

**JOEP LANGE INSTITUTE
FOR GLOBAL HEALTH
AND DEVELOPMENT**

—
Annual Accounts 2020



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BOARD REPORT

1. Introduction

The Stichting Joep Lange Institute for Global Health and Development (“JLI”), incorporated on July 17, 2015, is inspired by the life and work of the late Professor Joep Lange. Prof Dr Joep Lange was killed with his partner and colleague Jacqueline van Tongeren in the downing of flight MH17 while on their way to the AIDS Conference in Melbourne, Australia. Joep was one of the leading scientists in HIV, a thought leader and innovator in HIV and global health. In the spirit of Joep Lange, JLI challenges the status quo and pioneers. With new perspectives and innovative approaches, we try to enable a change in health.

JLI’s vision is to connect everyone to health care with one click. Our mission is to accelerate human development through innovations that strengthen systems for health and health financing.

After an initial phase in which JLI supported the continuation of some of the work streams that Joep had started, JLI has more recently (re)focused its work with the aim to transform its role and activities towards that of an international Global Health Think Tank that provides the space for innovation in health and convenes dialogue and collaboration. We are an institute that promotes and facilitates innovative models in global health. We aspire to be a trusted partner that influences policy and shapes future directions that benefit everyone.

With this in mind, JLI has three stated goals, namely to:

1. Demonstrate the potential mobile technologies and data offers societies for better health coverage.
2. Spark debate by challenging conventional thinking and advocating innovative new solutions for more inclusive global health.
3. Become the platform where health policy shapers turn for inspiration, guidance and exchange.

We know the scale of our ambition but as a global health think tank, JLI will continue taking the lead in thinking, developing and testing new solutions. To help us get there, considering where we are today and where we want to go next, JLI’s current activities are being developed around the following key four agenda areas:

Using data in health to benefit society

Find solutions to appropriately scale the use of health data to guarantee benefits for the people while mitigating risks

Finding inclusive health financing models

Transform traditional financing models to make access to quality health care more inclusive

Encouraging community engagement

Strengthening the role of the individual within healthcare systems to improve people's autonomy over their health care needs

Health Diplomacy and Partnerships (cross cutting)

Seeking partnerships and collaborations to accelerate innovations that strengthen systems for health and health financing



2. Activities in 2020

In 2020, JLI supported a range of activities - from pilots to research - that contribute to its vision and where we feel we have an additional role to play. Below we provide more detail on selected activities supported by JLI.

Noordwijk III Follow up Activities

The HIV response has been and continues to be a remarkable achievement in global health, an achievement accomplished through a unique multi-stakeholder partnership comprised of the public health establishment, academic research institutions, donor and implementing governments, and communities directly affected by HIV. However, as documented in the 2018 JLI Report "Ensuring Efforts to Scale-up, Strengthen, and Sustain HIV Responses" many existing and emerging challenges threaten the continued success of the global HIV response.

One key focus of the JLI report was discussion about the many ways in which community-based responses to HIV have led the way towards improved health outcomes through education, service delivery, advocacy and monitoring activities. However, funding for this essential role has always been inadequate and resources are actually shrinking. Resources for community-based advocacy are needed more than ever to ensure inclusion of HIV in UHC planning, middle-income country transitions, to reduce stigma and discrimination, and ensure equitable and consistent high-quality health and social services.

Building on the findings of the Noordwijk project completed by JLI and presented at AIDS 2018, two follow up activities took place to address the issue highlighted here. The first proposes a method for using mobile phone technology to enhance community-based monitoring and evaluation to ensure continued quality of HIV responses at country levels. The second addresses the potential for and methods to increase funding to support national-level advocacy by civil society. On the first topic, after JLI hosted a meeting in Amsterdam in October 2019, which brought together representatives from advocacy organizations that are engaged in community-led monitoring efforts along with researchers, donors and representatives from UNAIDS and the Global Fund to Fight AIDS, Tuberculosis and Malaria, the Global Fund was particularly excited about this work and agreed to sponsor a second meeting on the topic in Geneva. The meeting was held in February 2020. Following these

meeting, the Bill & Melinda Gates Foundation considered funding a community-led monitoring project through the International Treatment Preparedness Coalition (ITPC). JLI worked with ITPC staff on the proposal that included activities for mobile phone-based data collection and analysis. The proposal was ultimately funded by the Gates Foundation and ITPC is now implementing it.

