



Annual Report 2017
NOTS Foundation

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Board report by Bart Hartman, Founder and Chief Entrepreneur NOTS Foundation

On March 21, 2017 NOTS Solar Lamps (Rwanda) Ltd, a 100% subsidiary of NOTS Solar Lamps BV (which is a 100% subsidiary of NOTS Foundation), submitted a proposal / plan to the Government of Rwanda ('GoR') for building a Rwanda based Solar Home Systems Manufacturing and Export Business ('SHSMEB'). The main elements of our SHSMEB plan are:

- NOTS sets up a plant in Rwanda, in partnership with Positivo BGH (a company that assembles laptops in Rwanda) for assembling / manufacturing solar home systems ('SHS').
- NOTS provides the GoR with 100,000 Made-in-Rwanda 3-lamp SHS units (the GoR will give these units to low income households).
- The GoR raises SHS awareness among the population and implements policies and regulations that stimulate the penetration of SHS in Rwanda.
- NOTS provides at least 840,000 Rwandan households with a Made-in-Rwanda SHS in the period until 2024.
- In 2020 NOTS starts exporting Made-in-Rwanda SHS units and exports at least 1 mln units per year from 2024 onwards.

Our SHSMEB proposal was well received by the GoR and in May 2017 we started negotiations. For several reasons the negotiations have taken a long time, but on May 31, 2018 we reached an agreement with the GoR negotiation team on the last outstanding issues. Therefore we expect that we will finalize and sign the agreement by July 2018.

In parallel with the GoR negotiations we further developed our business model and entered into a few additional partnerships, on top of the partnerships we entered into before 2017 with among others MTN, Equity Bank and three Rwandan institutional investors. An important partnership we entered into in 2017 is with the Reserve Forces. This organization of retired army staff plays an important role in Rwanda: they build houses for low-income households, build roads, install streetlights, etc. Our partnership with the Reserve Forces contains the following elements: providing Armed and Reserve Forces members with a SHS on credit; raising SHS awareness among the population; and providing SHS after sales services.

We also made good progress with the platform we need for selling SHS on credit, with functionalities including: credit assessment, auto-withdrawal and default rate management. There are not many companies that can provide such platform and the ones that can are tough negotiators, especially on the ownership of the platform and data. Though with two companies we made good progress and we expect to enter into a contract with one of them in July 2018.

In the course of 2017 we did 'freeze' our contacts with investors (about equity for NOTS Solar Lamps BV and bonds for funding SHS consumer loans) because the agreement between GoR and NOTS is important for them and our negotiations with the GoR took longer than expected. Therefore we agreed with the investors that we will restart the discussions after we have signed the agreement with the GoR.

After we have signed the agreement with the GoR we have all ingredients needed for implementing our SHSMEB plan (sound business model, relevant partnerships and capital) and realizing the targets stated above. After the GoR agreement is signed the first thing we will do is strengthening / expanding our Rwandan team and restarting the negotiations with the investors.

