



2016

ANNUAL REPORT



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# THE YEAR 2016 - EVENTS & ACHIEVEMENTS

We are the link between the fate of those affected and the generosity of many others.



## PERFORMANCE DOUBLED

DKMS Life Science Lab in Dresden is the world's largest and most efficient HLA typing laboratory. In 2016, up to 7,000 donor samples were analyzed here every day. As recently as 2015, it was 3,480. This huge increase means more valuable time can be spent on the donor search for patients.

## SPORTING SUPPORT

The German Ice Hockey League (DEL) cooperated with DKMS for an entire season, the first such collaboration with a German professional sports league. The 14 clubs in the DEL united behind the slogan “Power play against blood cancer” in 2016 to campaign for saving the lives of blood cancer patients. More than 5,000 new potential life savers were recruited thanks to this campaign, including players, coaches and referees.



## HELP FROM AROUND THE WORLD

Miriam Mata from Pompano Beach, Florida, is the six millionth donor. DKMS USA accepted her in February 2016 as a potential stem cell donor. “Immediately after my 18<sup>th</sup> birthday, I registered as a donor. Because what in the world could be better than the feeling that you might be able to save someone’s life?” With over six million donors, who are part of a world-wide system based on solidarity, DKMS is the largest donor bank of its kind.





# INTERNATIONAL DAY OF ACTION



On World Blood Cancer Day (WBCD) on 28 May, thousands of people demonstrated their solidarity with blood cancer patients in the 2016 anniversary year. More than 85,000 people around the world ordered a registration kit from DKMS or shared the message through their social media channels: **#wbcd2016**.

## GREAT CONFIDENCE



According to a survey, 95 percent of all DKMS donors would be prepared to donate stem cells again at any time. We are very pleased to know that our registered donors feel satisfied with our advice and support, and will therefore remain available to potential patients on a long-term basis.



## COURAGEOUS COMMITMENT

Many patients supported our work and helped to raise awareness about our mission in 2016. One of our supporters was former Foreign Minister Guido Westerwelle. He fought against blood cancer, but passed away in March 2016. With his stirring public appearances, Guido Westerwelle inspired over 40,000 people to register with DKMS alone.

# OUR ACHIEVEMENTS IN THE FIGHT AGAINST BLOOD CANCER

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2016 was a record year for DKMS, particularly with regard to the numbers of people who registered and the commitment of those who supported us in the fight against blood cancer.

683,538<sup>🇩🇪</sup>

new potential donors are registered by DKMS in Germany - the highest ever number in one year. This commitment is impressive and gives us encouragement to keep going; because in Germany one person is diagnosed with blood cancer every 15 minutes.



1<sup>ST</sup> PLACE

DKMS is ranked most popular among charitable organizations in Germany. According to the YouGov CharityIndex Ranking, DKMS, Doctors Without Borders and the SOS Children's Villages are the top-ranking organizations. Among the 18 to 30 year-olds, DKMS is the most popular charity organization.





# 5,316

DKMS donors from Germany donated stem cells (82%) or bone marrow (18%) for a blood cancer patient. At least 15 people are now donating every day - since its establishment in 1991, DKMS has already helped give over 60,000 people around the world a second chance at life.

# 41%.



is the percentage of all stem cell donations obtained around the world that are made through DKMS.

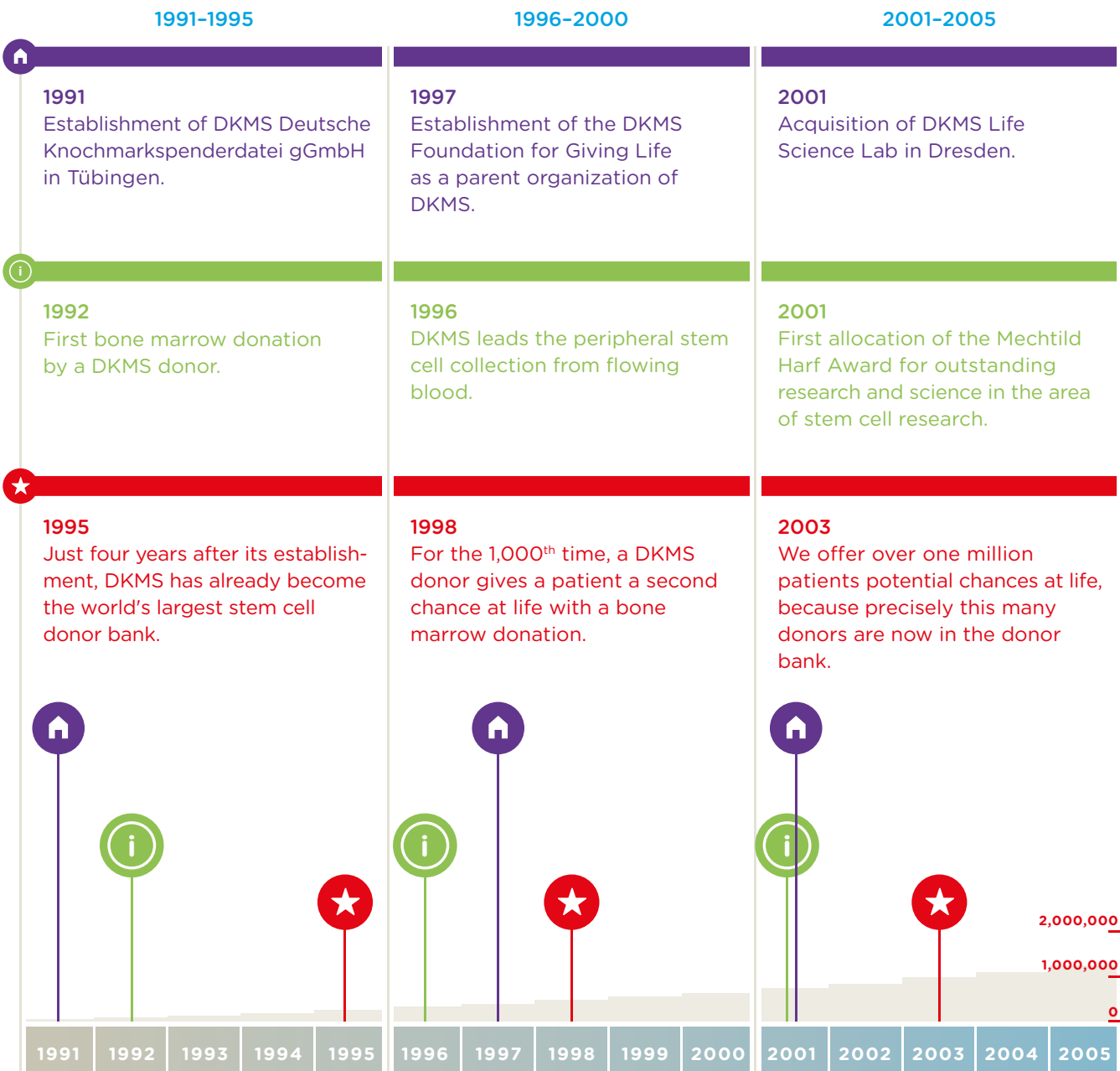
# 327,334



new on-line supporters are now registered with DKMS. Through social media such as Instagram, Facebook, Twitter, Google+ and Xing, DKMS can now reach an increasingly wide number of people. This makes our calls for support more effective and motivates more people to register as donors.