On the second topic, in February 2020, JLI organized a meeting of about 35 civil society representatives from regions around the world representing a diverse set of health advocacy organizations and focus areas. Our two Co-Chairs, Allan Maleche of KELIN in Kenya and Marja Esveld of the Dutch Ministry of Foreign Affairs attended. The meeting was highly successful, with a clear vision from the group about the need for this process and for a sustainable funding mechanism to support national level health advocacy. A report was produced and a Steering Committee formed to provide on-going civil society input and participation in this process.

Following several teleconferences with the Steering Committee, a document describing our project went out to hundreds of organizations around the world and well over 150 organizations joined our mailing list, receiving regular updates on our progress. Many of these organizations have provided written examples of their advocacy work which we are using in the documents being developed for our joint discussions with donors.

While our information dissemination and coalition building efforts are going well, things have been slower to move on both the donor and multilateral fronts. However, this is not due to any lack of interest. The COVID-19 pandemic hit just as our February meeting was ending. This led to serious delays in getting the initial invitation letters out to our donor list. The donors letters are now out and we have gotten a very good response to them. The project outcome is a go/no go decision about whether to proceed with a second phase of discussion that would focus on the specifics of creating a new funding mechanism (or building onto an existing one).

Solutions for data for society

When we as JLI talk with key stakeholders about collecting and sharing health-related data we meet great fear and resistance. It seems one would rather not go there. That though would mean missing out on a great opportunity as there is so much to gain from sharing data in health. The value of data in health to make health systems fairer, more efficient and deliver better health outcomes can hardly be overrated. But of course, the risks are as big as the potential gains.

Rather than accepting the risks being too high, JLI pushes to find solutions that allow us to share and to create value, safely and in the interest of society. JLI sees data as an asset, an economic input. We believe that data as an economic input could be governed through public-private partnerships for social capital development. These institutions have proven to be very effective in creating value for society, such as pension funds.

We work with the University of Utrecht's professor Jan Luiten van Zanden to gain a better understanding of the dynamics of today's 'data economy', why institutions as we know them fail to prevent excessive data-accumulation and data-abuse, and to explore what institutions could work that assure the value of people's data flow back to the people, to society.

The first results of this work were published in early 2020 in the academic journal ESB ([link](#)). The article argues that growth is possible through handling the data economy in a new way. A new type of economy is emerging, one in which data and the ability to analyze it form the basis of economic success and political power. This new economy requires the development of an institutional framework in which the property rights of data are clearly defined. In short:

- In both the Chinese state model and the American technology companies, the ownership rights of data are at stake.
- Clear property rights are crucial in order to fully exploit the wealth potential of the data economy.
- Europe could, with good property rights, realize the full growth potential of the data economy.

This article serve as an input to further thinking and activities. Specifically, JLI is furthering the idea of a National Healthcare Platform (see section Outlook 2021 for more details)

Innovative financing for scaled HCV treatment in Cameroon

The health markets in developing countries are generally taunted by a lack of available funds. The poorest patients struggle to pay for medical treatment themselves, and funding is often not available through public channels. There is a need for these countries to come up with innovative ways to allocate existing funds effectively. JLI is working to define and test innovative financing mechanisms in order to address this issue.

Innovative financing is the manifestation of two important trends in international development: an increased focus on programs that deliver results and a desire to support collaboration between the public and private sector. Innovative financing instruments complement traditional international resource flows – such as aid, foreign direct investment, and remittances – to mobilize additional resources for development and address specific market failures and institutional barriers.