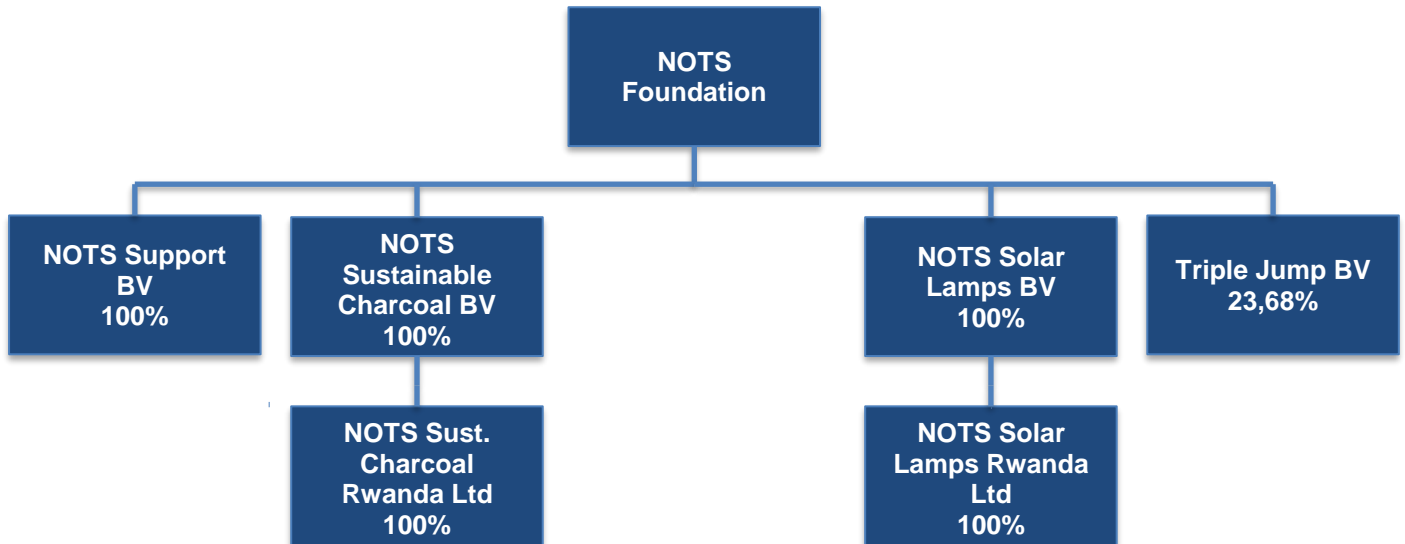
As you can see, realizing our goal, a quantum leap in SHS penetration in Sub-Saharan Africa, is not easy. It takes a lot of patience and persistence. But it is still worthwhile the effort because nearly every family in Sub-Saharan Africa that has obtained a SHS is very happy with it and about 600 mln currently off-grid people in Sub-Saharan Africa don't have a SHS yet. These facts give me the energy to continue chasing the NOTS dream.

Loosdrecht, 5th June 2018

1. Organization

1.1 Structure NOTS

As of the end of 2017 NOTS comprised of the following entities:



1.2 Board of NOTS Foundation

The board of NOTS Foundation consists of:

| NAME | POSITION ON THE NOTS FOUNDATION BOARD | DATE OF COMMENCEMENT OF DUTIES AS A BOARD MEMBER |
|----------------|---------------------------------------|--|
| Bart Hartman | Chairman | 13-10-2003 |
| Eric Rahusen | Member | 05-02-2010 |
| Paul Bijleveld | Member | 26-09-2012 |

Board meetings are held on a quarterly basis. Besides the formal board meetings, the board members have conference calls on a regular basis. None of the board members receive a remuneration for their activities for NOTS. For profiles of the Board members see: <http://www.nots.nl/en/our-team>.

1.3 Employees

NOTS had three (part-time) staff members in The Netherlands (NOTS Support BV): Bart Hartman (CEO), Sjouke de Vries (COO) and Sanne Tjaden / Martin Bauman (Controller).

In Rwanda we had at the end of 2017 2 employees. In the course of 2017 we reduced the number of employees to minimize the costs while working on finalizing the agreement with the GoR.

2. Results

2.1 Blue Power

Up to and including 2017 NOTS sold over 160.000 solar lamps.

Cumulatively until the end of 2017 NOTS achieved the following social and environmental impact:

- 745.000 lives improved
- USD 26 million saved in energy-related expenses
- 68.000 Tons of CO2 offset

2.2 Blue Charcoal

The Blue Charcoal activities are still frozen.

3. Funding

All solar lamp (Blue Power) activities are financed through NOTS Solar Lamps BV (100% subsidiary of NOTS Foundation) and all Sustainable Charcoal activities (Blue Charcoal) are financed through NOTS Sustainable Charcoal BV (100% subsidiary of NOTS Foundation).

