



# Annual Report 2019

# NOTS Foundation

## Contents

<b>Foreword by Bart Hartman</b>	3
<b>Boardreport</b>	5
1 Organisation	5
2 Results	8
3 Funding	8
4 Plans for 2020	10
<b>Financial statements 2019</b>	12
1 Balance sheet as at 31 December 2019	13
2 State of income and expenses 2019	15
3 Accounting principles	16
4 Notes to balance sheet	20
5 Notes to statement of income and expenses	28
<b>Other Information</b>	31
1 Auditors report	32
2 Proposal for profit appropriation	32
3 Subsequent events	32

## Foreword by Bart Hartman,

Founder NOTS Foundation

About one year ago we signed the agreement with the Government of Rwanda (GoR) for setting up a solar home system (SHS) assembly plant in Rwanda and providing GoR with 100,000 SHS units. Despite some delays due to concluding the conditions precedent and COVID-19, we plan to start our assembly activities and deliver the 100,000 units before the end of this year (2020).

Since my message in our annual report 2018 (August 2019), we have been focusing on a number of activities:

- Preparing the sourcing, delivery and installation of the 100,000 SHS units.
- Preparing our assembling activities, including determining the lay-out (assembly lines, incoming goods warehouse, finished good warehouse, etc.), finding a suitable building, etc.
- Further developing our SLMP (our software platform for marketing, credit assessment, contracting, payment processing and default rate management), including an app for our Sales Agents and Clients.
- Executing a pilot with 5,500 Rwandan households to test our 3-lamp MUTIMAX Solar System and SLMP.
- Raising USD 3.5M – 5M equity through an IPO.

Although many things in Africa take more time than in Europe, especially when the government is involved, we make good process with all these activities. Furthermore, it is very encouraging that the pilot households rate our MUTIMAX Solar System with an '8' (out of 10). It is also positive how well our pilot clients pay their weekly instalments (USD 0.60 during 100 weeks). Pre-COVID-19 was our default rate only 2,3%, while in our financial projections we assumed a default rate of 8% and we hardly did any credit assessment on the pilot clients.

Last year September I was connected to Sam Barnett, a fellow Insead alumnus and until December the CEO of MBC, the largest media company in the Middle East. He proposed to bundle our MUTIMAX Solar System with a smart (feature) phone, content and data, based on the notion that (a) in the coming years many Africans will replace their feature phones with smartphones; and (b) charging a smartphone one's a week in a kiosk doesn't work. I was enthusiastic immediately, also because providing our clients with a smartphone will make it much easier for us to communicate with them. Plus, we can lock the phone when they don't pay their weekly instalments. So, Sam and I further developed the 'bundle concept' and we will start testing it in August with part of our pilot households. To maximize the attractiveness of the bundle for our clients, we were able to enter into an agreement with the firm that produces the most popular soap operas on Rwanda TV. They will produce exclusively for our clients a soap opera (with 3 episodes per week) with their most popular actors.



In light of our IPO, we installed a non-executive board for NOTS Solar Lamps (Rwanda) Plc. I am very happy with the quality of the people we could attract. The board consist of 4 persons: Sam Barnett (chairperson; see above); Ignace Rusenga (former IFC Country Representative in Rwanda and Kenya); Albert Butera (former Rwandan minister of energy); and me. To professionalize our governance, I stepped down as board member of NOTS Foundation. My only 'hat' now is CEO of NOTS Solar Lamps BV and Plc. For the board of NOTS Foundation, we did find two high caliber replacements: Monique Dolfing -Vogelenzang (CEO PharmAcces) and Peter Rutgers (Director at Waterman Ventures). To professionalize even more, we created a separate, ANBI proof website for NOTS Foundation: [notsfoundation.nl](https://notsfoundation.nl).

It takes lots of persistence and patience, but we are getting there. In my moments of frustration, I think about how happy our clients are (see the video at our renewed website ([nots.nl](https://nots.nl))) and I get fully re-energized to go for our mission: improving the lives of African households through providing them with affordable electricity.

