

TRIGGERISE STICHTING

Report on the financial statements for
the year ended 31 December 2017

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DIRECTORS' REPORT

DIRECTORS' REPORT

The Board of Directors is pleased to present the financial statements of Triggerise Stichting for the financial period ended 31 December 2017.

General

Triggerise Stichting, a Public Benefit organization, serves the public interest and does not aim to make profit. Triggerise builds reward platforms for positive behaviour. Essentially, people in our networks earn reward points (TIKO) for going to consultations, accessing medication, attending community sessions etc. These rewards can be traded in the local shops, pharmacies and last mile distributors.

We manage networks that, in addition to community members, include wholesalers, local shops, service providers, health providers, informal entrepreneurs, etc. We also have a powerful distribution platform that plays an important role in connecting the communities to the services and products that facilitate impact.

Rewards work for once-off events (consultation, HIV test) but can also be linked to successions of milestones, with the ability to manage timing, location, order etc. This allows us to address a behavioral component, an economic one (cash injection in local economy & income opportunities), and a problem specific to the development/impact investment sectors: a platform that connects directly to communities and provides a funder/impact investor with real-time visibility and the ability to customize and manage investments in real time based on data.

Triggerise is currently active in 11 markets, each at different level of maturity.

Structure of the Group

Triggerise Stichting, a public benefit foundation ('ANBI') incorporated in The Netherlands, is the parent company and sole holder of a group of networked, financially consolidated entities that include:

- Triggerise B.V., a limited company in the Netherlands, tasked with managing all operations on behalf of the Stichting;
- Triggerise Labs Sociedade Unipessoal (single shareholder company), incorporated in Portugal, owned 100% by Triggerise and tasked with the development of all technology on behalf of the group, globally;
- Triggerise SA, incorporated in South Africa, a global operational and supporting hub of the Group;
- Triggerise Kenya Limited, incorporated in Kenya, owned 100% by Triggerise to support our activities in Kenya; and
- Triggerise India Private Limited, incorporated in India, owned 100% by Triggerise to support our activities in India.

Financial and operational performance

Our major source of Income was the 3 donation contracts with PSI, CIFF and Cordaid. Unlike CIFF, which was a direct donation, PSI and Cordaid are part of larger consortia, put forward by donors, including the Dutch Ministry of Foreign Affairs (MinBuZa). The amount we received as part of these sub-awards amounts to EUR 2,432 thousand.

Our Partnership Business in 2017 across nine countries, accounted for EUR 407 thousand in income. Our global partners included PSI and Pharmaccess.

Since we are growing fast our cost was slightly higher than our income resulting in a net loss amounting to EUR 125 thousand (budgeted loss EUR 411 thousand and 2016 loss: EUR 419 thousand).

Financial position, financing and cash flows

The initial funding for Triggerise Stichting was put forward by PSI, a global non-profit charitable organization. In 2017 Triggerise covered its expenses through the income from donations and contract activities. Cash flows from operating activities show a cash outflow in 2017 of EUR 4 thousand compared to net cash outflow of EUR 38 thousand in 2016,

Risks assessment

Triggerise is an innovator, courageous, risk-tolerant and committed to bold ideas. However we are fully committed to full compliance and risks management. A risk committee has been established to monitor our risk management process, including identifying new risks, quantify impact and assess likelihood of events.

The primary risk currently is the level of funding required to achieve growth. Being in a growth phase, Triggerise requires significant resources to fund going to scale. Without sufficient funding Triggerise will not obtain our growth targets, impacting our long term feasibility. We manage this risk by seeking new donors and contract activities, managing our current donors and constantly monitoring our liquidity position through successive liquidity budgets.

Operationally we focus on controlling the risks in the markets by limiting the amount of cash in the markets and having a centralized financial system in place. All bank payments are authorized in our head office in Amsterdam. We also implemented controls in the various market to minimize the risks of actors in the market taking advantage of our network. Improved controls were issued to the markets during the year and being implemented.

A weaker dollar is a risk for Triggerise as our a significant part of our income is in USD while our expenses is a mixture of Euro, Kenya Shilling, US Dollar, South African Rand and Indian Rupees. The lower Dollar was the main reason for incurring a loss on foreign exchange transactions of EUR 55 thousand in 2017. In 2018 Triggerise will manage that risk by exchanging USD income once received to Euro to cover that part of the expected Euro expenses based on a multi-currency cash flow forecast.

Governance

Board of Directors

The Board of Directors, entrusted with the management of Triggerise, consists of Benoit Renard (Chief Executive Officer) and Johan Goudkamp (Finance Director).