In 2014 we got the commitment of a successful entrepreneur to invest EUR 0.8 million in the NOTS businesses. By the end of 2016 100% of the committed amount was transferred to NOTS.

For implementing our SHSMEB plan we need USD 1.5 – 2.0 mln equity in NOTS Solar Lamps (Rwanda) Ltd (or in NOTS Solar Lamps BV) and about USD 25 mln in a SPV (Sagamba Solar Loans Ltd) for funding SHS loans to consumers. We plan to raise this USD 25 mln by issuing notes in RWF. We have conditional commitments from three Rwandan institutional investors to invest USD 11 mln in the notes. Given that RVO has qualified our SHS activities in Rwanda as a 'Groenproject Buitenland' it is attractive for Dutch green banks / funds to invest in the notes. We plan to raise USD USD 10 mln from a green bank / fund.

As stated in the foreword to this annual report we did freeze our discussions with investors until we have signed the agreement with the GoR. Given the contacts with several investors and their level of interest to provide capital to NOTS we expect that within 4 months after we have signed the agreement with the GoR we have raised the capital we need.

4. Plans for 2018

NOTS will remain focused on improving lives in Sub-Saharan Africa by building renewable energy impact enterprises.

NOTS Solar Lamps

As soon as the agreement between the GoR and NOTS is signed, NOTS will start building a Rwanda based SHS Manufacturing and Export Business with the targets stated in the foreword. When it is clear that NOTS' business model functions well, NOTS will start implementing its business model in other Sub-Sahara countries, initially in East Africa. In 2018 there will be no Blue Charcoal activities.

NOTS Foundation financials 2018

Our expectations are that the income and costs of NOTS Foundation (including NOTS Support B.V.) will be substantially about the same as in 2017, because compared to 2017 changes in the Foundation and NOTS Support B.V. will be very limited.

Loosdrecht, June 28, 2018

Stichting NOTS Foundation

G.E. Hartman
Chairman of the Board

Financial Statements 2017
STICHTING NOTS FOUNDATION

1. Balance Sheet as at 31 December 2017 (after profit appropriation)

| | Ref | <u>31 December 2017</u> | <u>31 December 2016</u> |
|---------------------------------------|-----|-------------------------|-------------------------|
| ASSETS | | € | € |
| Fixed Assets | | | |
| Financial fixed assets | 4.1 | 8.653.130 | 7.828.856 |
| Current Assets | | | |
| Receivables and accruals | | | |
| Receivables from group companies | 4.2 | 726.080 | 144.142 |
| Other receivables | 4.3 | - | 17.313 |
| Total receivables | | 9.379.210 | 161.455 |
| Cash | 4.4 | 333 | 251.791 |
| Total Assets | | <u>9.379.543</u> | <u>8.242.102</u> |
| | | <u>31 December 2017</u> | <u>31 December 2016</u> |
| LIABILITIES | | € | € |
| Reserves | | | |
| General reserve | 4.5 | 1.747.091 | 1.385.993 |
| Legal reserve | 4.6 | 1.819.873 | 1.426.787 |
| Total reserves | | 3.566.964 | 2.812.780 |
| Long term liabilities | 4.7 | 4.643.193 | 4.660.829 |
| Short term liabilities | 4.8 | 1.169.386 | 768.493 |
| Total Liabilities and reserves | | <u>9.379.543</u> | <u>8.242.102</u> |

2. Statement of Income and Expenses 2017

| | Ref | 2017 | 2016 |
|--|-----|-----------------------------|-----------------------------|
| | | € | € |
| Income | | | |
| Income from fundraising | 5.1 | 408.800 | 211.300 |
| Income from investments | 5.2 | 493.017 | 257.003 |
| Financial income and expenses | 5.3 | <u>(66.321)</u> | <u>(86.771)</u> |
| Total Income | | 835.496 | 381.532 |
| Expenses | | 1.534 | 16.050 |
| Management and administration charges by NOTS Support B.V. | | 79.778 | 49.425 |
| | | <u> </u> | <u> </u> |
| Total expenses | 5.4 | (81.312) | (65.475) |
| Result | | <u>754.184</u> | <u>316.057</u> |
| Allocation of result: | | | |
| Legal reserve (Share result Triple Jump B.V.) | | 493.017 | 257.003 |
| General reserve | | <u>261.167</u> | <u>59.054</u> |
| Total | | <u>754.184</u> | <u>316.057</u> |

Stichting NOTS Foundation did not prepare a budget for 2017.