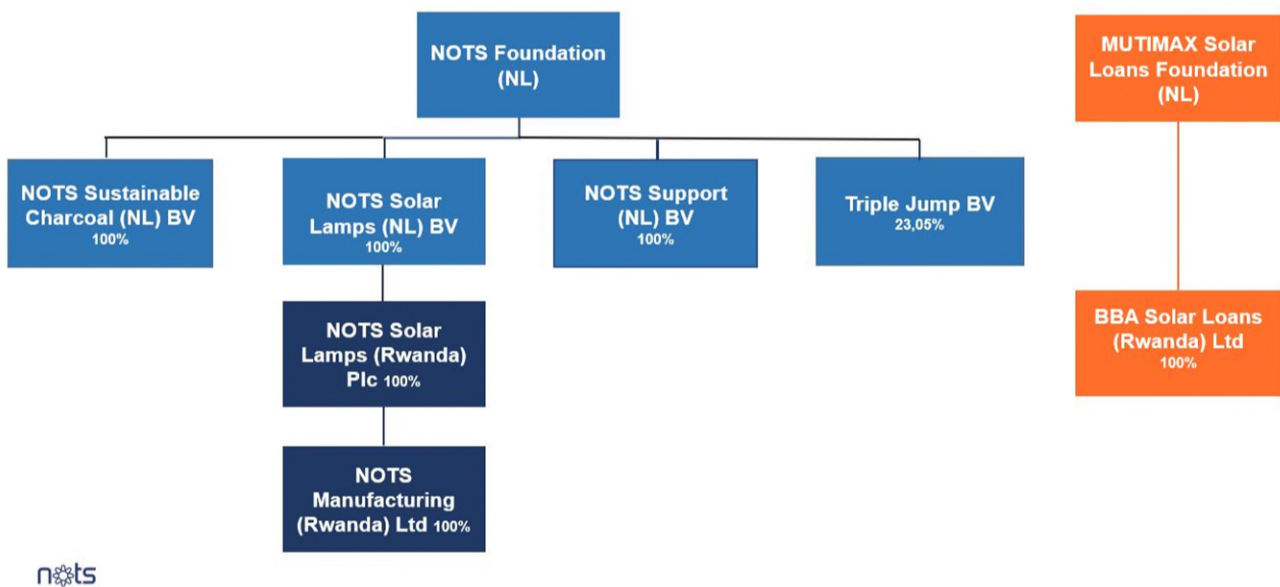
Loosdrecht, 28<sup>th</sup> August 2020

## Boardreport

### 1. Organization

#### 1.1 Structure NOTS

In the course of 2019 the corporate structure of NOTS Group was restructured and as of the end of 2019 NOTS comprised of the following entities:



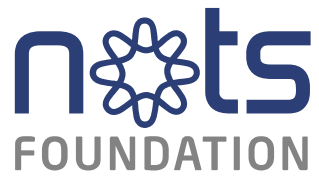
Until 2019 the NOTS Group consisted of:

Stichting NOTS Foundation, NOTS Support B.V., NOTS Solar Lamps B.V., NOTS Sustainable Charcoal B.V., Stichting NOTS Investments, NOTS Investments B.V., Stichting NOTS RE Investments and NOTS RE Investments B.V. in Holland;

NOTS Solar Lamps Plc, NOTS Manufacturing Ltd. and BBA Solar Loans Ltd. in Rwanda.

In 2019 Stichting NOTS Investments, NOTS Investments B.V., Stichting NOTS RE Investments and NOTS RE Investments B.V. were liquidated, due to the termination of their activities.

The financial impact of the liquidation of the NOTS Investment Group reflects in the extraordinary loss of € 409.604, comprising of the assets and liabilities which were transferred to Stichting NOTS Foundation.



Following the new activities in Rwanda, NOTS Solar Lamps Ltd. was renamed NOTS Solar Lamps Plc, NOTS Support Rwanda Ltd. was renamed NOTS Manufacturing Ltd. and MUTIMAX Solar Loans Ltd was renamed BBA Solar Loans Ltd.