The Board of Directors is responsible for strategy, long term planning and managing the back office, operations, data science and tech teams. Furthermore it is responsible for implementing and maintaining an adequate risk management and control system. The Board promotes Triggerise's interests, in the broadest sense of the word, and is organizing funding and donations.

Supervisory Board

Triggerise has a Supervisory Board in place consisting of 5 volunteers. One of them is a representative of PSI. The Supervisory Board members act in accordance with the interests of Triggerise.

The Supervisory Board has the duty to oversee the policies of the Board and the general course of affairs in Triggerise. The board assists management by giving advice and high level guidance and monitors that the organization operates in accordance with vision and strategy.

The Board of Directors provide the Supervisory Board with the information necessary or requested for the performance of its oversight duties. The annual and multi-year plans, with the associated budget require the approval of the Supervisory Board.

Code of Conduct

All staff must read, sign and abide by the:

1. Anti-corruption Code;
2. Child Protection Policy;
3. Conflict of Interest Code; and
4. all other codes of conduct, codes of ethics and other working procedures as adopted and published by Triggerise as this forms part of their contract of employment. The code clearly outlines the standards of behaviors that are expected of all staff and defines ethical values and norms. The rules and guidelines contained in the code, together with the policies and procedures and the terms and conditions of employment provide a framework within which all Triggerise officials and employees need to conduct their business.

In accordance with the Code of Conduct, staff must declare any possible conflicts of interest and register all gifts in a gift register.

Personnel

The number of employees (FTE) for the Stichting and its Group companies at the end of the financial year 2017 amounted to 29 (2016: 21). We would like to express our gratitude to our employees for their dedication and commitment to the Stichting in 2017.

Research and development information

A fundamental part of our ethos at Triggerise is continuously exploring new ways to do things and innovate, both with our approach as well as with our products and offerings.

Technological developments

Movercado; our flagship technology platform, has evolved significantly. We focused on improving controls, developing the TIKO card to facilitate actors without a mobile phone to join the network and the integration of Movercado with the banking system in Kenya.

Product developments

In 2017 we further developed our 3 distinct brands, TIKO Miles, TIKO Pro and TIKO Explore.

TIKO Miles has remained one of our flagship product innovations. TIKO Miles are virtual rewards earned through positive behavior and spent just like real money in the local market. This puts a real value on positive behavior, making earning TIKO Miles motivating and desirable.

TIKO Pro provides an aspiring or existing entrepreneur easy access to products & services she can promote, propose and sell in her community at her convenience. The entrepreneur enjoys the flexibility to work on own time, build her own offering, acquire new skills and ultimately, increase her income.

TIKO Explore is a membership that provides opportunities to access lifestyle deals and build journeys that enhances our target audience's life. The offering is divided into 5 categories (each of them responding to a specific need) and available through a network of commercial and nonprofit partners.

Outlook

We are looking forward to 2018 as a year of continued growth, both for us as an organization as well as for our impact in our markets. It is therefore important to focus on delivering on our commitments to the donors, investigating and obtaining new funding opportunities and seek opportunities together with the donors to invest in new projects or regions. We need to keep focusing on strengthening our local operations, strengthening our global business services and improving our technology.

In 2018 there will be a renewed focus on innovations. These include (but not exclusively):

- User Controlled Products & Direct delivery
- Bringing content on smartphones, games, videos, questionnaires
- Online counselling and telemedicine
- Verification, biometrics and photo analysis

Amsterdam, 13 April 2018

The Board of Directors:

Benoit Renard

Johan Goudkamp

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2017

(Before result appropriation)

	Note	31 December 2017		31 December 2016	
		EUR	EUR	EUR	EUR
ASSETS					
Fixed assets					
Tangible fixed assets	(1)	<u>22,353</u>		<u>21,391</u>	
			22,353		21,391
Current assets					
Trade and other receivables	(2)	226,250		143,144	
Cash and cash equivalents	(3)	<u>107,124</u>		<u>112,253</u>	
			333,374		255,397
			<u>355,727</u>		<u>276,788</u>
LIABILITIES					
Reserves	(4)		(103,286)		26,419
Current liabilities	(5)		459,013		250,369
			<u>355,727</u>		<u>276,788</u>

**CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURES FOR THE YEAR
ENDED 31 DECEMBER 2017**

	Note	Actual 2017 EUR	Budget 2017 EUR	Actual 2016 EUR
Income				
Income from donations	(6)	2,432,196	2,423,360	996,837
Income from rendering of services	(6)	406,781	213,000	347,438
Total income		2,838,977	2,636,360	1,344,275
Expenditures				
Expenditures on Triggerise goals	(7)	(2,303,179)	(2,447,439)	(1,103,158)
Cost of generating income		(145,934)	(175,525)	(164,811)
Management & administration costs		(438,750)	(423,977)	(473,106)
Total expenditures		(2,887,863)	(3,046,941)	(1,741,075)
Net operating result		(48,886)	(410,581)	(396,800)
Financial result	(8)	(65,272)	-	(12,625)
Loss before taxation		(114,158)	(410,581)	(409,425)
Taxation	(9)	(10,783)	-	(9,731)
Net loss		<u>(124,941)</u>	<u>(410,581)</u>	<u>(419,156)</u>
Appropriation of result				
Deducted from the reserves		(124,941)	(410,581)	(419,156)
Net loss		<u>(124,941)</u>	<u>(410,581)</u>	<u>(419,156)</u>

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER
2017**

	<u>2017</u>	<u>2016</u>
	EUR	EUR
Operating result	(48,886)	(396,800)
<i>Adjusted for:</i>		
Operating expenses*	-	192,631
Depreciation	8,479	8,535
Foreign exchange result	(60,028)	(4,692)
Changes in working capital	<u>135,268</u>	<u>165,623</u>
Cash flow from operations	34,833	(34,703)
Interest received	74	82
Bank charges paid	(10,081)	(3,709)
Interest paid	<u>(20,514)</u>	<u>-</u>
Cashflow from operating activities	4,312	(38,330)
Investments in tangible fixed assets	<u>(9,441)</u>	<u>(24,802)</u>
Cash flow from investing activities	(9,441)	(24,802)
Cash contributions	<u>-</u>	<u>132,589</u>
Cash flow from financing activities	<u>-</u>	<u>132,589</u>
Net cash flow	(5,129)	69,457
Exchange rate and translation differences on cash and cash equivalents	-	(1,519)
Changes in cash and cash equivalents	<u><u>(5,129)</u></u>	<u><u>67,938</u></u>

* These related to contributions in kind by reimbursements of operational costs funded by PSI (refer note 14).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL

Relationship with parent company and principal activities

Triggerise Stichting ("Triggerise or the Stichting"), domiciled in Amsterdam, Linnaeusstraat 2C, is a foundation. The Foundation was incorporated on 29 October 2014.

Triggerise Stichting, a Public Benefit organization ('ANBI'), serves the public interest and does not aim to make profit. The objective of the Group is to create, foster, invest and/or manage businesses and philanthropic solutions to underserved market segments worldwide.

Triggerise builds reward platforms for positive behaviour. Essentially, people in our networks earn reward points (TIKO) for going to consultations, accessing medication, attending community sessions etc. These rewards can be traded in the local shops, pharmacies and last mile distributors.

Triggerise manages networks that, in addition to community members, include local shops, service providers, health providers, informal entrepreneurs, etc. It also has a powerful distribution platform that plays an important role in connecting the communities to the services and products that facilitate impact.

Group structure

The financial statements of Triggerise consolidate the financial information of Triggerise Stichting and that of the following subsidiaries, which are either directly or indirectly wholly-owned subsidiaries ("the Group"):

- Triggerise B.V., Amsterdam, The Netherlands, acting as management and service company to assist the Stichting;

- Triggerise Labs Sociedade Unipessoal Limitada, Porto, Portugal, tasked with the development of all technologies on behalf of the Group, globally;

- Triggerise South Africa, Cape Town, South Africa, a global operational and supporting hub for the Group.

- Triggerise Kenya Limited, Nairobi, Kenya, to support the Group activities in Kenya; and

- Triggerise India Private Limited, New Delhi, India, to support the Group activities in India.

Financial reporting period

These financial statements cover the year 2017, which ended 31 December 2017. The comparative figures present the financial year ended 31 December 2016.

Basis of preparation

The financial statements have been prepared in accordance with Dutch Accounting Standard for Fundraising Institutions (RJ 650) published by the Dutch Accounting Standards Board. This guideline requires that costs be allocated not only to the cost of direct fundraising and the achievement of the organization's goals but also to generating income and management & administration.

The principles adopted for the valuation of assets and liabilities and the determination of the result are based on the historical cost convention.

Because the majority of the transactions within the Group are denominated in euros, amounts are expressed in euros (functional currency).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Going concern

These financial statements have been prepared on the basis of the going concern assumption. At year end 2017, Triggerise has a negative working capital position of EUR 126 thousand. Early 2018, new funds from donors have been obtained, which will give the Stichting sufficient cash to carry out its activities the coming months. Furthermore, management is continuously seeking new donors and monitors its cash position closely. According to management, all this will make sure that going concern is guaranteed.

