

FARE is the world's leading non-governmental organization engaged in food allergy advocacy and the largest private funder of food allergy research. Five hundred million children and adults worldwide – including 32 million Americans – suffer from potentially life-threatening food allergies, and in the United States alone, 85 million people are impacted by food allergies and intolerances. FARE's mission is to improve the quality of life and the health of individuals with food allergies, and to provide them hope through the promise of new treatments. FARE is transforming the future of food allergy through innovative initiatives that will lead to increased awareness, new and improved treatments and prevention strategies, effective policies and legislation, and novel approaches to managing the disease.

The following is a combination of historical FARE financial information available from our publicly available IRS 990 tax returns on our website, and some forward-looking information. Our goal is to place our strategic plan and our annual [Impact Report](#) into perspective for those who are interested in where we've been, and where we are going. The forward-looking information is subject to change due to uncertainty surrounding economic conditions, and modifications we may execute as we incorporate learning in our accelerated growth environment. We will update this report periodically, so it remains current as we move through time.

FARE Financials: By the Numbers

State of Play: Prior to 2018, Research accounted for 19 percent of total FARE spending. The Board of Directors wanted to increase FARE's impact as a driver of policy and funding to accelerate the arrival of innovative therapies and diagnostics. To do so, the Board of Directors needed FARE to head in a different direction.

2018 Mandate by the Board of Directors:

- Immediate restructure of FARE to a more sustainable business model
- Raise \$200 million to fund the Five-Year Plan
- Bring industry to the table
- Fund baseline operations from current-year revenues
- Commit 60 percent of the Endowment to support research investment.

To support these mandates, the Board made personal financial commitments to support an approved Five-Year Plan and established a discretionary matching fund (50 cents/dollar) of up to \$25 million from the financial reserve for money raised between June 2018 and May 2020 to drive initial collaborative co-investment for major research projects. Today, more than 50 percent of FARE's expense budget is spent to support research, with 70 cents out of every dollar going to third-party research institutions. Our goal is to continue on this path while steadily increasing annual revenues from existing sources, while adding new funding from foundations, United States government grants, corporate sponsors, and partner programs, and with new mobile digital engagement services.

The [FARE 2020 Impact Report](#) details the many accomplishments signaling a new direction and strong financial management.

This included:

- \$85 million raised to support the Five-Year Plan.
- A \$5 million expansion of the FARE Clinical Network (FCN) to include 50 sites serving more than 100,000 patients.
- \$15 million three-year research study with The Broad Institute to study the brain-gut axis.
- Rapid increase of grassroots engagement encompassing 46,000 advocates.

- 20,000 people connected through Living Teal™ Global Summit and Contains: Courage® Research Retreat.