3. Accounting Principles

General Information

The NOTS Foundation was set up in October 2003 by Bart Hartman, an entrepreneur who has won his spurs by starting up companies in various lines of business. Stichting NOTS Foundation is based in Amsterdam, the Netherlands. The Stichting NOTS Foundation is registered in the Dutch Chamber of Commerce under the number: 813367451.

Currency

All amounts stated in this report are in Euro's.

Statutory Goal

Since April 2008 Stichting NOTS Foundation has the following statutory goals:

1. To increase the number of people in developing countries who are able to lead a self-supporting life.
2. To increase the number of people in developing countries that have access to electricity and clean water by investing in (production-) activities and projects in the area of renewable energy and water.
3. Maximizing the effect and efficiency of development aid by acting as a platform for different parties who are active in development aid.

Investment Policy

NOTS Foundation has no formal Investment Policy.

Volunteers Policy

NOTS Foundation has no formal Volunteers Policy.

General

The financial statements of 2017 have been prepared in accordance with fiscal valuation principles as stipulated in article 2:396 sub 6 of book 2 of the Dutch civil code and is in line with the accounting guideline RJK C1 Kleine organisaties zonder winststreven (Small organizations without profit motive) as issued by the Dutch council for accounting policies (Raad voor de jaarverslaggeving) for all other requirements. The change to fiscal principles was done in order to save on expenses for accounting and tax advice and will show a higher valuation of the subsidiaries. The financial statements are in euro's.

Assets and Liabilities are stated at the amounts at which they were acquired or incurred. When no specific valuation is mentioned they are recognized at the amounts at which they were acquired.

Destination of result

The destination of the 2017 result is presented in the statement of income and expenses. The balance was drawn up after profit appropriation.

Comparison with preceding year

The accounting principles are unchanged compared to the preceding year.

Group relations and consolidation

Stichting NOTS Foundation forms a group with the following entities:

- NOTS Support B.V. (100% subsidiary)
 - NOTS Solar Lamps B.V. (100% subsidiary)
 - NOTS Sustainable Charcoal B.V. (100% subsidiary)
 - NOTS Solar Lamp Ltd. (Rwanda) (100% subsidiary of NOTS Solar Lamps B.V.)
 - NOTS Sustainable Charcoal Ltd. (Rwanda) (100% subsidiary of NOTS Sustainable Charcoal B.V.)
- The name and objective of NOTS Sustainable Charcoal (Rwanda) Ltd. has recently been changed in NOTS Support Rwanda Ltd. The objective is now: supporting NOTS Solar Lamps (Rwanda) Ltd.

Stichting NOTS Foundation has a 23,68% participation in Triple Jump B.V.

In 2017 two NOTS entities have been founded to facilitate the issue of notes in Rwanda to raise capital for funding SHS consumer loans :

- Stichting NOTS Solar Loans, a Dutch foundation
- Sagamba Solar Loans Ltd, a 100% subsidiary of Stichting NOTS Solar Loans

NOTS Foundation uses the exemption under article 401 of RJK C1 for not preparing consolidated financial statements.

Accounting policies for the balance sheet

Financial fixed assets

Participations:

Participations in group companies and other participations which involve significant influence are valued according to cost price or higher net asset value. Significant influence is assumed when voting rights involve 20% or more.

The net asset value will be calculated according to the principles that apply to this financial statement.