## 1.2 Board NOTS Foundation

The board of NOTS Foundation consists of:

Name	Position on the NOTS Foundation board	Commencement date of duties as a board member
Eric Rahusen	Chairman	5-2-2010
Paul Bijleveld	Member	26-9-2012
Peter Rutgers	Member	25-11-2019
Monique Dolfing-Vogelenzang	Member	25-11-2019

Board meetings are held on a quarterly basis. Besides the formal board meetings, the board members have conference calls on regular basis.

None of the board members receive a remuneration for their activities for NOTS.

For profiles of the board members please see: [www.notsfoundation.nl/bestuur](http://www.notsfoundation.nl/bestuur).

## 1.3 Leadership team

All members of the leader teams are very qualified for the work they do for NOTS.

For profiles of these members please see: [www.notsfoundation.nl/bestuur](http://www.notsfoundation.nl/bestuur).

### MT NOTS Solar Lamps Plc (Rwanda)

Name	Position on the NOTS Solar Lamps MT
Solange Mutezintare	COO
Jean-Marie Bournazaud	CFO
Issa Karamage	Sales director

The NOTS Solar Lamps Plc management team receive a fee for their activities for NOTS.

**Board NOTS Solar Lamps Plc (Rwanda)**

<b>Name</b>	<b>Position on the NOTS Solar Lamps Plc board</b>
Sam Barnett	Member
Albert Rutare	Member
Ignace Rusenga Mihigo Bacyaha	Member

The NOTS Solar Lamps Plc board members do not receive a remuneration for their activities for NOTS.

**Board NOTS Solar Lamps B.V. (NL)**

<b>Name</b>	<b>Position on the NOTS Solar Lamps B.V. board</b>
Bart Hartman	Founder & CEO
Bas Maassen	CFO
Roland Tabor	Chief marketing and data officer
Miguel Stief	Chief manufacturing & supply chain officer
Martin Bauman	Controller

The board members Bart Hartman and Bas Maassen do not receive a remuneration for their activities for NOTS. The other members receive a fee for their activities for NOTS.



## 1.4 Employees

At the end of 2019 NOTS had 9 employees (including MT members Solange Mutezintare, Jean-Marie Bournazaud and Issa Karamage).

Besides the staff, NOTS Solar Lamps Plc. has 3 district managers receiving a monthly fee and 26 sales agents who are receiving a monthly commission.

## 1.5 Volunteers policy

Stichting NOTS Foundation has no formal volunteers policy.

## 1.6 Investment policy

Stichting NOTS Foundation has no formal investment policy.

## 2. Results

### 2.1 Achievements

Up to 2019 NOTS sold over 200.000 solar lamps and solar home systems.

In 2019 NOTS focussed their attention and sales to the new brand Mutimax.

Mutimax was launched in May 2019. The first pilot was held in three districts and was very successful: close to all of the 2.000 Mutimax solar home systems were sold in 2019.

### 2.2 Blue Charcoal

The Blue Charcoal activities are currently frozen.

## 3. Funding

Until today, our solar activities are financed through loans from investors (including Bart Hartman) to NOTS Foundation. Subsequently, NOTS Foundation lends money to NOTS Solar Lamps BV (100% subsidiary of NOTS Foundation); and NOTS Solar Lamps BV lends money to NOTS Solar Lamps Plc. (100% subsidiary of NOTS Foundation).

Last December our NOTS Microkrediet Obligaties expired. We are very happy that most of the 'obligatiehouders' decided to swap their investment in the 'obligaties' (bonds) into a loan to NOTS Foundation for funding our solar activities. In addition, we were able to attract about EUR 1,3 million new capital for our solar activities.

In January 2017 we entered into Lol's with three Rwandan institutional investors. They conditionally committed to invest USD 11 million in the notes BBA Solar Loans Ltd (a Rwandan SPV) plans to issue for

funding the loans to families that buy a NOTS / MUTIMAX Solar System on credit. The condition was a signed agreement with the GoR. Now that we have signed this agreement, we re-started engaging with these three investors.