Consolidation principles

The consolidated financial statements include the financial data of the Stichting and its group companies. Control exists when the Stichting has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Group companies are participating interests in which the Stichting has a direct and indirect controlling interest. In assessing whether a controlling interest exists, potential voting rights that are presently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. In preparing the consolidated financial statements, intra-group balances, revenues and expenses arising from intra-group transactions are eliminated. The Group companies are consolidated in full.

ACCOUNTING POLICIES - GENERAL

If not stated otherwise, assets and liabilities are shown at nominal value.

An asset is disclosed in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be reliably measured. A liability is recognised in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

If a transaction results in a transfer of future economic benefits and or when all risks relating to assets or liabilities transfer to a third party, the asset or liability is no longer included in the balance sheet. Assets and liabilities are not included in the balance sheet if economic benefits are not probable or cannot be measured with sufficient reliability.

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

Use of estimates

The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

The following accounting policies are in the opinion of management the most critical for the purpose of presenting the financial position and require estimates and assumptions:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Recognition of income from donations

Income from donations is recognised, amongst others, to the extent that funds are used for the reasonable and allowable cost incurred for the activities as specified in the contracts with the donors. Management uses a reasonable and prudent method in allocating the cost to programs in accordance with terms and conditions of the agreement (also refer to principles of determination of the result).

Principles for the translation of foreign currencies

Transactions in foreign currencies

Transactions denominated in foreign currency are translated into the relevant functional currency of the Group companies at the exchange rate applying on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the balance sheet date at the exchange rate applying on that date. Non-monetary assets and liabilities in foreign currency that are stated at historical cost are translated into euros at the applicable exchange rates on the transaction date. Translation gains and losses are taken to the profit and loss account.

Foreign operations

The assets and liabilities that are part of the net investment in a foreign operation are translated into euros at the exchange rate prevailing at the balance sheet date. The revenues and expenses of such a foreign operation are translated into euros at the exchange rate on the transaction date. Currency translation differences are recognised in the translation reserve within equity.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

Financial instruments

Financial instruments include trade and other receivables, cash items, and trade and other payables.

Financial instruments are initially recognised at fair value. If instruments are not carried at fair value through profit and loss, then any directly attributable transaction costs are included in the initial measurement. After initial recognition, financial instruments are valued in the manner described in these accounting principles below.

Tangible fixed assets

Tangible fixed assets are stated at cost, which is its acquisition price, less accumulated depreciation and impairment losses. The depreciation is based on the expected useful life and is calculated on the basis of a fixed percentage of the acquisition price, taking into account any residual value. Depreciation is applied as from the moment the asset is available for its intended use.

Financial fixed assets

Participating interests, where significant influence is exercised over the business and financial policy, are valued according to the equity method on the basis of the net asset value. This net asset value is based on the same accounting principles as applied by Triggerise Stichting. Participating interests with a negative net asset value are valued at nil. In a case where the Stichting fully or partly guarantees the debts of the respective participating interest, a provision is recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Impairment

Tangible fixed assets are assessed at each reporting date whether there is any indication of an impairment. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the higher of value in use and net realisable value.

When the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised for the difference between the carrying amount and the recoverable amount. Subsequently, at each reporting date, the Group assesses whether there is any indication that an impairment loss that was recorded in previous years has been decreased. If any such indication exists, then the recoverable amount of the asset is estimated.

Reversal of a previously recognised impairment loss only takes place when there is a change in the assessment used to determine the recoverable amount since the recognition of the last impairment loss. In such case, the carrying amount of the asset is increased to its recoverable amount, but not higher than the carrying amount that would have applied (net of depreciation) if no impairment loss had been recognised in previous years for the asset.

Trade and other receivables

Trade and other receivables are carried at amortised cost using the effective interest rate method, less impairment losses.

Cash and cash equivalents

Cash and cash equivalents are valued at nominal value. If cash and cash equivalents are not readily available, this fact is taken into account in the measurement.

Cash and cash equivalents denominated in foreign currencies are translated at the balance sheet date in the functional currency at the exchange rate ruling at that date. Reference is made to the accounting policies for foreign currencies.

Provisions

A provision is recognised if the following applies:

- the Group has a legal or constructive obligation, arising from a past event;
- the amount can be estimated reliably; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

If all or part of the payments that are necessary to settle a provision are likely to be fully or partially compensated by a third party upon settlement of the provision, then the compensation amount is presented separately as an asset. Provisions are stated at the nominal value of the expenditures that are expected to be required to settle the liabilities and losses.

Liabilities

Financial commitments, trade and other payables are carried at amortised cost using the effective interest rate method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

Income from donations

Income from donations is recognised in the year to which the item of income relates and is recognised for the obligated amounts the donors have agreed upon under the contracts, to the extent that services have been provided and funds are used for the reasonable and allowable costs incurred for the activities as specified in the contract with the donors.