In Cameroon, an estimated 200,000 people are infected with Hepatitis C Virus (HCV), a chronic infection which can lead to life threatening liver disease. JLI is supporting the development of sustainable Hepatitis C treatment model in Cameroon, using phased demonstration projects which will increasingly be financed by an innovative Performance Based Financing impact investment instrument. PharmAccess Foundation is executing this program in close collaboration with its local partners.

The first phase is complete and demonstrated medication effectiveness within the Cameroonian context. This project is currently in its second phase, which builds on the lessons learned from phase 1 and aims to contribute to the design of scalable HCV treatment programs.

Phase 2 uses existing diagnostic protocols and clinical guidelines to identify and treat individuals with active Hepatitis C virus (HCV) infections. The project pilots a performance-based financing structure in support of sustainability. Phase Two:

- Identifies Hepatitis C-infected patients among potential blood donors at eight specific blood banks in Yaoundé.
- Introduces the use of pan-genotypic treatment medication which is WHO prequalified and approved by the Cameroonian government.
- Aims to include up to 240 patients from blood banks and medical facilities.
- Involves a trial version of a performance-based financing (PBF) structure. Direct costs are being financed through a revolving, short-term impact financing facility extended by Joep Lange Institute, which will be repaid through fixed outcome payments for each cured patient, provided by Achmea Foundation.

The project was launched in February 2020 but was put on hold in March due to COVID-19. Despite the disruption, the project was relaunched in August 2020, with patients entered into treatment in September, 2020. By year-end 2020, 86 patients have been enrolled and viral load testing to validate HCV cures will begin in late January 2021.

COVID-19 related activities

The year 2020 was largely dominated by Covid-19. While negatively impacting certain JLI activities, JLI also supported initiatives looking at the impact of Covid-19. This work is outlined below.

The Economics and Psychology of the COVID-19 Outbreak

The COVID-19 outbreak and accompanying government counter measures in Kenya raised several important questions: What is the impact on daily incomes and expenditures of adhering to social distancing and other preventive measures? How do families cope financially, if incomes are falling and savings are low? Do they manage to keep their food consumption at par? However, real-time data are scarce and even more difficult to collect when lock downs prevent travel to the communities and data collection.

Since December 2019, the Amsterdam Institute for Global Health and Development (AIGHD) and the African Population and Health Research Center (APHRC), supported by JLI, have been tracking on a weekly basis a sample of 330 households in Western Kenya, visiting the households every week to collect a detailed record of each adult's financial transactions in the past week (income, expenditures, gifts, loans, remittances and savings – including savings in informal groups) and the health events of all household members (illnesses, injuries, maternal and child health

consultations, health expenditures). Since the COVID-19 mitigation measures were put in place, data collection shifted from in-person interviews to phone interviews, conducted by the same, trusted enumerators.

The longitudinal and high-detail Diaries data provide detailed information on pre-COVID-19 trends in income, consumption, health problems and healthcare utilization in the sample of rural, low-income households. The results from the ongoing study hence allow for a granular, nearly real-time analysis of the immediate impacts of the COVID-19 crisis on households' economic wellbeing and the strategies they use to cope with the financial consequences of the pandemic.

Using this data from 330 households in Kakamega and Kisumu, the research, supported by JLI, analyzed the short-term economic effects of the pandemic on low-income households during the five weeks after the discovery of the first COVID infection in Kenya. These are indirect COVID-19 effects, since only 1 COVID-19 case had been confirmed in Kakamega and none in Kisumu.

Income from work decreased with almost one third and income from gifts and remittances reduced by more than one third since the start of the pandemic. Fortunately, household expenditures on food remained at pre-outbreak levels after preventive measures were implemented. In response to the shortfall in income, households significantly reduced expenditures on schooling and transportation.

The findings were published in a peer reviewed academic journal ([link](#)) while work continues, especially on the short-term insights from the health diaries.

