

STICHTING EUPATI FOUNDATION

Annual Report 2022
February 16, 2024

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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.	February 16, 2024
<i>Subject</i>		
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 € 731,589 and the profit and loss account with a negative result of € 80,455.

For the auditors opinion we refer to the chapter “Other information” on page 21 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	621,633	702,088
Long term investments:		
Tangible fixed assets	2,928	2,326
Working capital	618,705	699,762

This amount is applied as follows:

Receivables, prepayments and accrued income	92,473	143,815
Cash and cash equivalents	636,188	626,171
	728,661	769,986
Debit: Short-term debt	109,956	70,224
Working capital	618,705	699,762

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.

Stichting EUPATI Foundation, Utrecht

Utrecht, February 16, 2024

Stichting EUPATI Foundation

H.M. Dutarte

FINANCIAL STATEMENTS

Balance sheet as at December 31, 2022

Profit & loss account from 2022

Cash flow statement for the year ended 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)		92,473		143,815
Cash and cash equivalents	(3)		636,188		626,171
TOTAL OF ASSETS			<u>731,589</u>		<u>772,312</u>
EQUITY AND LIABILITIES					
Equity	(4)				
Cumulative appropriated reserve for Stichting EUPATI Foundation		581,633		637,088	
Reserves for special purposes		<u>40,000</u>		<u>65,000</u>	
			621,633		702,088
Current liabilities	(5)		109,956		70,224
TOTAL OF EQUITY AND LIABILITIES			<u>731,589</u>		<u>772,312</u>

2 INCOME AND EXPENSE ACCOUNT 2022

		2022	Budget 2022	2020/2021
		€	€	€
Income	(6)	757,718	725,575	813,862
Cost trainers	(7)	21,737	39,000	33,870
Expenses				
Employee expenses	(8)	549,663	590,087	482,013
Amortisation and depreciation		667	-	244
Other operating expenses	(9)	263,319	214,171	138,480
		<u>813,649</u>	<u>804,258</u>	<u>620,737</u>
Operating result		<u>-77,668</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>-80,455</u></u>	<u><u>-123,083</u></u>	<u><u>157,057</u></u>

Appropriation of the result					
Costs 10 year anniversary					-53.631
Medical Writer Services for Training content					-5.000
Eupati Bi-Annual Assembly					40.000
Deduction from cumulative appropriated reserve					-61.824
					<u>-80.455</u>

4 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.

Going concern

The accounting principles applied to the valuation of assets and liabilities and the determination of results in these financial statements are based on the assumption of continuity of the company.

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.

5 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
	<u>2,928</u>
Carrying amount as of December 31, 2022	<u><u>2,928</u></u>
Purchase price	3,839
Cumulative depreciation and impairment	-911
	<u>2,928</u>
Carrying amount as of December 31, 2022	<u><u>2,928</u></u>
<i>Depreciation rates</i>	%
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	6,273	87,500
	<u>92,473</u>	<u>143,815</u>
Trade receivables		
Trade debtors	<u>86,200</u>	<u>56,315</u>

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	1,500	-
	<u>6,273</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		
	581,633	637,088
Carrying amount as of January 1	637,088	-
Mutation towards reserves for special purposes	-	-65,000
Appropriation of the result	-61,824	157,057
Allocation reserves special purposes	6,369	-
Paid-up capital	-	545,031
Carrying amount as of December 31	581,633	637,088

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	-53,631	60,000
Allocation reserves special purposes towards appropriated reserves	-6,369	-
Medical Writer Services for Training content	-5,000	5,000
EUPATI Bi-annual Assembly	40,000	-
Carrying amount as of December 31	40,000	65,000

	12/31/2022	12/31/2021
	€	€

5. Current liabilities

Trade creditors	8,027	6,398
Taxes and social securities	28,005	22,783
Other liabilities	30,208	17,298
Accruals	43,716	23,745
	109,956	70,224

	12/31/2022	12/31/2021
	€	€
Taxes and social securities		
VAT	371	256
Pay-roll tax	8,990	6,713
Social securities	18,113	13,482
Pension premiums	531	2,332
	<u>28,005</u>	<u>22,783</u>
Other liabilities and accruals		
Other liabilities	30,208	17,298
Accruals	43,716	23,745
	<u>73,924</u>	<u>41,043</u>
Other liabilities		
Current account IMI-FACILITATE project	9,309	-
Reservation vacation allowance and days	12,499	17,298
Partner cash contribution erroneous payment	8,400	-
	<u>30,208</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
Partner contribution 2023	33,751	-
	<u>43,716</u>	<u>23,745</u>

6 NOTES TO THE INCOME AND EXPENSE ACCOUNT 2022

	2022	Budget 2022	2020/2021
	€	€	€
6. Income			
Members Contributions	456,413	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>757,718</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	461,912	492,737	420,277
Social security charges	59,716	66,930	39,791
Pension costs	22,311	30,420	19,696
Other personnel costs	5,724	-	2,249
	<u>549,663</u>	<u>590,087</u>	<u>482,013</u>
<i>Wages and salaries</i>			
Gross wages	365,846	405,625	267,576
In house consultant costs	97,925	87,112	144,101
Reservation holiday days	-1,859	-	8,600
	<u>461,912</u>	<u>492,737</u>	<u>420,277</u>
<i>Social security charges</i>			
Social security charges	<u>59,716</u>	<u>66,930</u>	<u>39,791</u>
<i>Pension costs</i>			
Pension costs	<u>22,311</u>	<u>30,420</u>	<u>19,696</u>

Stichting EUPATI Foundation, Utrecht

	2022	Budget 2022	2020/2021
	€	€	€
<i>Other personnel costs</i>			
Travelling expenses	-	-	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, February 16, 2024

Stichting EUPATI Foundation

Jytte Lyngvig, Chair

Ivett Jakab, Vice-Chair

Dionysius Groot, Treasurer

Richard Bergström, Member

Matthias Gottwald, Member

INDEPENDENT AUDITOR'S REPORT

CONFIDENTIAL

The Board of Trustees of
Stichting EUPATI Foundation
Daltonlaan 600
3584 BK UTRECHT

A. Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements 2022 of stichting EUPATI Foundation based in Utrecht.

In our opinion the accompanying financial statements give a true and fair view of the financial position of stichting EUPATI Foundation as at 31 December 2022, and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code and RjK-C1 for small non-profit organizations.

The financial statements comprise:

- 1 the balance sheet as at 31 December 2022;
- 2 the profit and loss account for 2022; and
- 3 the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of stichting EUPATI Foundation in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The management report;
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code and RjK-C1 for small non-profit organizations.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code and RjK-C1 for small non-profit organizations.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code, RjK-C1 for small non-profit organizations and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and RjK-C1 for small non-profit organizations and other information as required by Part 9 of Book 2 of the Dutch Civil Code and RjK-C1 for small non-profit organizations

C. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code and RjK-C1 for small non-profit organizations. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial



we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Purmerend, February 23, 2024
Van den Hoonaard Accountants

M.L. van den Hoonaard-Bieshaar RA