For our long-term success in Rwanda, it is important to have some Rwandan reputable shareholders in NOTS Solar Lamps Plc. The three Rwandan institutional investors that are interested to invest in the notes, also showed interest to invest in NOTS Solar Lamps Plc, though one of their requirements is that the shares of the company will be listed at the Rwanda Stock Exchange. Therefore, we are now planning an IPO (Initial Public Offering). Last December NOTS Solar Lamps Plc submitted a prospectus to the Capital Market Authority. We expect that the review process will be concluded in September 2020.

#### **4. Plans for 2020**

NOTS Foundation and its subsidiaries will focus on providing African families with access to electricity through Made in Africa Solar Home Systems (SHS). This means that if in the future Bart Hartman would like to re-start the sustainable charcoal activities, it will be done through an entity separate from NOTS Foundation and its subsidiaries.

##### **NOTS Solar Lamps**

Earlier this year the MT of NOTS Solar Lamps BV produced an updated business plan, including financial projections, for the next 5 years. This business plan was the basis for attracting the EUR 1,3 mln. new capital and is our road map for the next 5 years. Of course, over time changes will be made because every day we learn and Africa is a fast developing / changing continent. For the next 12 months our main objective is to roll-out our business model in Rwanda from the 3 pilot districts to all 30 districts and to meet our sales and profit targets for this period. In 2021 we plan to become active in at least one other African country through a JV with a successful local entrepreneur / enterprise.

For more detailed information see annual report 2019 of NOTS Solar Lamps B.V.

**NOTS Foundation financials 2020**

As a result of COVID-19 and more specific the lock down in Rwanda, we have to deal with a 3-4 month delay in the implementation of the business plan of NOTS Solar Lamps.

However our expectations for the financials 2020 are that the income and costs before extraordinary gains and losses of NOTS Foundation (including NOTS Support B.V.) will be about the same as in 2019.

Loosdrecht, 28 August 2020

Stichting NOTS Foundation

Eric Rahusen  
Chairman of the Board



**Financial Statements 2019**  
**STICHTING NOTS FOUNDATION**

## 1. Balance sheet as at 31 December 2019

(after profit appropriation)

		<u>31 December 2019</u>	<u>31 December 2018</u>
		€	€
<b>ASSETS</b>			
<b>Fixed Assets</b>			
Financial fixed assets	4.1	9.503.134	9.343.909
<b>Current Assets</b>			
<b>Receivables and accruals</b>			
Receivables from group companies	4.2	2.433.119	874.457
<b>Total receivables</b>		<b>11.936.253</b>	<b>10.218.366</b>
Cash	4.3	426.637	159.184
<b>Total receivables</b>		<b>12.362.890</b>	<b>10.377.550</b>

## 1. Balance sheet as at 31 December 2019

(after profit appropriation)

		<u>31 December 2019</u>	<u>31 December 2018</u>
		€	€
<b>LIABILITIES</b>			
<b>Reserves</b>			
General reserve	4.4	2.135.269	2.181.622
Legal reserve	4.5	2.144.664	1.975.439
		<hr/>	<hr/>
<b>Total reserves</b>		<b>4.279.933</b>	<b>4.157.061</b>
Long term liabilities	4.6	7.552.722	4.993.056
Short term liabilities	4.7	530.235	1.227.433
		<hr/>	<hr/>
<b>Total Liabilities</b>		<b><u>12.362.890</u></b>	<b><u>10.377.550</u></b>

## 2. Statement of income and expenses 2019

		<u>2019</u>	<u>2018</u>
		€	€
<b>Income</b>			
Income from fundraising	5.1	557.951	350.000
Income from investments	5.2	263.136	286.293
Financial income and expenses	5.3	18.907	-42.313
		<hr/>	<hr/>
<b>Total Income</b>		<b>839.994</b>	<b>593.980</b>
<b>Expenses</b>			
Expenses	5.4	2.982	3.883
Management and administration charges by NOTS Support B.V.	5.5	304.536	-
Extraordinary gains and losses	5.6	409.604	-
		<hr/>	<hr/>
<b>Total Expenses</b>		<b>717.122</b>	<b>3.883</b>
		<hr/>	<hr/>
<b>Result</b>		<b><u>122.872</u></b>	<b><u>590.097</u></b>
<b>Allocation of result:</b>			
<b>Legal reserve</b>			
Share result Triple Jump B.V.		263.136	286.293
<b>General reserve</b>		-140.264	303.804
		<hr/>	<hr/>
<b>Total</b>		<b><u>122.872</u></b>	<b><u>590.097</u></b>

Stichting NOTS Foundation did not prepare a budget for 2019.