# CELEBRATING LIFE: 25 YEARS OF DKMS

The history of DKMS is a story of new beginnings, hope and success. What began in 1991 as a citizens' initiative is now a globally active non-profit organization with more than 650 employees.



**FACTS ABOUT OUR ORGANIZATION**

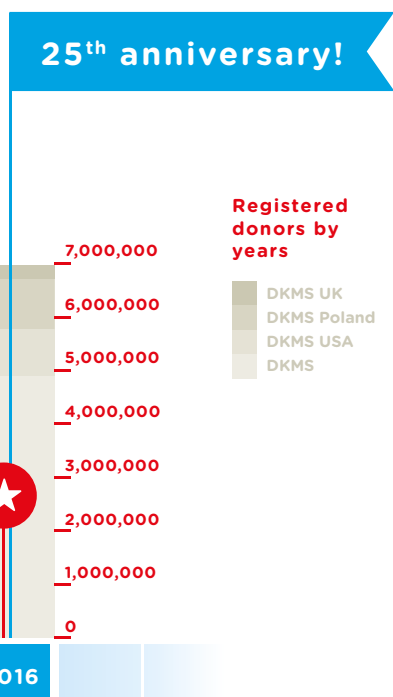
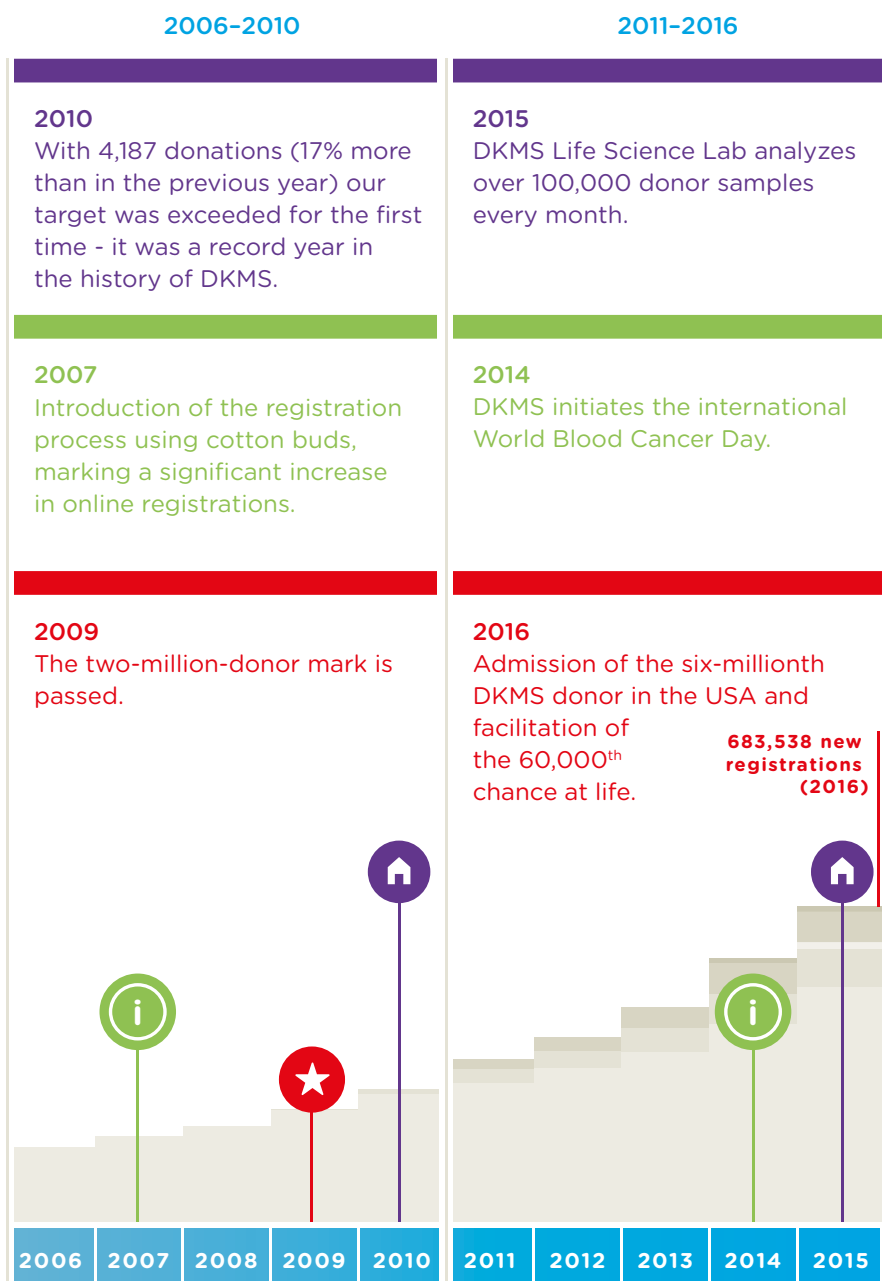
**RESEARCH AND AWARENESS**

**MILESTONES IN DONATIONS**



**2016 - DKMS CELEBRATES 25 YEARS!**

On 28 May, DKMS celebrated life with a huge event in Berlin. First, Markus Lanz emceed a press conference with DKMS founder Dr. Peter Harf and many other guests. The international scale of the solidarity-based cooperation became clear at the anniversary event attended by the 22 blood cancer patients who had received transplants and their life-savers: they had travelled a long way to get to know one another, from countries including Chile, Denmark, India, Russia, Sweden, the USA, the UK and Poland.



# DKMS: A NON-PROFIT LIMITED LIABILITY COMPANY

Every life counts. Around the world, there are still too many patients dying from the consequences of blood cancer, among them many children and young people. DKMS is highly committed to improving the situation for blood cancer patients internationally.

## THE DIFFERENCE

DKMS is a non-profit limited liability company and is subject to the regulations of the German Commercial Code as well as the requirements of the German laws on non-profit organizations according to § 52 of the German Fiscal Code (AO). DKMS gGmbH is recognized as a non-profit organization, most recently with the corporate tax notification by the tax office in Tübingen dated 14 December 2015.

The decisive difference between a non-profit limited liability company and a commercial enterprise is that the funds earned by the non-profit LLC serve charitable, social or scientific purposes and are therefore subject to tax concessions. As a non-profit limited liability company, DKMS guarantees that donations are used exclusively for the purpose of fighting against blood cancer.





## VISION

- ▶ We delete blood cancer.



## MISSION

- ▶ We register stem cell donors.
- ▶ We give patients access to therapies.
- ▶ We support the improvement of therapies against blood cancer.
- ▶ We maximize patients' well-being.

### OUR FINANCING

The financing for DKMS rests on two pillars: On the one hand, we receive cash donations from private individuals and companies. Funds generated in this way contribute to the resources for the registration of new donors - and finance this partially. On the other hand, we are supported by the healthcare systems, which allocate fixed amounts for the maintenance of the donor bank as well as administrative expenditures and the costs of successful donor matching, starting from the time at which it is certain that a donor in our database is a match for a patient. The funds obtained in this manner are used for financing the remaining costs for the registration of new donors. Any surpluses are used for the qualitative optimization of donor data and provide financial assistance for the advanced development of therapies and support for patients.