Income from rendering of services

Revenue from services rendered is accounted for in net turnover at the fair value of the consideration received or receivable.

Revenues from services rendered are recognised in the profit and loss account when the amount of the revenue can be determined reliably, collection of the related compensation to be received is probable, the extent to which the services have been performed on the balance sheet date can be determined reliably, and the costs already incurred and (possibly) yet to be incurred to complete the service can be determined reliably.

If the result from a specific service contract cannot be determined reliably, then revenues are recognised up to the amount of the service costs that are covered by the revenues.

Expenditures on Triggerise goals

Expenditures on Triggerise goals relate to those expenses that are directly or indirectly attributable to projects and programs, taking into consideration what has been contractually agreed upon with the donors.

Costs of generating income

The costs of generating income include the direct and indirect costs of recruiting and maintaining relationships.

The allocation to these categories (goals and generating income) is made with the consistency principle and on the basis of fixed, internally defined allocation keys.

Management and administration costs

The management and administration costs are calculated in accordance with the guideline published by VFI, the trade association of charities. They include the costs of the supervisory board, general secretariat, finance department and all costs indirectly allocated thereto, to the extent that these cannot be allocated directly, or based on what has been contractually agreed upon with the donors, to the goals and generation of income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Corporate income tax

Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period.

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the financial year, calculated using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

If the carrying amount of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base), this results in temporary differences. For taxable temporary differences, a provision for deferred tax liabilities is recognised. For deductible temporary differences, available tax losses and unused tax credits, a deferred tax asset is recognised, but only to the extent that it is probable that future taxable profits will be available for set-off or compensation. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The measurement of deferred tax liabilities and deferred tax assets is based on the tax consequences following from the manner in which the Group expects, at the balance sheet date, to realise or settle its assets, provisions, debts and accrued liabilities. Deferred tax assets and liabilities are measured at nominal value.

Related party transactions

For the purpose of these financial statements, parties are considered to be related to the Stichting if the Stichting has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Stichting and the party are subject to common control or common significant influence. Related parties comprise subsidiaries of the Stichting. A part of the Stichting's transactions is with related parties.

Cashflow statement

The cash flow statement is prepared using the indirect method. Cash flows in foreign currency are translated into euros using the weighted average exchange rates at the dates of the transactions.

NOTES TO THE CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2017

1. Tangible fixed assets

	Office renovation	Office equipment	Computer equipment	Total
	EUR	EUR	EUR	EUR
<i>Book value as of 31 December 2016</i>				
Purchase price	942	3,019	30,227	34,188
Accumulated depreciation	(669)	(753)	(11,375)	(12,797)
	<u>273</u>	<u>2,266</u>	<u>18,852</u>	<u>21,391</u>
<i>Changes this period:</i>				
Investments	-	419	9,022	9,441
Depreciation	(273)	(280)	(7,926)	(8,479)
	<u>(273)</u>	<u>139</u>	<u>1,096</u>	<u>962</u>
<i>Book value as of 31 December 2017</i>				
Purchase price	942	3,438	39,249	43,629
Accumulated depreciation	(942)	(1,033)	(19,301)	(21,276)
	<u>-</u>	<u>2,405</u>	<u>19,948</u>	<u>22,353</u>

Depreciation rates

	Percentage
Office renovation	20.0%
Computer equipment	33.0%
Office equipment	20.0%

2. Trade and other receivables

	31 December 2017	31 December 2016
	EUR	EUR
Trade receivables	123,877	85,688
Taxation	32,222	18,716
Prepaid expenses	34,480	18,452
Other receivables	35,671	20,288
	<u>226,250</u>	<u>143,144</u>

Taxation relates to VAT receivables. Other receivables relate to deposits paid for office rent and credit card of EUR 20,364 (2016: EUR 16,722) and various other receivables of EUR 15,307 (2015: EUR 3,566). Except for deposits paid, all trade receivable and other receivables are due in one year.

3. Cash and cash equivalents

Cash and cash equivalents are available on demand and at free disposal of the Group.

NOTES TO THE CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2017

4. Reserves

Please refer to note 14 to the Company balance sheet on page 28 of this report for an explanation of the reserves.

5. Current liabilities

	31 December 2017	31 December 2016
	EUR	EUR
Accounts payable to suppliers and trade creditors	59,709	27,955
Social security contributions due	41,935	67,516
Income taxes payable	-	8,513
Deferred revenue	194,247	73,448
Accruals and other liabilities	163,122	72,937
	<u>459,013</u>	<u>250,369</u>

Deferred revenue relates to income from donations, for services which have not yet been performed on balance sheet date. Accruals and other payables relate to Tiko's rewarded during the year that have not been paid to actors per year end of EUR 53,255 (2016: EUR -), a reservation for holiday payments of EUR 27,295 (2016: EUR 20,202) and various other liabilities of EUR 82,572 (2016: EUR 52,735). Current liabilities are due within one year.

