on tangible fixed assets is calculated by using a fixed rate on the acquisition cost based on the expected life cycle. Gains and losses from the occasional sale of property, plant or equipment are included in depreciation.

Gains and losses from the occasional sale of property, plant or equipment are included in depreciation.

Financial income and expenses

Interest income and interest expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

4 NOTES TO THE BALANCE SHEET AS AT DECEMBER 31, 2022

ASSETS

FIXED ASSETS

1. Tangible fixed assets

	<u>Equipment</u>
	€
Carrying amount as of January 1, 2022	2,326
Investments	1,269
Depreciation	-667
Carrying amount as of December 31, 2022	<u>2,928</u>

Purchase price	3,839
Cumulative depreciation and impairment	-911
Carrying amount as of December 31, 2022	<u>2,928</u>

Depreciation rates

	%
Equipment	20

CURRENT ASSETS

	<u>12/31/2022</u>	<u>12/31/2021</u>
	€	€
2. Receivables, prepayments and accrued income		
Trade receivables	86,200	56,315
Other receivables, deferred assets	13,773	87,500
	<u>99,973</u>	<u>143,815</u>

Trade receivables

Trade debtors	<u>86,200</u>	<u>56,315</u>
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Stichting EUPATI Foundation, Utrecht

	<u>12/31/2022</u>	<u>12/31/2021</u>
	€	€
Other receivables		
EIT Health EUPATI reload 2020 and 2021	-	87,500
360° HTA Patient Involvement Project	4,773	-
Accounts receivable to be invoiced	9,000	-
	<u>13,773</u>	<u>87,500</u>
3. Cash and cash equivalents		
ING Bank N.V.	<u>636,188</u>	<u>626,171</u>

EQUITY AND LIABILITIES

4. Equity

	12/31/2022	12/31/2021
	€	€
Cumulative appropriated reserve for Stichting EUPATI Foundation	<u>601,261</u>	<u>637,088</u>
Carrying amount as of January 1	637,088	-
Result book year	-35,827	92,057
Paid-up capital	-	545,031
Carrying amount as of December 31	<u>601,261</u>	<u>637,088</u>

Appropriated reserves strategy:

Therefore in order to guarantee its liabilities towards its employees in compliance with Dutch law, the Executive Board recommends a restrictive use of the cumulative appropriated reserve for the costs inherent to the closure of the EUPATI Foundation operations (operational costs and employees settlement).

Reserves for special purposes

Carrying amount as of January 1	65,000	-
10 year anniversary event	-60,000	60,000
Medical Writer Services for Training content	-5,000	5,000
EUPATI Bi-annual Assembly	40,000	-
Carrying amount as of December 31	<u>40,000</u>	<u>65,000</u>

	12/31/2022	12/31/2021
	€	€

5. Current liabilities

Trade creditors	8,027	6,398
Taxes and social securities	29,772	22,783
Other liabilities	32,063	17,298
Accruals	27,966	23,745
	<u>97,828</u>	<u>70,224</u>

Stichting EUPATI Foundation, Utrecht

	12/31/2022	12/31/2021
	€	€
Taxes and social securities		
VAT	371	256
Pay-roll tax	8,990	6,713
Social securities	17,004	13,482
Pension premiums	3,407	2,332
	<u>29,772</u>	<u>22,783</u>
Other liabilities and accruals		
Other liabilities	32,063	17,298
Accruals	27,966	23,745
	<u>60,029</u>	<u>41,043</u>
Other liabilities		
Current account IMI-FACILITATE project	9,309	-
Reservation vacation allowance and days	14,354	17,298
Partner cash contribution erroneous payment	8,400	-
	<u>32,063</u>	<u>17,298</u>
Accruals		
Editorial board honorarium	2,000	-
Matchmaking tool development	-	10,500
Legal fees	1,435	-
IT coordinator	1,939	6,500
Patient engagement training coordinator	3,871	5,145
Trainer fees	720	1,600
Received partner contribution 2023	18,001	-
	<u>27,966</u>	<u>23,745</u>