### OUR ANNUAL FINANCIAL STATEMENT

The annual financial statement for DKMS gGmbH consists of the balance sheet, income statement, and appendix, as well as an additional management report. It was drafted according to the regulations of the German Commercial Code (HGB) pursuant to §§ 242ff and §§ 264ff of the HGB, and according to the relevant regulations of the Law on Limited Liability Companies (GmbHG) as well as our company statutes. The regulations for large corporations apply.

This report contains only part of the DKMS annual financial statement for 2016. The complete documents are available at the end of each following year and are published in the Federal Gazette (Bundesanzeiger).

# THE DKMS GGMBH STATUTES

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The DKMS statutes are the heart of the organization - it determines the actions of every one of our employees in the fight against blood cancer.

## OUR STATUTES

The business activities of the organization include the altruistic support of people who are dependent on the assistance of others due to their physical condition, the promotion of public health care and the promotion of science and research, in particular:

**§1** the recruitment of informed volunteers, who are prepared to donate bone marrow or stem cells for the purpose of transplantation;

**§2** the development and maintenance of systems that simplify and accelerate the search for donors in this group of volunteers as well as in international groups of donors with the goal of finding compatible donors for stem cell transplants;

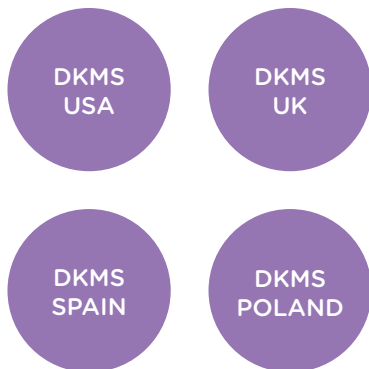
**§3** the study of the effectiveness of hematopoietic stem cell transplants from unrelated donors, test methods of histocompatibility as well as donor motivation;

**§4** personal support for blood cancer patients, with the goal of providing personalized assistance to overcome any problems they encounter during their hospital stay;

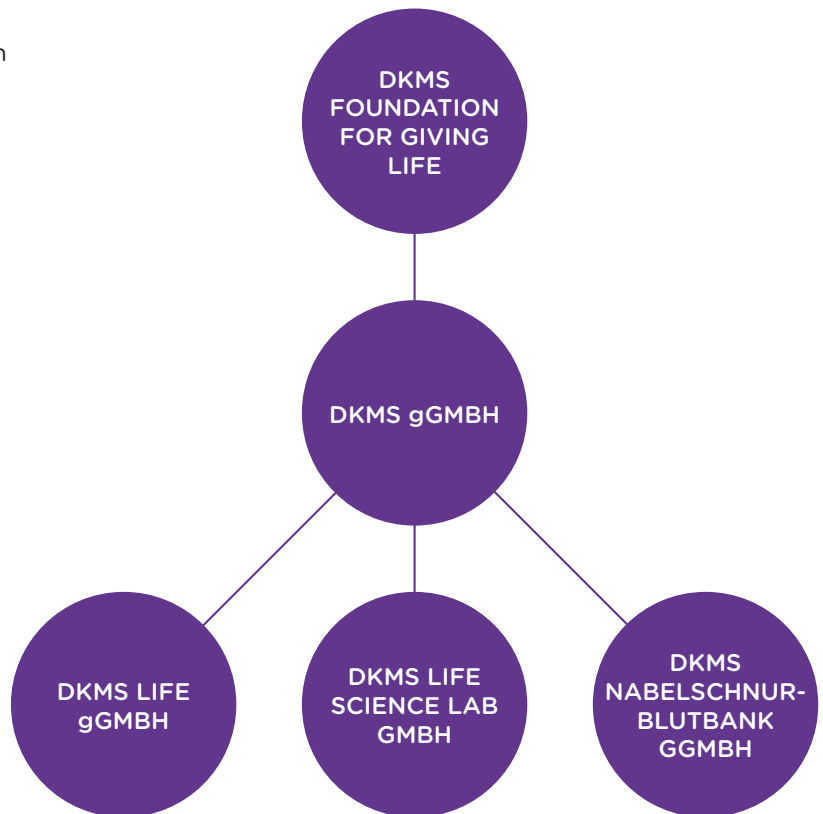
**DKMS - FOR A FUTURE WITH MORE PEOPLE DEFEATING BLOOD CANCER!**

In 2004, the DKMS family commenced its international activities, starting in the USA, then expanding to Poland in 2009, Spain in 2011 and the UK in 2013.

**INTERNATIONAL DKMS ORGANIZATIONS**



**STRUCTURE OF DKMS**



**§5** co-operation in the selection of donors for blood cancer patients as well as the procurement and preparation of the transplant;

**§6** the procurement of resources to pass on to other organizations whose purpose is the altruistic support of persons who are dependent on the assistance of others due to their physical condition, the promotion of public health care or the promotion of science and research.

In this annual report, we provide an insight into the use of funds for the purposes specified in the individual statutes of our charter.

# OUR COMMITMENT TO CHANCES FOR LIFE

For many patients, the only chance of survival is the transplantation of healthy stem cells from a suitable donor. Finding and facilitating *this* donor is the primary task of DKMS.

Originating with our founding objective of finding a donor for each patient, what started out as a handful of motivated coworkers in a medical practice has since grown into something much larger. Today more than 600 employees from 20 nations based at five locations in Germany, the USA, Poland, Spain and the UK are making an important

contribution to medical aid across the world. And we are continuously looking for new ways to help even more affected patients. For this reason, we accept new donors, conduct research, act internationally and proactively seek publicity. On the following pages, we would like to give you an insight into our work.



We want to find a suitable donor for each blood cancer patient and help give them access to therapies - everywhere in the world.

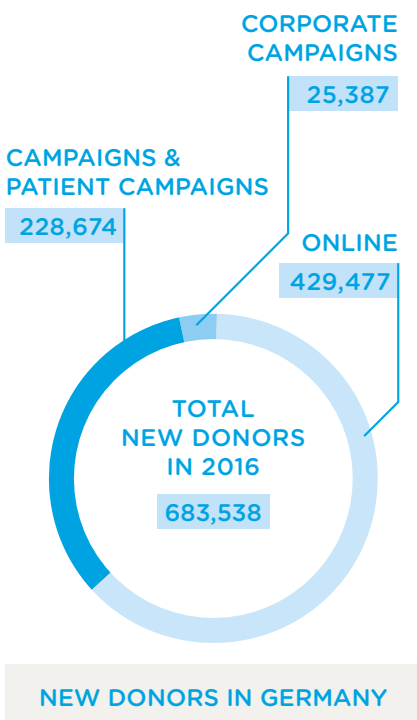


# WE ENCOURAGE DONORS

Many patients who are diagnosed with blood cancer need a suitable stem cell donor in the course of their treatment. Often, this is their only hope for a second chance at life. One of our major tasks is therefore to encourage as many people as possible to register as potential stem cell donors.

When seven-year-old Yonn from Braunschweig was diagnosed with blood cancer, over 3,200 people in the region registered as donors on just one day - a record for the year 2016! There is other encouraging news: the little boy is recovering well after successful transplantation.

It is very encouraging that more and more people have been registering as donors with DKMS. In 2016, at an average of 1,872 people registered per day in Germany alone! In principle only people aged between 18 and 55 years are considered to register as donors. Whether in the form of local registration campaigns initiated by patients, broader dissemination through new media channels or increasing media coverage of our work - people's willingness to help is impressive, and DKMS will continue to make every effort to motivate even more people and give blood cancer patients new hope.