### 3. Accounting principles

#### General information

Stichting 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. Stichting NOTS Foundation is registered in the Dutch Chamber of Commerce under the number: 34196902.

#### Statutory goal

In 2020 the statutory goals have been revised.

Stichting NOTS Foundation has the following statutory goal:

**To improve the life standard of people in developing countries.**

This goal is pursued by:

- supplying people in developing countries with solar home systems, solar irrigation systems and other products and services that contribute its statutory goal;
- supplying these products and services on credit or via loans;
- attracting funds to provide the finance of these credits and loans;
- participating in entities which support or contribute to its statutory goal;
- carrying out other activities which the foundation considers necessary or appropriate in order to pursue its goal.

Pursuing profit is not one of the goals of the foundation.

#### General

The financial statements of 2019 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 in 2015 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 2019 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 Lamps Plc. (100% subsidiary of NOTS Solar Lamps B.V.)

NOTS Manufacturing Ltd. (100% subsidiary of NOTS Solar Lamps Plc.)

BBA Solar Loans Ltd. (100% subsidiary of Mutimax Solar Loans Foundation)

Furthermore Stichting NOTS Foundation has a strategic participation of 23,05% in Triple Jump B.V.

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

In 2019 a number of changes were performed within the NOTS Group.

Until 2018 the NOTS Group consisted of:

Stichting NOTS Foundation, NOTS Support B.V., NOTS Solar Lamps B.V., NOTS Sustainable Charcoal B.V., Stichting NOTS Investments, NOTS Investment B.V., Stichting NOTS RE Investments and NOTS RE Investments B.V. in Holland; and NOTS Solar Lamps Ltd., NOTS Support Rwanda Ltd. and MUTIMAX Solar Loans Ltd. in Rwanda.

During 2019 Stichting NOTS Investments, NOTS Investment B.V., Stichting NOTS RE Investments and NOTS RE Investments B.V. were liquidated due to termination of their activities. Following new activities in Rwanda, NOTS Solar Lamps Ltd. was renamed NOTS Solar Lamps Plc., NOTS Support Rwanda Ltd. was renamed NOTS Manufacturing Ltd. and MUTIMAX Solar Loans Ltd. was renamed BBA Solar Loans Ltd.

## 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.

Until 2017 donations from NOTS bonds were the coupons received by the bondholders of NOTS Microcredit Bonds issued by Stichting NOTS Investments. These coupons were donated each year by the bondholders to Stichting NOTS Foundation. In 2018 the bonds have been repaid.

Donations and contributions were 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 fixed assets

		<u>31-Dec-19</u>	<u>31-Dec-18</u>
		€	€
Participation Triple Jump B.V.	23,05%	2.110.146	1.940.921
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 Sust. Charcoal B.V.	100%	1.038.946	1.038.946
NOTS Microcredit Bond		-	10.000
Loan to NOTS Solar Lamps B.V.		4.603.824	4.603.824
<b>Total</b>		<b><u>9.503.134</u></b>	<b><u>9.343.909</u></b>

#### Movements in the participation in Triple Jump B.V.

	<u>2019</u>	<u>2018</u>
	€	€
Balance as at 1 January	1.940.921	1.785.355
Dividend previous year, payment current year	-93.911	-130.727
Result participation current year	263.136	286.293
<b>Balances as at 31 December</b>	<b><u>2.110.146</u></b>	<b><u>1.940.921</u></b>

## Participations

NOTS Foundation has participations in Triple Jump B.V. in Amsterdam (23,05%), 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 microfinance institutions (MFI's), with the mission to overcome poverty and improve lives by investing capital in entrepreneurship at the bottom of the pyramid. Over the past years Triple Jump has proved well-known for responsible investment management in the emerging markets. For NOTS the spin-off of the participation is building company awareness and goodwill with social impact enterprises around the world as well as good financial returns of investment.