Stichting NOTS Foundation is not liable for the debts of the participations and will not consider paying the debts of the participation.

Other receivables:

The other receivables refer to loans and bonds which will be kept until redemption date. These receivables are initially measured at fair value. After initial measurement these loans and bonds will be valued against amortized acquisition price.

Receivables

Receivables are initially valued at the fair value of the product or service offered. After initial measurement, trade receivables are measured at amortized cost. If the payment of the receivable has been postponed on the basis of an extended period for payment, the fair value is determined on the basis of the present value of the expected revenue. Provisions for bad and doubtful debts will be deducted from the book value of the receivable.

Receivables from participations are valued at nominal value in accordance with fiscal regulations.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances and deposits for a shorter period than three months.

Reserves and funds

The general reserve indicates how much funds are available for general usage according to the objectives of the foundation and to cover temporary surpluses or deficits. The legal reserve is formed for any legal requirements and restricted assets.

Liabilities

Liabilities with a remaining duration of more than one year are regarded as long term liabilities, liabilities with a duration up to one year are regarded as short term liabilities.

Accounting policies for the statement of income and expenses

The income and expenses are allocated to the reporting year to which they relate.

Income

All income is stated without the deduction of costs unless otherwise mentioned.

Income from fundraising

Income from fundraising means: received donations from campaigns as well as from the NOTS bonds.

Donations from NOTS bonds are the coupons received by the bondholders of NOTS Microcredit Bonds issued by Stichting NOTS Investments. These coupons are donated each year by the bondholders to Stichting NOTS Foundation.

Donations and contributions received in the reporting year are income.

100% of the income is used for the statutory goals through loans to the other NOTS Companies.

No costs have been made for fundraising.

Financial income and expenses

Interest paid and received is recognized on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned.

4. Notes to the Balance Sheet

Assets

4.1 Financial Assets

| | <u>31-dec-17</u> | <u>31-dec-16</u> |
|--|-------------------------|-------------------------|
| | € | € |
| Participation Triple Jump B.V. (23,68%) | 1.785.355 | 1.392.269 |
| Participation NOTS Support B.V. (100%) | 202.218 | 202.218 |
| Participation NOTS Solar Lamps B.V. (100%) | 1.548.000 | 1.548.000 |
| Participation NOTS Sustainable Charcoal (100%) | 1.038.946 | 1.038.946 |
| NOTS Microcredit Bond | 10.000 | 10.000 |
| Loan to NOTS Solar Lamps B.V. | <u>4.068.611</u> | <u>3.299.051</u> |
| Total | <u>8.653.130</u> | <u>7.828.856</u> |

Participations

NOTS Foundation has participations in Triple Jump B.V. in Amsterdam (23,68%), NOTS Support B.V. in Loosdrecht (100%), NOTS Solar Lamps B.V. in Loosdrecht (100%) and NOTS Sustainable Charcoal B.V. in Loosdrecht (100%).

- Triple Jump is involved in selecting and investing in MFI's.
- NOTS Support B.V. is the entity for the NOTS activities in The Netherlands.
- NOTS Solar Lamps B.V. is the NOTS entity for the solar lamp business. In this entity the strategy for the solar lamp business is developed, the administration for all solar lamp entities is executed, the subsidiary in Rwanda is supported, etc. NOTS Solar Lamps B.V. is the 100% parent of NOTS Solar Lamp Ltd.
- NOTS Sustainable Charcoal B.V. is the NOTS entity for the sustainable charcoal production business. In this entity the strategy for the sustainable charcoal business, the administration for all sustainable charcoal production entities is executed, the subsidiary in Rwanda is supported, etc. NOTS Sustainable Charcoal B.V. is the 100% parent of NOTS Sustainable Charcoal Ltd.

The net asset value of the participation in NOTS Support B.V. was € 175.764 as of 31 December 2017. The net value result of 2017 amounted to nil. In accordance with the unaudited financial statements and based on fiscal accounting principles, the participation is valued at cost price. NOTS foundation is not liable for the debts of this participation.