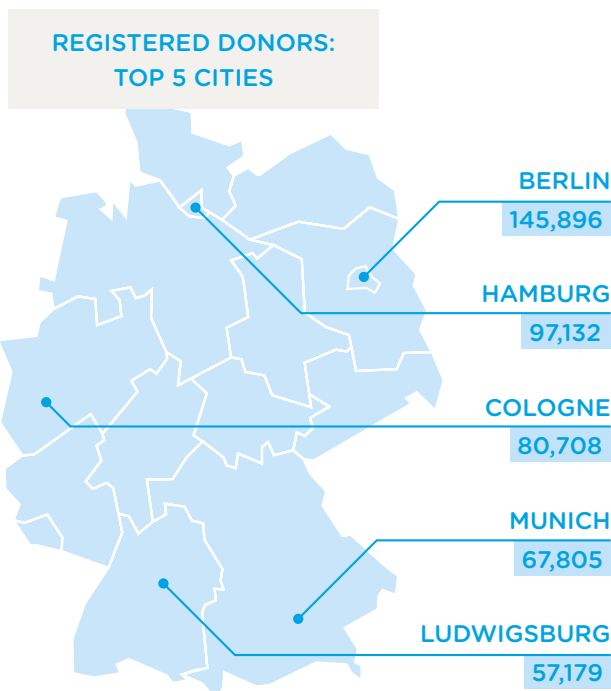
## MOBILIZATION OF NEW DONORS GLOBALLY

DKMS is committed to helping blood cancer patients throughout the world. However, since the relevant tissue characteristics are inherited and differ according to ethnicity, the possibilities to provide stem cell donations from Germany to blood cancer patients in other countries are limited. For example, it is incredibly difficult to find a suitable donor for patients with Indian heritage, since the number of potential stem cell donors of Indian origin is very low worldwide.

Since 2014, DKMS has therefore been cooperating in India with the Bangalore Medical Services Trust. Under the project name 'Stem Cell Registry India', potential stem cell donors in India are registered, with the common objective of helping blood cancer patients who need a suitable stem cell donor.

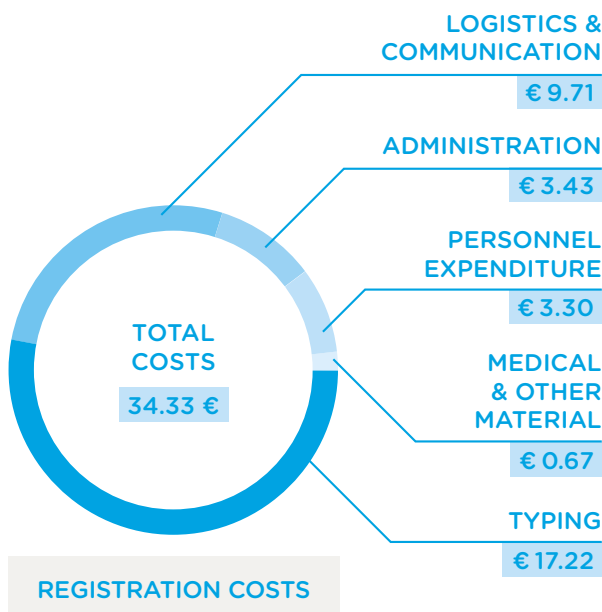
“Organizing a registration campaign is so easy! Anyone can do it and help increase other people’s chances of survival. It doesn’t matter whether you’re a student, pensioner or company employee.”

KATHARINA ZECH, doctoral candidate from Munich and co-founder of AIAS, a non-profit association of students



**AS A NONPROFIT ORGANIZATION WE ARE COMMITTED TO EFFICIENCY**

As a non-profit organization, DKMS is always dedicated to the efficient design of all processes that are necessary in the fight against blood cancer. From the beginning, the organization has strived to improve procedures such as typing. Over the past 20 years, DKMS has thus been able to realize several cost reductions to cut the costs for the typing process by more than half. Most recently, in 2015, the costs were decreased from € 50 to € 40.



**TECHNOLOGICAL PROGRESS ALLOWS FOR REDUCTION OF REGISTRATION COSTS**

In 2016, the registration costs were once again lowered by 12.5% thanks to efficiency improvements, technological progress and process optimizations. At the same time, savings were achieved in administrative expenses and the costs of logistics and communication. The main target of cost optimization was our own laboratory, DKMS Life Science Lab. The costs of registration amount to € 34.33. The costs of registering a new donor are not covered by the health care system. If the donor cannot contribute this amount, DKMS covers the cost. Therefore, DKMS is also looking for funding donors. Only 56% of the costs, which amounted to a total value of over € 27 million, could be covered by donations.

# WE ARE MORE THAN A DONOR DATABASE

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Every hour counts for patients with blood cancer. Every patient needs a suitable donor as quickly as possible - and the donor must also be available immediately. And this is exactly what our employees, numerous quality programs as well as constantly improved processes ensure happens.

**DKMS is  
much more than  
just a database.  
We make sure that  
suitable donors are  
found and that they  
can be available  
quickly and reliably.  
At any time.**

Time is of the essence when there is a life-saving stem cell transplant at stake. We do everything we can to swiftly allocate a suitable donor to each blood cancer patient. Even just the wrong address or telephone number can mean that the right person cannot be contacted in time when an urgent need arises, which then rules them out as a donor.

For this reason, it is enormously important to have functioning, agile data management, to keep the addresses of all registered donors up-to-date, and to inform donors properly in order to maintain their motivation and availability. In addition, we have succeeded in further improving the high typing quality of the HLA results of our donors - an important criterion that physicians consider when selecting the final donor. The continuous improvement of the DKMS database is absolutely vital. The more efficiently we work, the faster patients can be saved in the race against time. Here, the qualitative optimization of the donor data is of the utmost importance. A number of quality programs increase the chances of faster, more effective matching of donors.





737,252

donor cards were issued and sent out to DKMS donors in 2016.

132,244

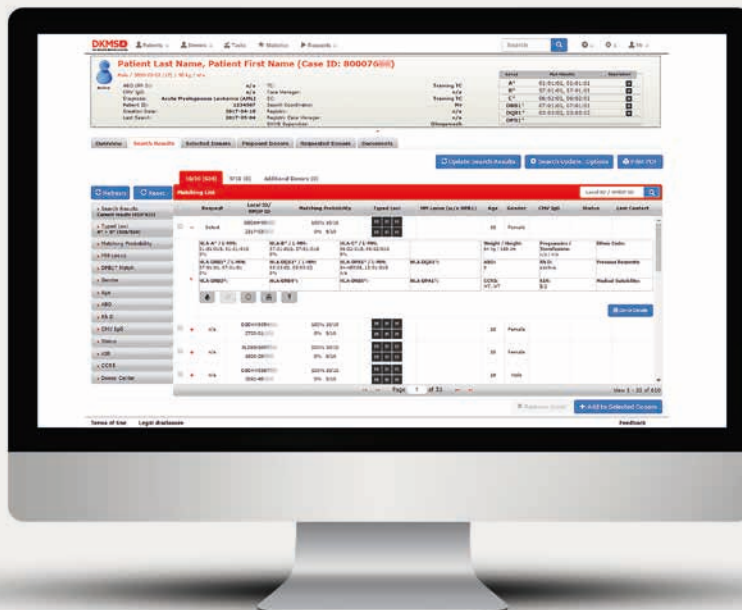
registered donors changed their address in 2016.