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 Lamps Plc.

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, etc. Currently the activities of NOTS Sustainable Charcoal B.V. are on hold.

The net asset value of the participation in NOTS Support B.V. was € 175.764 as of 31 December 2019. The net value result of 2019 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 € (2.958.838) as of 31 December 2019. The net value result of 2019 amounted to € (710.605). 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 € 902.318 as of 31 December 2019. The net result of 2019 amounted to € (94.056). 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.

## Loans

	<u>31-12-2019</u>	<u>31-12-2018</u>
	€	€
Loan NOTS Solar Lamps B.V.	<u>4.603.824</u>	<u>4.603.824</u>
<b>Total</b>	<b><u>4.603.824</u></b>	<b><u>4.603.824</u></b>

The terms of the loan of Stichting NOTS Foundation-NOTS Solar Lamps B.V. have been adjusted in order to comply with the terms of the loans of new investors of Stichting NOTS Foundation.

The interest of 8% is charged over the average outstanding amount (Interest of former loan 6%).

The loan will mature on January 1st, 2027 and NOTS Solar Lamps B.V. is entitled to prepay the loan either in whole or in part. If the loan was valued at lower fair value, the valuation would have been lower.

There are no warranties on this loan.

## 4.2 Receivables from group companies

	<u>31-Dec-19</u>	<u>31-Dec-18</u>
	€	€
Current account NOTS Solar Lamps B.V.	2.269.702	-
Current account NOTS Sustainable Charcoal B.V.	150.724	-
Current account BBA Solar Loans Ltd. Rwanda (formerly known as NOTS Solar Loans Ltd.)	12.643 -	12.875 -
Current account Stichting NOTS Solar Foundation	50	50
Current account NOTS Investments B.V.	-	857.778
Current account Stichting NOTS RE Investments	-	<u>3.754</u>
<b>Total</b>	<b><u>2.433.119</u></b>	<b><u>874.457</u></b>

In 2019 the interest of 6% is charged over the average outstanding amount of the current account of NOTS Solar Lamps B.V. and no interest is charged on the other current accounts.

In 2018 the interest of 6% was charged over the average outstanding amount of the current account of NOTS Investments B.V. and no interest was charged on the other current accounts.

**Movements in the loan to NOTS Investments B.V.**

	<u>2019</u>	<u>2018</u>
	€	€
Balance as at 1 January	857.778	585.182
Movement fund	-857.778	71.713
Interest rate of 6%	-	36.751
Management expenses NOTS Support BV	-	164.132
	<u>-</u>	<u>857.778</u>
<b>Balances as at 31 December</b>	<b><u>-</u></b>	<b><u>857.778</u></b>

NOTS Investments B.V. was terminated in 2019. All assets and liabilities of NOTS Investments B.V. were transferred to NOTS Foundation.

**4.3 Cash**

	<u>31-Dec-19</u>	<u>31-Dec-18</u>
	€	€
Bank account (current )	11.536	159.083
Bank account (deposit)	415.101	101
	<u>426.637</u>	<u>159.184</u>
<b>Total</b>	<b><u>426.637</u></b>	<b><u>159.184</u></b>

## LIABILITES

### 4.4 General reserve

	<u>2019</u>	<u>2018</u>
	€	€
Balance as at 1 January	2.181.622	1.747.091
Reclassification to the legal reserve (dividend received from Triple Jump B.V.)	93.911	130.727
Distribution result	-140.264	303.804
<b>Balances as at 31 December</b>	<b><u>2.135.269</u></b>	<b><u>2.181.622</u></b>

### 4.5 Legal reserve

	<u>2019</u>	<u>2018</u>
	€	€
Balance as at 1 January	1.975.439	1.819.873
Share of result participation Triple Jump	263.136	286.293
Dividend payment Triple Jump B.V.	-93.911	-130.727
<b>Balances as at 31 December</b>	<b><u>2.144.664</u></b>	<b><u>1.975.439</u></b>

### 4.6 Long term liabilities

	<u>2019</u>	<u>2018</u>
	€	€
Loan from party A	4.762.481	4.407.141
Loan from party B	939.046	585.915
Loan from various investors, known as party C	1.597.579	-
Loan from party D	253.616	-
<b>Balances as at 31 December</b>	<b><u>7.552.722</u></b>	<b><u>4.993.056</u></b>



The loan from **party A** has been increased with € 355.340 including the interest rate of 6% with the amount of € 280.766.