The net asset value of the participation in NOTS Solar Lamps B.V. was € (1.863.175) as of 31 December 2017. The net value result of 2017 amounted to € (537.868). In accordance with the unaudited financial statements and based on fiscal accounting principles the participation is valued at cost price. NOTS foundation is not liable for the debts of this participation.

The net asset value of the participation in NOTS Sustainable Charcoal B.V. was € 815.720 as of 31 December 2017. The net result of 2017 amounted to € (6.576). In accordance with the unaudited financial statements and based on fiscal accounting principles the participation is valued at cost price. NOTS foundation is not liable for the debts of this participation.

Movements in the participation in Triple Jump B.V.

| | <u>2017</u> | <u>2016</u> |
|-----------------------------------|-------------------------|-------------------------|
| | € | € |
| Balance as at 1 January | 1.392.269 | 1.361.446 |
| Dividend payment | (99.931) | (79.250) |
| Sold 2% of shares | - | (115.709) |
| Adjustment 0,68% of shares | 47.963 | - |
| Result participation | <u>445.054</u> | <u>225.782</u> |
| Balances as at 31 December | <u>1.785.355</u> | <u>1.392.269</u> |

The participation in Triple Jump B.V. are valued according to the equity method on the basis of net asset value. The net asset value is calculated on the basis of the Company's accounting policies.

NOTS Microcredit Bond

At the request of one of its beneficiaries one NOTS Microcredit Bond was bought with his donation in 2008. This NOTS Microcredit Bond has a lifetime of 10 years. The yearly donation from of this bond as well as from all the other donations from these bonds has Stichting NOTS Foundation as its beneficiary. NOTS foundation will also be the beneficiary for the amount due from the repayment of the donated bond.

Loans

Movements in the loan to NOTS Solar Lamps B.V.

| | <u>2017</u> | <u>2016</u> |
|---------------------------------------|-------------------------|-------------------------|
| | € | € |
| Balance as at 1 January | 3.299.051 | 2.694.351 |
| Increased fund | 352.209 | 302.295 |
| Interest rate of 6% | 208.509 | 161.661 |
| Management expenses NOTS Support B.V. | <u>208.842</u> | <u>140.744</u> |
| Balances as at 31 December | <u>4.068.611</u> | <u>3.299.051</u> |

The loan to NOTS Solar Lamps B.V. has an interest rate of 6% and needs to be repaid on 31 December 2025 or earlier as soon as the liquidity balance permits. This loan is valued at nominal value in line with the fiscal valuation. If the loan was valued at lower fair value, the valuation would have been lower. There has been no warranties on this loan.

4.2 Receivables from group companies

| | <u>31-dec-17</u> | <u>31-dec-16</u> |
|---|-----------------------|-----------------------|
| | € | € |
| Current account NOTS Investments B.V. | 585.182 | - |
| Current account Stichting NOTS Investments | 124.591 | 115.888 |
| Current account Stichting NOTS RE Investments | 3.704 | 3.204 |
| Current account Stichting NOTS Solar Foundation | 50 | 50 |
| Current account NOTS Solar Lamps Ltd. (Rwanda) | - | 25.000 |
| Current account NOTS Solar Loans Ltd. (Rwanda) | 12.553 | - |
| Total | <u>726.080</u> | <u>144.142</u> |

Movements in the loan to NOTS Investments B.V.

| | <u>2017</u> | <u>2016</u> |
|---------------------------------------|-----------------------|-----------------------|
| | € | € |
| Balance as at 1 January | 338.372 | 227.359 |
| Increased fund | 100.619 | 24.400 |
| Interest rate of 6% | 23.322 | 15.406 |
| Management expenses NOTS Support B.V. | 122.869 | 71.207 |
| Balances as at 31 December | <u>585.182</u> | <u>338.372</u> |

The loan to NOTS Investments B.V. has an interest rate of 6% and needs to be repaid on 31 December 2018 or earlier as soon as the liquidity balance permits. If NOTS Investments B.V. are not capable of to repay the loan the repayment date will be extended.