5 NOTES TO THE INCOME AND EXPENSE ACCOUNT 2022

	2022	Budget 2022	2020/2021
	€	€	€
6. Income			
Members Contributions	479,663	514,000	477,023
Training in patient engagement	197,690	120,033	200,738
Service matchmaking	4,700	5,000	-
Patient expert training	22,547	-	-
Patient engagement open forum project	25,458	25,458	24,288
Other donations	34,683	19,000	21,977
360° HTA Patient Involvement Project	10,099	18,000	2,336
EIT Health EUPATI reload project	-	-	87,500
IMI Facilitate	6,128	22,584	-
Japan patient engagement project	-	1,500	-
	<u>780,968</u>	<u>725,575</u>	<u>813,862</u>
7. Cost trainers			
Cost trainers in patient engagement and education	<u>21,737</u>	<u>39,000</u>	<u>33,870</u>
8. Employee expenses			
Wages and salaries	463,767	492,737	420,277
Social security charges	64,673	66,930	39,791
Pension costs	19,121	30,420	19,696
Other personnel costs	5,724	-	2,249
	<u>553,285</u>	<u>590,087</u>	<u>482,013</u>
<i>Wages and salaries</i>			
Gross wages	367,701	405,625	267,576
In house consultant costs	97,925	87,112	144,101
Reservation holiday days	-1,859	-	8,600
	<u>463,767</u>	<u>492,737</u>	<u>420,277</u>
<i>Social security charges</i>			
Social security charges	<u>64,673</u>	<u>66,930</u>	<u>39,791</u>
<i>Pension costs</i>			
Pension costs	<u>19,121</u>	<u>30,420</u>	<u>19,696</u>
<i>Other personnel costs</i>			
Travelling expenses	<u>-</u>	<u>-</u>	<u>252</u>
Transport	<u>-</u>	<u>-</u>	<u>252</u>

Stichting EUPATI Foundation, Utrecht

	2022	Budget 2022	2020/2021
	€	€	€
Transport	-	-	252
Other personnel costs	5,724	-	1,997
	<u>5,724</u>	<u>-</u>	<u>2,249</u>

Staff

At company during 2022, 6 FTE were employed.

9. Other operating expenses

Operating costs	20,089	15,750	30,649
Facilities	45,104	51,501	22,742
Marketing, meeting and travel costs	122,562	81,100	13,019
General expenses	75,564	65,820	72,070
	<u>263,319</u>	<u>214,171</u>	<u>138,480</u>

Operating costs

Experts content development costs	20,089	15,750	9,649
Matchmaking platform development costs	-	-	21,000
	<u>20,089</u>	<u>15,750</u>	<u>30,649</u>

Facilities

IT costs	38,445	42,696	12,876
Telephone	856	1,000	933
Postage	98	-	19
Contributions and subscriptions	331	-	-
Printing, translation costs	320	-	2,083
Website	3,237	7,805	6,785
Renting accommodation	999	-	-
Office supplies	818	-	46
	<u>45,104</u>	<u>51,501</u>	<u>22,742</u>

Marketing, meeting and travel costs

Publicity and advertisement	3,035	12,500	2,250
Representation costs	6,638	-	4,453
Travel and meeting costs	59,258	68,600	6,316
10 year anniversary event	53,631	-	-
	<u>122,562</u>	<u>81,100</u>	<u>13,019</u>

Stichting EUPATI Foundation, Utrecht

	2022	Budget 2022	2020/2021
	€	€	€
<i>General expenses</i>			
Audit costs	12,323	7,000	-
Administration costs	31,743	26,500	28,408
Payroll costs	22,744	25,539	38,828
Legal charges	1,435	2,700	1,645
Insurance	3,679	3,081	2,105
Other general expenses	3,640	1,000	1,084
	<u>75,564</u>	<u>65,820</u>	<u>72,070</u>
10. Financial income and expenses			
Interest and similar expenses	<u>-2,787</u>	<u>-5,400</u>	<u>-2,198</u>

Utrecht, June 27, 2023

Stichting EUPATI Foundation

Jytte Lyngvig, Chair

Ivett Jakab, Vice-Chair

Clayton Heijman, Treasurer

Richard Bergström, Member

OTHER INFORMATION