## IN BRIEF

### Donor Navigator

With special services that make use of new search algorithm software offering a variety of functions, DKMS helps to make all necessary information available to search for coordinators and attending physicians around the world in order to find the optimal donor as quickly as possible.



# PATIENT

Data for Germany

### DIAGNOSIS

Blood cancer diagnosis in Germany:  
 every 15 min. 1 in 3 patients finds a donor in their family

### TREATMENT

Depending on the patient's condition: e.g. chemo, radiotherapy, additional antibody therapy if necessary  
 if the physician decides that the patient needs a blood stem cell transplant

### DONOR SEARCH IN THE FAMILY

Typing  
 1 in 3 patients find a suitable donor after 6 weeks  
 50% find a donor after 3 months

### SEARCH FOR FOREIGN DONOR

Initiation of the search process using the search center  
 25% find a suitable donor after 3 months  
 80% of suitable donors are available to health reasons

### NOTIFICATION

The patient is notified the potential donor  
 Match: 50% A suitable donor is found  
 25% match after 3 months

### TYPING CONFIRMATION

transplant center makes donor selection  
 80% of suitable donors are available to health reasons  
 25% match after 3 months

### PREPARATION FOR TRANSPLANTATION

Conditioning: advance radiotherapy, if necessary  
 1 in 7 patients in Germany does not find a donor.

# DONORS

Data for Germany

### PUBLIC RELATIONS

Donor motivation by specialized departments of DKMS  
 43.9% under 30 years of age  
 87% cheek swab by blood sample  
 13% e.g. marketing, PR, fundraising  
 62.8% are privately requested (online, post)  
 3.55% in public campaign  
 5.7% company campaign

### REGISTRATION

Central DONOR DATA BASE (REGISTRY)  
 ZKRD Central Registry (Germany)  
 NMDP National Marrow Donor Program (USA)  
 7.4 million registered donors worldwide  
 50 million

### TYPING

Sequencing approx. 7,000 samples daily  
 Quality measurement  
 Pseudonymization  
 DNA is extracted  
 Samples are scanned

### ADMINISTRATION

Information briefing  
 Health insurance clarification  
 Typing confirmation (laboratory)  
 Storage of retention samples Administration

### TYPING CONFIRMATION

Transplant center (TC) requests a typing confirmation and makes a selection based on this. After the donor gives consent and receives medical clarification, the TC orders the collection.

### WORK-UP

Information briefing  
 Final consent  
 Organization of time and type of sample collection at request of the responsible clinic  
 Medical clearance

### COLLECTION

Collection from bone marrow  
 General anesthesia  
 19% with hospital stay  
 2 days  
 81% Max. 2 days  
 3-5 hours + 5-day pretreatment  
 Courier with special transportation box  
 Max. 22 hours cooled

### TRANSPLANTATION

Stem cell administration by means of infusion

### PATIENT FOLLOW-UP

Information on the health status of the patient over 2 years (not in all countries)  
 Disclosure of the outcome data to collection clinics for quality assurance purposes.

### DONOR - PATIENT CONTACTS

When there is mutual consent, it is immediately possible by means of an anonymous email letter exchange.  
 DKMS facilitates contact between patients and donors if desired.  
 Becoming acquainted with a donor person is possible in Germany after 2 years.

### DONOR FOLLOW UP

Service for grieving donors, if patient does not survive  
 Blood test (4 weeks after donation), questionnaire (then annually)

### RESEARCH

Reserves for scientific projects:  
 1.5% for research  
 Total expenditure  
 Total costs per typing (230 €)  
 35 €  
 (including team research projects, laboratory)

### Clinical Trials Unit (CTU)

GMK, head office in Dresden  
 cell transplantation and blood cancer treatment  
 HLA typing laboratories in the world.

### Quality programs

CHLA for more efficient donor search  
 (including team research projects, laboratory)

### DKMS Life Science Lab

GMK, head office in Dresden  
 HLA typing laboratories in the world.

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# WE RESEARCH FOR LIFE

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**With regard to the treatment of blood cancer and other illnesses of the hematopoietic system, there are still many questions left unanswered. This is why DKMS promotes life-saving, innovative research in the fight against blood cancer and also conducts its own research.**

Our possibilities for helping patients have improved significantly thanks to scientific and medical progress in recent years. However, there is still great pressure to improve further, because somewhere in the world one person is diagnosed with blood cancer every 35 seconds.

Innovative research is crucial for driving progress. The fight against blood cancer can only be won if we continue to find new scientific approaches to defeat this disease. For example, the biological prerequisites for the success or failure of stem cell transplants have not yet been sufficiently investigated. Our aim is to support scientific progress that will help us find the optimum treatment for patients and make stem cell transplants safer and more effective. Many clinical presentations of blood cancer lack informative studies that could provide results and therapy recommendations to serve as a guideline for physicians.

The **Clinical Trials Unit** (CTU) is a scientific research group that conducts clinical studies for DKMS. The unit has been conducting

clinical trials since 2013, not only in Germany but across Europe in cooperation with international transplant centers and research groups. The CTU supports external studies and conducts its own.

## **DKMS CONDUCTS AND SUPPORTS RESEARCH**

In addition, the CTU supports DKMS with research enquiries from external institutions concerning donors, thus providing free services for other research groups and important studies. In 2016, there were a total of 123 external research enquiries directed at DKMS donors, among them 41 active studies from countries including the USA, the Netherlands and the UK.

To promote scientific progress, the DKMS Foundation for Giving Life awards two scholarships and a science prize each year as part of the Mechtild Harf research program. This supports research projects in the field of bone marrow and stem cell donations or hematopoietic cell transplants, as well as the investigation of cellular therapies against blood cancer.

## INTERVIEW

Professor Dr. med. Johannes Schetelig

Professor Dr. med. Johannes Schetelig is director of the Clinical Trials Unit (CTU), the scientific research unit at DKMS in Dresden. As a physician he has worked for over 20 years in the area of stem cell transplantation. He now works in close cooperation with other research groups on an international level.



**PROFESSOR SCHETELIG, WHY IT IS IMPORTANT FOR DKMS TO INITIATE ITS OWN RESEARCH UNIT IN THE FIELD OF BLOOD CANCER RESEARCH AS WELL AS FUND PROGRAMS FOR SCHOLARSHIP HOLDERS?**

Because we want to promote medical progress, and must do so in order to find the optimum treatment for patients with blood cancer - and to make stem cell transplantation more effective. There are just too many people still dying.

**WHAT SPECIFIC APPROACHES ARE IMPORTANT FOR RESEARCH?**

The stem cell or bone marrow transplant is an important and established element in the treatment of blood cancer. However, there is still a need for further research into the biological foundations of this treatment. Why, for instance, does one patient recover from the disease due to the transplant, while another patient suffers complications or even a relapse of the disease? We will continue our research to answer questions like this.