NOTES TO THE CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2017

Financial risks

General

The primary financial risks for Triggerise concerns the credit risk, currency risk and liquidity risk. Considering that there are no interest bearing loans, there are no interest rate risks.

Credit risk

Credit risk is the risk of financial loss to Triggerise if donors or global partners fails to meet their contractual obligations, and arises principally from amounts receivable from these parties. Trade receivables are mainly concentrated with global partners. At the balance sheet date the maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Currency risk

Triggerise is exposed to foreign currency risk on income and expenditures that are denominated in a currency other than the Euro (Kenya Shilling, US Dollar, South African Rand and Indian Rupees). The Group's internal organization and quality control policy ensures that the exposure in this area is kept to an acceptable level. In 2018, Triggerise will manage the risk by exchanging USD income to Euro to cover the part of the expected expenses denominated in Euro.

Liquidity risk

Triggerise's policy for managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due. The primary risk currently is the level of funding required to achieve growth. For this purpose management manages this risk by seeking new donors and contract activities and managing the existing donors and monitors its cash position by using successive liquidity budgets.

**NOTES TO THE CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURES
FOR THE YEAR ENDED 31 DECEMBER 2017**

6. Income

Income consists of donations of EUR 2,432,196 (budget: EUR 2,423,360) and service income of EUR 406,781 (budget: EUR 213,000). The Group renders services by implementing projects in underdeveloped markets.

7. Expenditures

	2017 EUR	2017 EUR	2017 EUR	2017 EUR
	Triggerise goals	Generating income	Management & administra- tion costs	Total
Cost of outsourced work and other external cost	542,042	-	-	542,042
Staff costs	1,032,060	139,934	284,052	1,456,046
Depreciation tangible fixed assets	5,349	-	3,130	8,479
Other operating expenses	723,728	6,000	151,568	881,296
	<u>2,303,179</u>	<u>145,934</u>	<u>438,750</u>	<u>2,887,863</u>
Budget 2017	<u>2,447,439</u>	<u>175,525</u>	<u>423,977</u>	<u>3,046,941</u>
	2016 EUR	2016 EUR	2016 EUR	2016 EUR
	Triggerise goals	Generating income	Management & administra- tion costs	Total
Cost of outsourced work and other external cost	189,922	-	65,361	255,283
Staff costs	707,183	125,980	223,397	1,056,560
Depreciation tangible fixed assets	5,840	449	2,246	8,535
Other operating expenses	200,213	38,382	182,102	420,697
	<u>1,103,158</u>	<u>164,811</u>	<u>473,106</u>	<u>1,741,075</u>
Budget 2016	<u>1,577,293</u>	<u>107,050</u>	<u>556,660</u>	<u>2,241,003</u>

**NOTES TO THE CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURES
FOR THE YEAR ENDED 31 DECEMBER 2017**

Cost of outsourced work and other external costs

Cost of outsourced work and other external costs mainly relate to aggregation cost and call center expenses of EUR 204,633 (budget EUR 154,821) and supporting staff working on implementing projects on site and amounts to EUR 337,409 (budget: EUR 327,674).

Staff costs

During the 2017 financial year, the number of employees (FTE) amounted to 29 (budget: 35, 2016: 21).

	<u>Actual 2017</u>	<u>Budget 2017</u>	<u>Actual 2016</u>
	EUR	EUR	EUR
Wages and Salaries	1,276,952	1,360,772	733,599
Social Security cost and pension cost	179,094	259,195	135,656
Secondment staff	-	-	187,396
	<u>1,456,046</u>	<u>1,619,967</u>	<u>1,056,651</u>

The increase in staff costs is due to the increase in number of employees.

Other operating expenses

	<u>Actual 2017</u>	<u>Budget 2017</u>	<u>Actual 2016</u>
	EUR	EUR	EUR
Legal and professional fees	103,877	118,813	120,314
Travel expenses	164,654	103,395	113,135
Office expenses	101,168	107,203	51,517
Promotion and advertising	358,702	525,570	32,188
Other personell expenses	62,938	35,420	25,716
Information technology cost	52,281	37,560	43,352
General expenses	37,676	16,518	34,475
	<u>881,296</u>	<u>944,479</u>	<u>420,697</u>

Legal and professional fees

These mainly relate to legal support (setting up the structure) and audit and accounting fees.

Travel expenses

Higher expenditures compared to budget is due to virtual teams needing to travel more regularly than budgeted.