There are no warranties on this loan.

Due to the repayment term the loan has been transferred to Current account NOTS Investments B.V.

4.3 Other receivables

| | <u>31-dec-17</u> | <u>31-dec-16</u> |
|---|------------------|----------------------|
| | € | € |
| Dividend tax to be received after sales shares for 2016 | - | 17.313 |
| Total | <u>-</u> | <u>17.313</u> |

4.4 Cash

| | <u>31-dec-17</u> | <u>31-dec-16</u> |
|-------------------------------|-------------------|-----------------------|
| | € | € |
| ABN-AMRO 52.92.00.147 | 232 | 251.490 |
| ABN-AMRO deposit 55.13.25.488 | <u>101</u> | <u>301</u> |
| Total | <u>333</u> | <u>251.791</u> |

4.5 General reserve

| | <u>2017</u> | <u>2016</u> |
|--|-------------------------|-------------------------|
| | € | € |
| Balance as at 1 January | 1.385.993 | 1.247.689 |
| Reclassification to the legal reserve (dividend received from Triple Jump B.V.) | 99.931 | 79.250 |
| Distribution result | <u>261.167</u> | <u>59.054</u> |
| Balance as at 31 December | <u>1.747.091</u> | <u>1.385.993</u> |

4.6 Legal reserve

| | <u>2017</u> | <u>2016</u> |
|--|-------------------------|-------------------------|
| | € | € |
| Balance as at 1 January | 1.426.787 | 1.280.255 |
| Share of result participation Triple Jump B.V. | 493.017 | 225.782 |
| Dividend payment Triple Jump B.V. | <u>(99.931)</u> | <u>(79.250)</u> |
| Balances as at 31 December | <u>1.819.873</u> | <u>1.426.787</u> |

4.7 Long term liabilities

| | <u>31-dec-17</u> | <u>31-dec-16</u> |
|--------------------------|-------------------------|-------------------------|
| | € | € |
| Loan from party A | 4.079.813 | 3.814.871 |
| Loan from party B | 563.380 | 541.712 |
| Bridge-Loan from party B | - | 304.246 |
| Total | <u>4.643.193</u> | <u>4.660.829</u> |

The loan from party A has been increased with € 264.942 witch including the interest rate of 6% with amount of € 229.942. There is no repayment schedule available. The ultimate repayment date is 31 December 2026. There has been no warranties on this loan.

For the loan from party B has been increased with the interest rate is 4% amount of € 21.668. In the event the sales of solar lamps in Rwanda amount at least \$ 25 million, the interest rate will increase to 18%. There is no repayment schedule available. The ultimate repayment date is 15 December 2024. There has been no warranties on this loan.

The loan from party A is subordinated relative to loans from party B.

4.8 Short term liabilities

| | <u>31-dec-17</u> | <u>31-dec-16</u> |
|--|-------------------------|-----------------------|
| | € | € |
| Current account NOTS | | |
| Sustainable Charcoal B.V. | 527.065 | 499.515 |
| Current account NOTS Support B.V. | 318.089 | 252.743 |
| Current account NOTS RE-Investments B.V. | 16.187 | 16.228 |
| Bridge-Loan from party B | 308.038 | - |
| Accrued expenses | 7 | 7 |
| Total | <u>1.169.386</u> | <u>768.493</u> |

The bridge-loan from party B has been increased with € 3.792 witch including a repayment of € 4.246 and an interest rate of 6% witch have been an amount of € 8.038. NOTS and Party B will determine in the course of 2018 the ultimate repayment date for the bridge loan. There are no warranties on this loan.

All other current liabilities are payable in less than one year.