**THERE IS A VERY SPECIFIC FOCUS ON MAKING A BETTER SELECTION FROM UNRELATED STEM CELL DONORS. WHY?**

The reason is simple. If we succeed in finding out even more about how donors and patients can be more compatible, fewer problems will arise after a transplant and relapses could be avoided. Patients benefit from such research directly.

**WHAT CAN I DO TO HELP?**

We need more proactive cutting-edge research world-wide - and money to finance this research. The goal of DKMS is to defeat blood cancer and to save lives - as effectively and often as possible! There are many ways to help.



# WE HELP PATIENTS EVERY DAY

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Patients and their families have questions and need our full support. We are at their side at all times and support them through our quality programs.



6,000

Over 6,000 patient and family enquiries were made regarding registration campaigns in 2016, in order to find and motivate new donors.

With our long-standing experience in the fight against blood cancer, we are always happy to provide competent advice for those affected and their families. We look after them from the beginning, as soon as a public registration of new potential stem cell donors is organized together with DKMS. DKMS staff keep in close contact with the initiative group of such a registration campaign. We inform, advise, clarify and coordinate all persons involved as well as overall logistics.

After the successful donor search and the transplantation, patients are still welcome to contact personal DKMS advisors who can answer specific questions. In order to improve the scope of our aid, DKMS Foundation for Giving Life supports initiatives such as the nationwide DLH Patientenkongress (German leukaemia and lymphoma patient convention) as well as self-help groups.

## MAXIMUM QUALITY FOR PATIENTS



### WHAT HAPPENS IF A DONOR IS SUDDENLY NO LONGER AVAILABLE?

We do everything we can to make sure that a stem cell donation is genuinely possible for a patient in need. In our **Replacement Donor Program** (since 2001), we search our database as a precautionary measure to establish - if possible - an alternative replacement donor for each stem cell donor, with the same HLA characteristics in the same typing quality. This donor needs to be available if the primary stem cell donor is unable to donate again in case the patient relapses, or in case their state of health should preclude a donation.

**28,539**

donors were contacted for further typing in the context of the Replacement Donor Program in 2016; of these, 82% of the donors participated in further typing.



### WHAT HAPPENS IF A PATIENT EXHIBITS VERY RARE TISSUE CHARACTERISTICS?

In some cases the search for a donor is more difficult, because the required combination of tissue characteristics is very rare. DKMS offers free additional typing of potential donors from our database in these cases, in order to find a suitable donor for the patient as quickly as possible.

**3,138**

donors were contacted for further typing in the context of the High-Risk Program in 2016; of these, 77% of donors participated in further typing.



### WHAT HAPPENS IF PATIENTS ARE NOT INSURED?

For patients who urgently need a stem cell donation, we carry out individual emergency programs. The physicians treating these patients can contact us directly in specific cases. Our high-risk program helps patients in an emergency. Some patients abroad are not medically insured and must therefore cover the costs of the donor search themselves. The high-risk program makes typing possible in difficult cases if the search budget has already been exhausted or the costs of typing cannot be met by existing health care systems.

Number of stem cell donations by DKMS donors in Germany to other countries from 1991 to 2016

- more than 10,001
- 1,001-10,000
- 501-1,000
- 201-500
- 101-200
- 51-100
- 11-50
- 1-10

Total number of stem cell donations:  
**53,617**  
by DKMS Germany



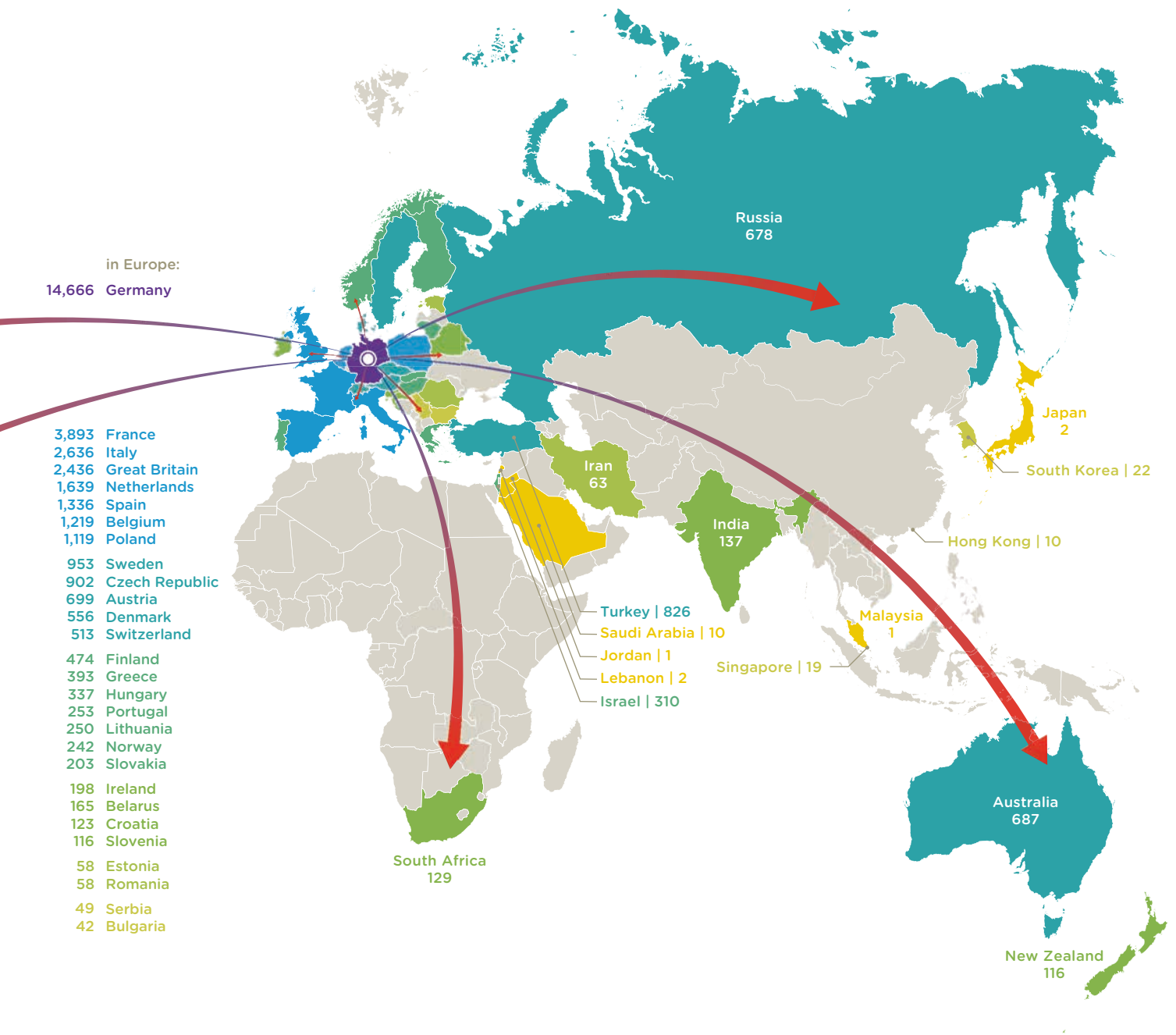
# WE PROMOTE WORLD-WIDE SOLIDARITY

Although the majority of stem cell donors in the DKMS database come from Germany, most of the stem cell donations are made to international patients. Blood cancer affects people everywhere in the world and many of them are dependent on assistance from a foreign country.