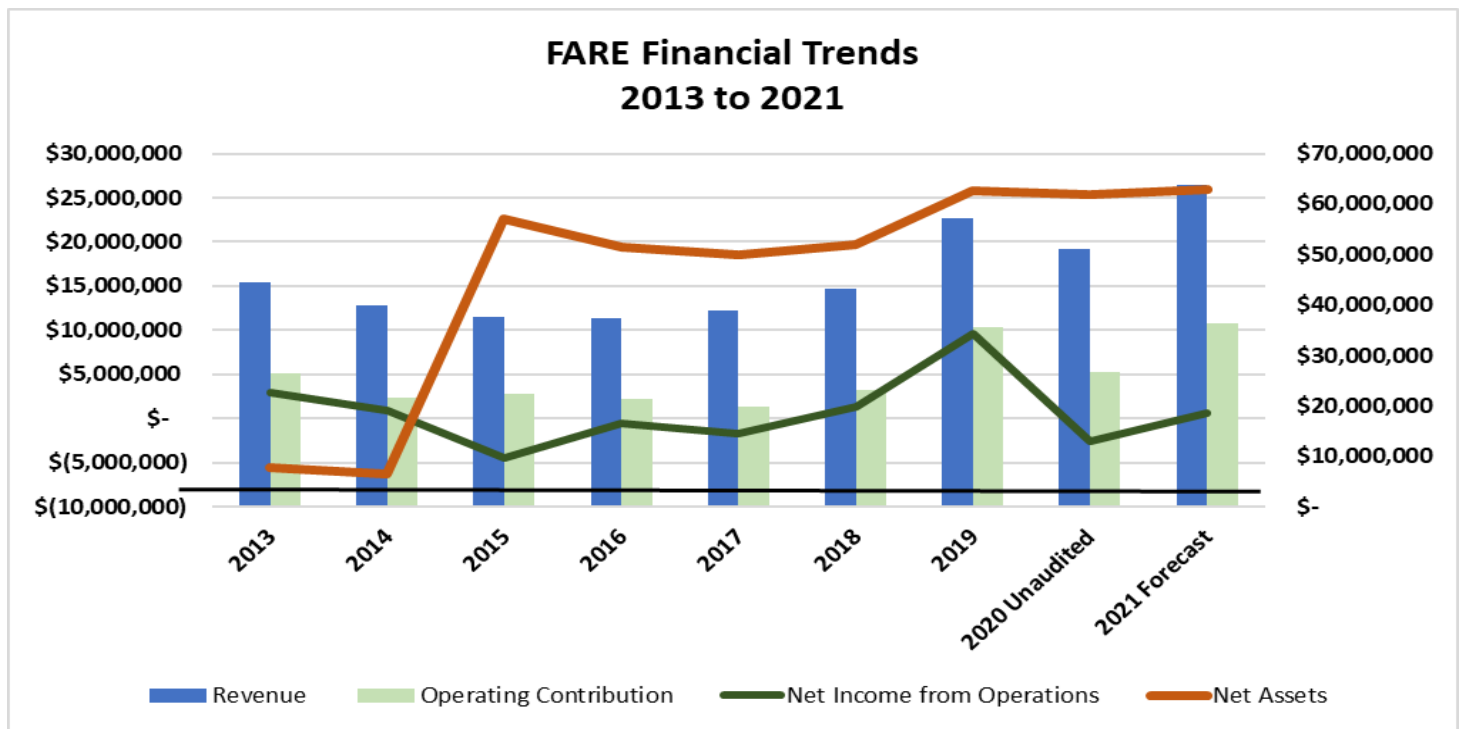
In 2021, the commitment to research has continued:

- Support of the \$6 million [Start Eating Early Diet](#) study, a three-year initiative to determine if the early introduction of eight common allergens to babies aged four to six months for a period of two years can reduce or prevent food allergies
- [Announcement of FAITH](#), a \$3 million global competition to replace the oral food challenge.
- An increased commitment to [Diversity, Equity, Inclusion and Access](#) articulated through a groundbreaking *Blueprint for Access* to meet care and treatment needs in underserved communities. FARE is also piloting community access programs in Newark, N.J., and Washington, D.C.

Key takeaways:

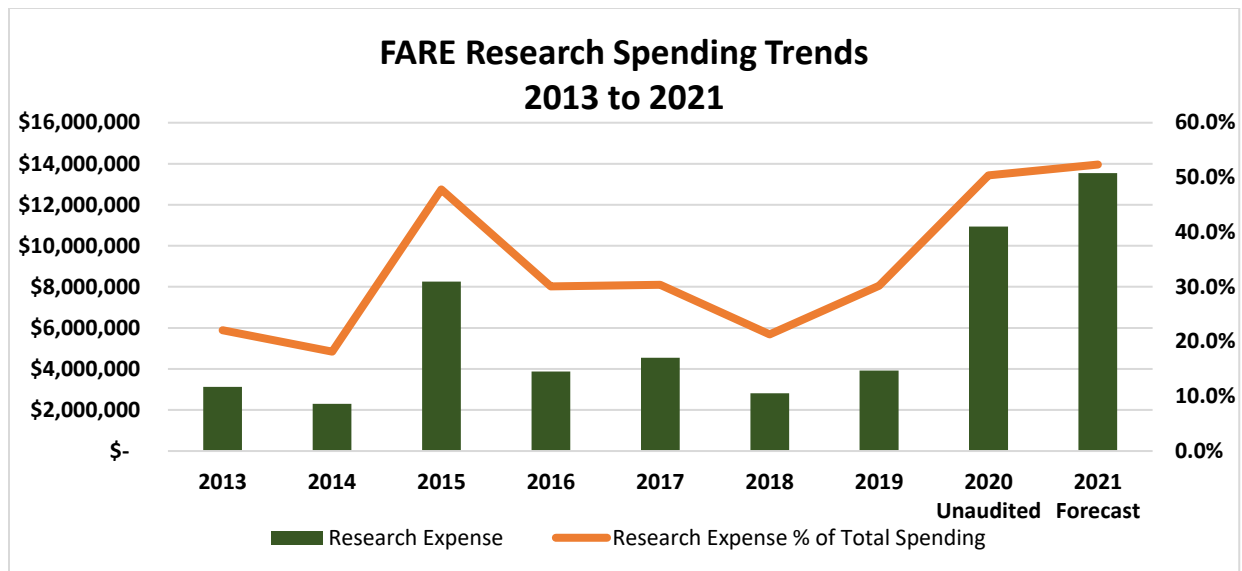
- The last three years have seen growth and a return to solid financial performance
- FARE intends to aggressively add new services and revenue sources to fund those services
- Data is the strategic resource, and we are committing millions of dollars to invest in a state-of-the art data platform while adding mobile accessibility and services
- We are committed to innovative research, supported by an expanding portfolio of education assets with a target market of 85 million Americans