Off-Balance sheet items

The NOTS Microcredit Bonds were launched in 2008 by Stichting NOTS Investment. All investors have committed themselves to donate the annual coupon of 6% to Stichting NOTS Foundation. Stichting NOTS Foundation receives this donation on an annual basis until 2018 from Stichting NOTS Investments.

The agreement of Disclosed Pledge and Loan Agreement, dated February 2018, between Party 1 and Stichting NOTS Foundation arranges the following:

- Party 1 receives the option right on Stichting NOTS Foundation to buy and acquire the shares of Stichting NOTS Foundation in Triple Jump B.V.,
- Party 1 grants a loan to Stichting NOTS Foundation in the amount of € 1.200.000,00 (one million two hundred thousand Euro) by the loan agreement dated February, 2018.
- Ultimate repayment date of this loan is December 31, 2020;
- Both parties can agree on extending the ultimate repayment date;
- The yearly interest rate of 6% will be paid following December 31.

In the course of 2016 the Dutch tax authority has started an investigation into the so called “ANBI-status” of Stichting NOTS Foundation. The Foundation, together with its external tax advisor, is in discussion with the Dutch tax authority about the outcomes of this investigation. The external tax advisor of the Foundation expects that Stichting NOTS Foundation will keep its ANBI status and that if the Dutch Tax authority unexpectedly decides to cancel the ANBI status this will be effective starting on the date of the decision; so not retrospectively.”

The Foundation has no further additional obligations or rights not visible in the balance sheet.

Events after the balance sheet date

There are no further specifics to mention

5. Notes to the Statement of Income and Expenses

5.1 Income from fundraising

| | <u>2017</u> | <u>2016</u> |
|---------------------------------|-----------------------|-----------------------|
| | € | € |
| Donations | 350.000 | 152.500 |
| Donations from NOTS Microcredit | | |
| Bonds | <u>58.800</u> | <u>58.800</u> |
| Total Income from fundraising | <u>408.800</u> | <u>211.300</u> |

5.2 Income from investments

| | <u>2017</u> | <u>2016</u> |
|--|-----------------------|-----------------------|
| | € | € |
| Participation Triple Jump B.V. (23,68%) | 445.054 | 257.003 |
| Adjustment shareholders capital Triple Jump B.V. | <u>47.963</u> | <u>-</u> |
| | <u>493.017</u> | <u>257.003</u> |

5.3 Financial income and expenses

| | <u>2017</u> | <u>2016</u> |
|---|------------------------|------------------------|
| | € | € |
| Interest income from loan NOTS Investments B.V. | 23.321 | 15.406 |
| Interest income from loan NOTS Support B.V. | (4.641) | (6.447) |
| Interest income from loan NOTS Solar Lamps | 208.509 | 161.661 |
| Interest current account NOTS Solar Lamps B.V. | - | 1.410 |
| Interest current account NOTS Sustainable Charcoal B.V. | (29.900) | (28.317) |
| Interest current account St. NOTS Investments | 6.953 | 6.512 |
| Interest current account NOTS Re investments B.V. | (959) | (958) |
| Interest current account NOTS Solar Lamps Rwanda | 1.250 | - |
| Interest costs from loan from party A | (229.942) | (210.933) |
| Interest costs from loan from party B | (21.668) | (20.835) |
| Interest costs from bridge-loan from party B | (18.434) | (4.246) |
| Interest income from banks | <u>(810)</u> | <u>(24)</u> |
| Total | <u>(66.321)</u> | <u>(86.771)</u> |

5.4 Expenses

| | <u>2017</u> | <u>2016</u> |
|---------------------------------------|-----------------------------|-----------------------------|
| | € | € |
| Insurance | - | 2.420 |
| General expenses | 1.534 | 13.630 |
| Management expenses NOTS Support B.V. | <u>79.778</u> | <u>49.425</u> |
| Total Operational Expenses | <u><u>81.312</u></u> | <u><u>65.475</u></u> |

Loosdrecht, June 28, 2018

Stichting NOTS Foundation

G.E. Hartman
Chairman of the Board