There is no repayment schedule available. The ultimate repayment date is 31 December 2026.

There are no warranties on this loan.

The loan from party A is subordinated relative to the loan from parties B, C and D.

The loan from **party B** has been increased with 353.131 including the rate of 4% with the amount of € 13.672 for the months Jan-July and 8% with the amount of € 30.468 for the months Aug-Dec 2019.

The terms of the loan of party B were amended per Aug 1, 2019.

Warranties in the loan agreement:

This agreement constitutes a legal, valid and binding obligation of NOTS enforceable against borrower in accordance with its terms.

Execution, delivery and performance of this agreement does not violate with any previously engaged contract or obligation of NOTS.

Repayment of the loan:

NOTS has the right to repay all or any part of the principal amount of the loan, together with all other charges, costs and expenses, at any time without prepayment penalty.

The principal amount of the loan, together with all other charges, costs and expenses, is due and payable as soon as the cash flow permits repayment, following one of the 3 scenarios: in the management case repayment after 3 years (2022), in the base case after 5 years (2024), and in the worst case after 7 years (2026).

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

The loan from **party C** consists of new investors 2019 for the total loan amount of € 1.597.579 consisting of the principal loan of 1.530.000 and increased with the interest rate of 8% for € 67.579.

Warranties in the loan agreement:

This agreement constitutes a legal, valid and binding obligation of NOTS enforceable against borrower in accordance with its terms.

Execution, delivery and performance of this agreement does not violate with any previously engaged contract or obligation of NOTS.

Repayment of the loan:

NOTS has the right to repay all or any part of the principal amount of the loan, together with all other charges, costs and expenses, at any time without prepayment penalty.

The principal amount of the loan, together with all other charges, costs and expenses, is due and payable as soon as the cash flow permits repayment, following one of the 3 scenarios: in the management case repayment after 3 years (2022), in the base case after 5 years (2024), and in the worst case after 7 years (2026).

The loan from party A is subordinated relative to the loan from party C.

The loan from **party D** consists of the amount of € 253.616 including the interest rate of 8% with the amount of € 3.616, calculated over the total loan of € 500.000 (long and short term) during the loan period Nov 27, 2019 to Dec 31, 2019.

Warranties in the loan agreement:

This agreement constitutes a legal, valid and binding obligation of NOTS enforceable against borrower in accordance with its terms.

Execution, delivery and performance of this agreement does not violate with any previously engaged contract or obligation of NOTS.

Repayment of the loan:

NOTS has the right to repay all or any part of the principal amount of the loan, together with all other charges, costs and expenses, at any time without prepayment penalty.

The principal amount of the loan, together with all other charges, costs and expenses, is due and payable as soon as the cash flow permits repayment, following one of the 3 scenarios: in the management case repayment after 3 years (2022), in the base case after 5 years (2024), and in the worst case after 7 years (2026).

The loan from party A is subordinated relative to the loan from party D.

#### 4.7 Short term liabilities

	<u>2019</u>	<u>2018</u>
	€	€
Creditors	2.420	-
Short term loan from party D	250.000	-
Current account NOTS Support B.V.	277.815	227.859
Current account NOTS Sustainable Charcoal B.V.	-	558.431
Current account NOTS RE Investments B.V.	-	16.540
Current account Stichting NOTS Investments	-	124.595
Bridge-Loan from party B	-	300.000
Accrued expenses	-	8
	<hr/>	<hr/>
<b>Balances as at 31 December</b>	<b><u>530.235</u></b>	<b><u>1.227.433</u></b>

6% interest has been calculated over the average balance of the current account of NOTS Support B.V. The short term loan from Party D has been repaid in March 2020. The interest on this loan of 8% is included in the long term loan Party D.