Financial Highlights



The 2018 calendar year was a period of transition, while 2019 was the first full year for FARE to execute on its new direction as outlined in the Five-Year Plan approved by the FARE Board of Directors. In the six years spanning 2013 to 2018, FARE generated a cumulative revenue from all sources of \$78 million, or an average of \$13 million per year. In just three years, 2019 thru 2021, we have and expect to generate \$68 million or \$23 million per year, an average annual increase of 75 percent.

Although FARE had three consecutive years of losses (Net Income from Operations) for the period 2015 to 2017, the restructured business model has increased Net Assets at FARE and generated cumulative operating profits of \$7.6 million. FARE is driving significant revenue, with a 100 percent average annual increase in research grants.



On \$10 million less revenue for the period 2019-2021 compared to the period 2013-2018, FARE is generating \$9 million in cumulative operating profits, spending the same dollar amount on Research in half the time, and creating \$9 million more in Net Income before consideration of Investments. During the period 2013 to 2018, Research investment averaged 29 percent of our total annual expenditures, with a low of 18 percent in 2014. For the period 2019 through 2021, our research investment now averages 47 percent, with both 2020 and 2021 more than 50 percent of total FARE expenditures. And, roughly seven in 10 dollars of research goes to third-party research partners.

2021-2023 Expansion Plans:

- Data Platform:
 - Launch “FARE in your Pocket” mobile applications and Marketplace
 - Build FARE Data Commons (Agile Health Data Platform) to connect the FARE Registry, Electronic Health Records, Biobank reference data, and the Data Coordination Center
 - Grow the FARE Registry participation to become the ‘go-to’ resource for consumer, industry, academic, and policy-making research.
- International Alignment:
 - FARE will extend our partnerships and relationships to key geographies through formal affiliations and alignment of resources with like-minded entities for the purposes of advancing research by leveraging expenditures with others.
 - FARE will provide both open-source and licensed content through partnerships and formal business media and content relationships.
- Diversity, Equity, Inclusion and Access:
 - FARE will continue to embrace diversity in our hiring practices and board composition. Currently, FARE staff is 65 percent female and 35 percent diverse.
 - FARE will continue to invest in and expand our *Blueprint to Access* through the funding of capacity building in communities and professional leadership.

With the FARE Clinical Network expansion, FARE will have access to more patients and will use that access to grow the FARE Data Commons, which includes the FARE Registry, the Data Coordination Center, the Biobank and Biomarker Discovery Center. FARE is also building an agile community database that will integrate information as individuals experience the Living Teal Channel and the “FARE in your Pocket” mobile platform that will include FARE and partner services. We have an actively engaged community with a high trust factor in the FARE brand, and room to grow in reaching the 85 million Americans impacted by food allergies and intolerances, as well as the half-billion food allergy patients globally. We have respected relationships with the federal government, industry, and universities and we support them with rich data sources for research and policymaking.

Our digital engagement is expanding rapidly. Now is the time to expand our reach into the broader community, and generate more data at each touchpoint. FARE has the strongest portfolio ever with new products on the way. The pipeline is delivering a wealth of product and service innovations. We are fortunate to have loyal customers who trust FARE. As we focus on research as our core competency, we are in the strongest position ever to accelerate our growth towards finding a cure.

Definitions

- 1) Operating Contribution is calculated by starting with Total Revenue, and subtracting all Personnel and Operating Expenses, before Research Grants, and Income Investment Gains/Losses.
- 2) Net Income from Operations is Operating Contribution less Research Grants, and before Investment Income/Loss.