Blood cancer does not stop at national borders. Every 35 seconds, someone in the world is diagnosed with blood cancer. There are still too many patients dying because the state of health care is unsatisfactory in their country. While over 80 percent of patients in Germany can now find foreign donors, the prospects in other countries are far less positive. In many countries, too few potential stem cell donors are registered - and moreover, many of these are of an insufficient typing quality due to cost reasons.

DKMS is committed to helping blood cancer patients around the world. The chances of finding suitable donors from Germany alone are however limited,

since the decisive tissue characteristics for a stem cell transplant are inherited and ethnically different. For patients of Indian origin, for example, it is extremely difficult to find a suitable donor because the global number of potential stem cell donors of Indian origin is very small. DKMS has therefore been actively engaged in India since 2014, in cooperation with the Bangalore Medical Services Trust (BMST). Under the project name SCRI (Stem Cell Registry India) - an initiative of BMST which is supported by DKMS - potential stem cell donors are now being registered in India. The common goal is to help blood cancer patients of Indian origin find suitable stem cell donors.

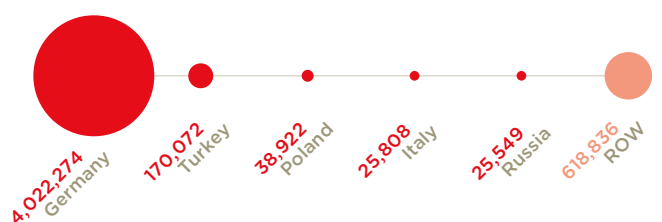


**WORLD-WIDE COMMITMENT FOR MORE CHANCES AT LIFE**

An international system of mutual exchange ensures that the search for stem cell donations functions across borders. For us, the crucial question is, in which countries must we now focus our efforts to register new donors, in order to help even more patients? For a transplantation to succeed, it is crucial that there is a match between the tissue characteristics of the patient and the donor. These tissue characteristics differ significantly depending on regional and ethnic origins. Where, then, do we have to make a targeted effort to register new donors in order to significantly increase the chances of finding the suitable donor for a patient? Seeking an answer to this question, we initiated the establish

-ment of DKMS locations in the USA (since 2004), Poland (since 2008), Spain (since 2011) and the UK (since 2013). Genetic diversity among the donors is an essential factor. Our database must be just as diverse as our society.

**REGISTERED DKMS DONORS BY COUNTRY OF ORIGIN (TOP 5 AND REST OF WORLD)**



# FINANCIAL RESULTS

The financial results for 2016 provide affirmation for the strategy pursued by DKMS gGmbH in the fight against blood cancer.



344

employees at DKMS dedicated themselves to our vision “We will defeat blood cancer” in 2016. Due to the growth in the volume of business and the associated expert, organizational, technical and personnel requirements, our workforce has grown by 41 employees since 2015.



15,319,000

euros were donated to DKMS in 2016. These funds have given many blood cancer patients a chance at life. DKMS says: Thank you for your support in the fight against blood cancer!



1.956.000

euros were allocated to research and science at DKMS in 2016. There are still many questions that need to be answered concerning the treatment of blood cancer and other illnesses of the **hematopoietic** system. This is why DKMS promotes life-saving, innovative research in the fight against blood cancer and also conducts its own research.



7.732.000

euros were invested in the 2016 financial year by DKMS gGmbH in projects for the optimization of the donor data. As soon as the need for a stem cell donation is identified, every minute counts. By keeping donor data up to date, DKMS can quickly make the necessary transplants available.



1,550,000

euros in net profit were earned by DKMS gGmbH in the financial year 2016, which will help fund the fight against blood cancer.



# BALANCE SHEET

## BALANCE SHEET AS AT 31 DECEMBER 2016

<b>ASSETS</b>	<b>2016 in kEUR</b>	<b>2015 in kEUR</b>
<b>A. Fixed assets</b>		
I. Intangible assets	6,626	2,647
II. Tangible assets	2,600	2,842
III. Financial assets	63,810	57,442
<b>Total</b>	<b>73,036</b>	<b>62,931</b>
<b>B. Current assets</b>		
I. Unfinished services	150	0
II. Receivables and other assets	11,045	17,787
III. Cash and balances with credit institutes	33,680	29,059
<b>Total</b>	<b>44,874</b>	<b>46,846</b>
<b>C. Accruals and deferred income</b>	<b>1,265</b>	<b>480</b>
<b>TOTAL ASSETS</b>	<b>119,176</b>	<b>110,257</b>
<b>LIABILITIES</b>	<b>2016 in kEUR</b>	<b>2015 in kEUR</b>
<b>A. Equity capital</b>		
I. Subscribed capital	1,000	1,000
II. Revenue reserves	106,347	96,191
III. Net profit	1,550	900
<b>Total</b>	<b>108,897</b>	<b>98,091</b>
<b>B. Provisions</b>	<b>5,109</b>	<b>5,898</b>
<b>C. Accounts payable</b>	<b>5,160</b>	<b>6,267</b>
<b>D. Accruals and deferred income</b>	<b>10</b>	<b>0</b>
<b>TOTAL LIABILITIES</b>	<b>119,176</b>	<b>110,257</b>

# INCOME STATEMENT

	2016 in kEUR	2015 in kEUR
<b>1. Income</b>	<b>115,409</b>	<b>117,308</b>
1.a Income from reimbursements of expenses/other sales profits	95,776	90,288
1.b Changes in inventories	150	0
1.c Other work performed by the undertaking for its own purposes and capitalized	525	0
1.d Other operating income	18,957	27,020
<b>2. Expenditures</b>	<b>-103,703</b>	<b>-100,663</b>
2.a Expenditure for material and supplies	-48,344	0
2.b Personnel expenditure	-20,813	-18,596
2.c Write-downs	-1,413	-1,033
2.d Other operating expenditures	-33,276	-81,219
2.e Interest income	166	214
2.f Taxes	-23	-28
<b>3. Annual net profit/deficit</b>	<b>11,706</b>	<b>16,646</b>
<b>4. Withdrawals from revenue reserves</b>	<b>39,744</b>	<b>37,845</b>
<b>5. Adjustments to revenue reserves</b>	<b>-49,900</b>	<b>-53,590</b>
<b>6. Net profit</b>	<b>1,550</b>	<b>900</b>

In the 2016 financial year, we succeeded in finding suitable donors for many patients. However, in comparison to the previous year, the number of collections decreased, resulting in slightly reduced income.

The increase in the sales profits primarily results from a redefinition of the sales profits (pursuant to § 277 (1) of the German Commercial Code (HGB)) due to the introduction of the Implementation of Guidelines for Reporting and Accounting Act (BilRUG). In compliance with this act, proceeds from the funds received for database operation as allowances from the German Central Bone Marrow Donor Registry, Ulm (ZKRD) and the NMPD (National Marrow Donor Program) as well as proceeds from management cost allocations for services within the DKMS organization to the total of kEUR 6,491 (previous year: kEUR 6,076) are included for the first time in the sales profits. Before the introduction of the BilRUG (2015) these were still part of the other operating income and this reorganization essentially explains the decrease in the other operating income items in 2016 compared to the previous year.

The other capitalized services performed by the organization for its own purposes concern services performed by DKMS in connection with the transformation of the IT infrastructure.