## 5. Notes to the statement of income and expenses

### 5.1 Income from fundraising

	<u>2019</u>	<u>2018</u>
	€	€
Donations	350.000	350.000
Donations from party D	207.951	-
<b>Total</b>	<b><u>557.951</u></b>	<b><u>350.000</u></b>

### 5.2 Income from investments

	<u>2019</u>	<u>2018</u>
	€	€
Participation Triple Jump B.V.	263.136	286.293
<b>Total</b>	<b><u>263.136</u></b>	<b><u>286.293</u></b>

### 5.3 Financial income and expenses

		<u>2019</u>	<u>2018</u>
		€	€
Interest costs loan	party A	-280.766	-247.193
Interest costs loan	party B	-53.130	-40.486
Interest costs loan	party C	-67.579	-
Interest costs loan	party D	-3.616	-
Interest income loan	NOTS Solar Lamps B.V.	368.306	249.482
Interest income loan	NOTS Investments B.V.	-	36.751
Interest costs loan	NOTS Support B.V.	-	-8.007
Interest current account	NOTS Solar Lamps B.V.	55.984	-
Interest current account	NOTS Sust.Charcoal B.V.	-	-31.616
Interest current account	NOTS RE-Investments BV	-	-953
Interest	banks	-292	-291
<b>Total</b>		<b><u>18.907</u></b>	<b><u>-42.313</u></b>

#### 5.4 Expenses

	<u>2019</u>	<u>2018</u>
	€	€
Insurance	2.420	2.420
General expenses	<u>562</u>	<u>1.463</u>
<b>Total</b>	<b><u><u>2.982</u></u></b>	<b><u><u>3.883</u></u></b>

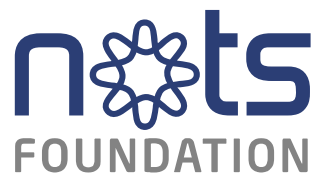
#### 5.5 Management expenses

	<u>2019</u>	<u>2018</u>
	€	€
NOTS Support B.V.	<b><u><u>304.536</u></u></b>	<b><u><u>-</u></u></b>

Following the agreement with the Dutch tax authorities the operational expenses of NOTS Support B.V. are recharged to the NOTS entities based on income of the NOTS entities.

#### 5.6 Extraordinary gains and losses

	<u>2019</u>	<u>2018</u>
	€	€
<b>Liquidation NOTS Investment Group</b>		
Current Account NOTS Investments B.V.	355.778	-
Current Account Stichting NOTS Investments	66.694	-
Current account Stichting RE Investments	-12.846	-
Costs	<u>-22</u>	<u>-</u>
<b>Total</b>	<b><u><u>409.604</u></u></b>	<b><u><u>-</u></u></b>



During 2019 the NOTS Investments entities were liquidated due to the termination of their activities. As founder and financier of these entities, Stichting NOTS Foundation took the losses of these companies in her annual accounts of 2019.

Loosdrecht, 28 August 2020

Stichting NOTS Foundation

E.H. Rahusen

Chairman of the Board

## Other information

## 1. Other information

### Independent auditor's report

The company applies the exception of article 396.7 of Book 2, title 9 of the Netherlands civil code for not engaging an independent auditor to audit its financial statements.

### Provisions in the Articles of Association governing the appropriation of profit

According to article 20 of the company's Articles of Association, the profit is at the disposal of the General Meeting of Shareholders.

### Proposal for profit appropriation

In accordance with the legal provisions the result of 2019 (€ 122.872) will be included as a profit in the reserve funds. This proposal is already incorporated in the financial statements.

### Subsequent events

As a result of COVID-19 and more specific the lock down in Rwanda, we have to deal with a 3-4 month delay in the implementation of the business plan of NOTS Solar Lamps.

Other than this there are no subsequent events after balance date which effect the actual state at December 31, 2019.