Office expenses

Office expenses mainly consist of office rent of EUR 74,710 (2016: EUR 33,880). Furthermore it includes internet expenses and other office expenses.

**NOTES TO THE CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURES
FOR THE YEAR ENDED 31 DECEMBER 2017**

Promotion and advertising

This includes Tiko's rewarded to actors in the networks during the year of EUR 301,714 (budget: EUR 436,171) and other marketing and promotional expenses EUR 56,988 (budget: EUR 89,399)

General expenses

	<u>Actual 2017</u>	<u>Budget 2017</u>	<u>Actual 2016</u>
	EUR	EUR (not allocated by nature)	EUR
Sponsorship fees	-		6,093
Insurance	20,814		4,597
Recruitment	7,458		16,092
Other general expenses	9,404		7,693
	<u>37,676</u>	<u>16,518</u>	<u>34,475</u>

8. Financial results

	<u>Actual 2017</u>	<u>Budget 2017</u>	<u>Actual 2016</u>
	EUR	EUR	EUR
Interest income and similar income	74		82
Interest expenses and similar expenses	(10,081)		(3,709)
Foreign exchange results	(55,265)		(8,998)
	<u>(65,272)</u>	<u>-</u>	<u>(12,625)</u>

9. Taxation

The taks charge for the year 2016 and 2017 related to corporate taxation on profits recognized for activities in foreign subsidiaries. For losses incurred by other subsidiaries in the Group no tax benefit has been recorded.

10. Post balance sheet events

There are no post balance sheet events.

COMPANY FINANCIAL STATEMENTS

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2017

(Before result appropriation)

	Note	31 December 2017		31 December 2016	
		EUR	EUR	EUR	EUR
ASSETS					
Fixed assets					
Financial fixed assets	(11)	<u>(220,176)</u>		<u>4,359</u>	
			(220,176)		4,359
Current assets					
Trade and other receivables	(12)	259,340		99,094	
Cash and cash equivalents	(13)	<u>67,392</u>		<u>18,313</u>	
			326,732		117,407
			<u>106,556</u>		<u>121,766</u>
LIABILITIES					
Reserves					
	(14)		(103,286)		26,419
Current liabilities					
	(15)		209,842		95,347
			<u>106,556</u>		<u>121,766</u>

**COMPANY STATEMENT OF INCOME AND EXPENDITURES FOR THE YEAR ENDED
31 DECEMBER 2017**

	Note	<u>2017</u>	<u>2016</u>
		EUR	EUR
Income	(16)	2,427,032	996,837
Expenditures			
Operating expenses	(17)	<u>(2,310,459)</u>	<u>(983,035)</u>
Net operating result		116,573	13,802
Financial result	(18)	<u>(39,895)</u>	<u>168</u>
Result before taxation		76,678	13,970
Taxation		-	-
Result participating interest		(201,619)	(433,126)
Net loss		<u><u>(124,941)</u></u>	<u><u>(419,156)</u></u>
Appropriation of result			
Deducted from reserves		(124,941)	(419,156)
Net loss		<u><u>(124,941)</u></u>	<u><u>(419,156)</u></u>

NOTES TO THE COMPANY FINANCIAL STATEMENTS

GENERAL

If there is no further explanation provided to the items in the Company's balance sheet and the Company's statement of income and expenditures, please refer to the notes in the consolidated balance sheet and statement of income and expenditures.

ACCOUNTING POLICIES - GENERAL

The principles for the valuation of assets and liabilities and the determination of the result are the same as those applied to the consolidated statement of income and expenditures, with the exception of the following:

Result from participating interests

The share in the result of participating interests consists of the share of Triggerise Stichting in the result of these participating interests. Results on transactions, involving the transfer of assets and liabilities between the Stichting and its participating interests and between participating interests, are not recorded insofar these are unrealised.

NOTES TO THE COMPANY BALANCE SHEET AS AT 31 DECEMBER 2017

11. Financial fixed assets

Financial fixed assets relate to investments in Triggerise B.V.

	<u>2017</u>	<u>2016</u>
	EUR	EUR
Balance as at 1 January	4,359	115,242
Share premium contribution	-	325,220
Result participating interest	(201,619)	(433,126)
Translation result	<u>(22,916)</u>	<u>(2,977)</u>
Balance as at 31 December	<u><u>(220,176)</u></u>	<u><u>4,359</u></u>

In 2016, the Triggerise Stichting made a contribution of EUR 325,220 by reimbursing certain operational cost incurred by Triggerise B.V. The contribution, which was partly in cash and partly in kind, was treated as a share premium contribution. In 2017, no such contribution was made.