Starting this financial year, the organization indicates all **expenditures** for services performed in connection with medical services and laboratory services at a value of kEUR 48,344 in the expenditure for material and supplies, which in the previous year was shown in the other operating expenditures. In the total, results show a decrease of kEUR 2,337 from the previous year for the expenditure for material and supplies, which is due particularly to the slight decline in the number of collections.

The increase in personnel expenditure is essentially the result of the expansion of our workforce, who are on average employed on a permanent basis (including management). The number of staff grew from 303 employees in 2015 to 344 in 2016. This was due in particular to the expansion of the volume of business and the associated technical, organizational, technical and personnel requirements. The share of full-time employees thus increased from 216 to an average of 241 employees. In the annual average there were also 64 people (58 in the previous year) employed as student assistants. In addition, two apprentices as well as two graduate trainees were employed. 14 employees were on parental leave.

# INCOME BY SOURCE

The revenues from reimbursements of expenses predominantly result from remuneration for patient typing and collection services.

These can be essentially divided into the following categories:

	2016 in kEUR	2015 in kEUR
<b>Revenue/income from reimbursements of expenses</b>	<b>89,285</b>	<b>90,288</b>
Peripheral stem cell collections	64,529	65,616
Bone marrow collections	15,205	15,346
CT typing	6,703	6,633
Leukapheresis	830	953
high-resolution typing	2,007	1,726
DR patient typing	11	14
<b>Other sales profits</b>	<b>6,491</b>	<b>0</b>
Database operating fee	4,423	0
Management cost allocations	2,047	0
Other revenues	21	0
<b>Other operating income</b>	<b>19,632</b>	<b>27,020</b>
Cash donations	15,319	15,471
Donations in kind	612	638
Database operating fee	0	4,435
Other operating income	3,701	6,476
<b>Income total</b>	<b>115,409</b>	<b>117,308</b>

THE SALES PROFITS ARE DIVIDED INTO GEOGRAPHICAL MARKETS AS FOLLOWS:

	2016 in kEUR	2015 in kEUR
Domestic (Germany)	26,474	21,451
Europe	31,416	31,737
USA	26,406	25,086
Other countries	11,480	12,014
<b>Total</b>	<b>95,776</b>	<b>90,288</b>

Due to the accounting guideline implementation act, the documentation of the database operating fee for ZKRD was changed as follows: In 2016, it was

indicated in the sales profits (kEUR 4,423), while in 2015 this was listed under other operating income (kEUR 4,435).

# EXPENDITURE ACCORDING TO THE STATUTE ITEMS

## USE OF FUNDS FOR STATUTORY PURPOSES IN 2016

	Expenditures 2016 (kEUR)	Share (%)
Attracting donors	21,121	20.4%
Optimization of donor data	7,732	7.5%
Research and science	1,956	1.9%
Patient programs	1,081	1.0%
Search and extraction	39,771	38.4%
Internationalization	8,452	8.2%
Education and information	559	0.5%
Public relations and fundraising	6,938	6.7%
General administration	16,093	15.5%
<b>Total</b>	<b>103,703</b>	<b>100.0%</b>

In the breakdown of total expenditures according to the items laid down in the statutes, individual cost centers and cost elements were allocated the areas mentioned either via an expenditure matrix directly or by a key.

Direct costs for rent, office supplies, telephone and EDP services are charged by allocating them to the departments of DKMS gGmbH.

Expenditure on general administration contains personnel and material expenses (partly pro rata) for Management, administration and IT.

Expenditure on public relations and fundraising includes expenditure in the areas of press, fundraising and advertising expenses.

The share of expenditure on general administration and public relations as well as fundraising is 22.2% of total expenditure.

# USE OF RESERVES FOR PROJECTS IN ACCORDANCE WITH THE STATUTES

## SUMMARY OF PROJECTS FOR PURPOSES SPECIFIED IN THE STATUTES IN 2016

Statutory purpose	Number of projects	as at 01 January 2016 in €	Use in €	Reclassification in €	Allocation to reserves in €	31 December 2016 in €
New donor acquisition	4	11,797,539	5,906,074	-717,703	4,954,889	10,128,652
Optimization of donor data	2	9,352,303	2,670,322	-1,113,832	3,608,646	9,176,795
Research and development	5	11,799,852	1,702,112	607,152	2,450,572	13,155,464
Patient programs	2	1,400,000	961,789	5,380,865	1,005,000	6,824,076
Search unit and collections	4	170,715	145,715	0	2,895,024	2,920,024
Internationalization	7	37,916,577	9,551,085	-3,156,482	9,383,952	34,592,962
General reserves	3	23,189,462	18,788,486	-1,000,000	25,433,800	28,834,777
<b>Total</b>	<b>27</b>	<b>95,626,449</b>	<b>39,725,583</b>	<b>0</b>	<b>49,731,883</b>	<b>105,632,749</b>

## OTHER REVENUE RESERVES IN 2016

	01 January 2016 in €	Use in €	Reclassification in €	Liquidation in €	Allocation to reserves in €	31 December 2016 in €
Allocation to reserves of inheritances pursuant to § 62 (3) of the Regulation of Taxation - AO	564,199	2,697	0	15,351	167,724	713,875

The revenue reserves are utilized to cover future project expenditures and to finance investment projects for the specified purposes. The overview

distinguishes between reserves for statutory tasks and general reserves which are set aside to secure the organization's general business activities.



# STATEMENTS ON RISK MANAGEMENT

Risk management informs the systematic analysis, evaluation, documentation, communication, controlling and monitoring of risk-bearing activities at DKMS; it is an integral component of the business, planning and control processes. The measures taken by DKMS for risk management are focused on two fields: Risks from the operating activities and financial risks as a nonprofit organization.

**The individual measures taken for risk management are:**

### **RISKS FROM OPERATING ACTIVITIES**

#### **Supervision of institutional bodies**

- Rules of procedure, including a detailed description of the tasks and authority of the bodies
- Half-yearly meetings with the management board of the parent company

#### **Executive management**

- Annual targets agreed between management, division managers and employees, continuous monitoring of target achievement
- Fortnightly meetings of the management board as well as regular meetings of the executive personnel for internal coordination, optimization and risk assessment

#### **Cooperation with external partners**

- Written contracts to safeguard agreements
- Tax assessment and evaluation of potential risks to the non-profit status

### **FINANCIAL RISKS**

#### **Asset investment**

- Guidelines for asset investment specifying the composition of the investment portfolio and limits on portfolio structure (e.g. equity share)
- Regular reporting, ad-hoc-measures if the risk structures change

#### **Financial planning**

- Annual budgeting including staffing and personnel expenditure for three financial years
- Half-yearly reviews and necessary adjustments of the budget according to projections
- Monthly reporting on target/actual performance, including analysis of key performance indicators

#### **Cost management**

- Expenses and cost guidelines with regulations and limits on travel expenses and hospitality/gifts
- Monitoring by accounting to control appropriate use of funds
- Limits on signatory authority for invoices for each employee group
- Centralized purchasing

#### **Donation management**

- Cost-benefit evaluations of measures to acquire donations (e.g. mailshots)
- Examination of legality of receipts issued for donations

#### **Annual financial statement**

- Annual audit by an external, independent auditing company zentrale-koeln@dkms.de performed in the context of the annual financial statement

## **PUBLICATION DETAILS**

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