12. Trade and other receivables

	<u>2017</u>	<u>2016</u>
	EUR	EUR
Trade receivables	23,535	-
Amounts due from affiliated companies	220,390	98,058
Prepaid expenses	<u>15,415</u>	<u>1,036</u>
	<u><u>259,340</u></u>	<u><u>99,094</u></u>

Trade and other receivables are due within one year.

13. Cash and cash equivalents

Cash and cash equivalents are available on demand and at free disposal of the Stichting.

NOTES TO THE COMPANY BALANCE SHEET AS AT 31 DECEMBER 2017

14. Reserves

The movement of reserves during the financial period is specified below.

	<u>2017</u>	<u>2016</u>
	EUR	EUR
Reserves		
Balance as at 1 January	26,419	116,350
Contributions (in cash and in kind)	-	325,220
Net result	(124,941)	(419,156)
Translation result	(4,764)	4,005
Balance as at 31 December	<u>(103,286)</u>	<u>26,419</u>

The contributions in 2016 related to contributions in cash and in kind by reimbursements of operational costs funded by the Global non-profit charitable organization, Population Service International (PSI). Triggerise and PSI are working together in expending the technology to make markets work for underserved populations.

15. Current liabilities

	<u>31 December</u>	<u>31 December</u>
	2017	2016
	EUR	EUR
Accounts payable to suppliers and trade creditors	15,595	-
Deferred revenue	194,247	73,447
Accrued liabilities	-	21,900
	<u>209,842</u>	<u>95,347</u>

Deferred revenue relates to income from donations, for services which have not yet been performed on balance sheet date. Current liabilities are due within one year.

**NOTES TO THE COMPANY STATEMENT OF INCOME AND EXPENDITURES FOR
THE YEAR ENDED 31 DECEMBER 2017**

16. Income

Income consists of donations. The Stichting is obtaining these donations to fund the projects and programs of its subsidiaries.

17. Operating expenses

Operating expenses of EUR 2,294,651 (2016: EUR 955,045) relate to service fees paid to Triggerise B.V. regarding cost incurred on projects and programs, audit and accounting fees of EUR 11,194 (2016: EUR 22,112) and various other operating expenses of EUR 4,614 (2016: EUR 5,878).

18. Financial result

	<u>2017</u>	<u>2016</u>
	EUR	EUR
Interest expenses and similar expenses	(679)	168
Foreign exchange result	<u>(39,216)</u>	<u>-</u>
	<u><u>(39,895)</u></u>	<u><u>168</u></u>

Amsterdam, 13 April 2018

The Board of Directors:

Benoit Renard
(Chief Executive Officer)

Johan Goudkamp
(Finance Director)

OTHER INFORMATION

OTHER INFORMATION

Independent auditor's report

The independent auditor's report is set forth on the next page.

INDEPENDENT AUDITOR'S REPORT

To: The Board of directors of Triggerise Stichting

A. Report on the audit of the financial statements 2017 included in the report on the financial statements

Our opinion

We have audited the financial statements 2017 of Triggerise Stichting, Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Triggerise Stichting as at 31 December 2017, and of its result for the year then ended in accordance with the Guideline for annual reporting 650 “Fundraising Organizations” of the Dutch Accounting Standards Board.

The financial statements comprise:

1. the consolidated and company balance sheet as at 31 December 2017;
2. the consolidated and company statement of income and expenditures for 2017; and
3. the notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the ‘Auditor's responsibility’ section of our report.

We are independent of Triggerise Stichting in accordance with the “Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten” (ViO, code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the “Verordening gedrags- en beroepsregels accountants” (VGBA, Dutch Code of Ethics).

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


B. Report on other information included in the report on the financial statements

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

- The management board's report;
- Other information as required by the Guideline for annual reporting 650 “Fundraising Organizations” of the Dutch Accounting Standards Board.

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

- Is consistent with the financial statements and does not contain material misstatements;
- Contains the information as required by the Guideline for annual reporting 650 “Fundraising Organizations” of the Dutch Accounting Standards Board.



We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of the Guideline for annual reporting 650 “Fundraising Organizations” of the Dutch Accounting Standards Board and the Dutch Standard 720. The scope of the procedures performed on the other information is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management board’s report in accordance with the Guideline for annual reporting 650 “Fundraising Organizations” of the Dutch Accounting Standards Board and other information as required by the Guideline for annual reporting 650 “Fundraising Organizations” of the Dutch Accounting Standards Board.

C. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Guideline for annual reporting 650 “Fundraising Organizations” of the Dutch Accounting Standards Board. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the entity’s ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the entity’s ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures;
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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

Werkhoven, 13 April 2018

NielenVanDeLaar accountants B.V.

C.J.G. Nielen RA