The impact of parasitic infections on the severity of COVID-19 clinical presentation in LMICs

JLI supported an EDCTP-funded project "Rapid diagnostic profiling of SARS-CoV-2 in the context of persistent immune activation in Sub-Saharan Africa". The project postulates that the chronic immune activation of people living in LMICs, notably due to underlying associated chronic infection by parasites, modulates the immune response to SARS-CoV-2 infection, at least partially explaining reduced COVID-19 morbidity and mortality in LMICs. The primary objectives of this study are to 1) determine the impact of co-infection with parasites (helminths/protozoa) on the severity of COVID-19 clinical manifestation in Ethiopians, and 2) determine whether intensity of helminthic infection is linked with severity of COVID-19. JLI funding allowed the sample size of patients included in the analysis to be increased from about 80 to at least 1,000.

Despite a civil war breaking out in the region of Ethiopia where the research was taking place the local team persisted working. While still collecting stool samples from severe and critical COVID patients in Addis Ababa to complement the database, interim results suggest that co-infection with parasitic co-infection appears to be associated with reduced COVID-19 severity. The results suggest that parasite-driven immunomodulatory responses may mute hyperinflammation associated with severe COVID-19.

Joep Lange Chair & Fellows program

In 2015, the Professor Joep Lange Chair and Fellows Program was set up by the Joep Lange Institute. This academic program is hosted within the Department of Global Health, Amsterdam Medical Center (University of Amsterdam), and receives support from the Dutch Ministry of Foreign Affairs. The Ministry announced its support for the Chair at the commemorative ceremony for Joep Lange and Jacqueline van Tongeren, with the aim to promote collaborative research and achieve groundbreaking progress in health systems and service delivery in low- and middle-income countries.

The Joep Lange Chair and Fellows Program brings together experts from different backgrounds and geographies to collaborate on research that will help drive change in the field of global health. This multidisciplinary approach is echoed in the unique rotating character of the Chair, which will welcome up to five (partly concurrent) professors from different fields of expertise in five years. In partnership with the top academic institutes in Africa, Asia, Europe and the United States, the Chairs and Fellows will focus on building the knowledge base of global health and collaborate with organizations that can apply these insights to improve access to quality healthcare across the globe.

The first two Chairs were announced in 2016: Prof Dan Ariely, world-renowned behavioral economist from Duke University, and Prof Mark Dybul, Executive Director at the Global Fund to fight AIDS, Tuberculosis and Malaria. Both highly distinguished professors will apply their specialist backgrounds to conduct research to make healthcare more affordable and accessible. The collaboration with Dan Ariely started in 2016 while he was officially appointed Chair on 1 January 2017. Given the 5 year nature of the rotating Chair position, Prof Dan Ariely's position of Chair within the Joep Lange Chair and Fellows Program ended on 1 January 2021. Mark Dybul indicated that he would start as Joep Lange Chair after he resigned as Executive Director of the Global Fund. He was officially appointed Chair as of 1 July 2017.

Following the appointment of the first two Chairs, two additional candidates were identified and appointed as Chairs in 2018. Prof Anna Vassal was confirmed as the third Joep Lange Chair and appointed to the position on 1 February 2018. She will focus on assessing the economic impact of innovative interventions in health and healthcare financing. Dr Catherine Kyobutungi was appointed as the fourth Joep Lange Chair as of 1 July 2018 focusing on the management and prevention of non-communicable diseases, in particular Cardiovascular Disease (CVD).

The Joep Lange Chair and Fellows program continued its activities despite 2020 being marked by the SARS-CoV2 pandemic, which in turn affected the program. Research activities of Chairs 3 and 4 were diverted or otherwise affected by the pandemic, for example due to delays in data collection. Despite not being able to meet in person, a successful Masterclass was organized with the Chairs whilst the accompanying symposium which was originally also foreseen, was cancelled. In 2021, we will continue to adapt to the pandemic situation to ensure the program will reach its goals.

Alongside the Masterclass the program's website was launched: jlc.aighd.org, which gives an overview of the program to date, including a selection of the abstracts that were presented as well as updates and recent news.

JLI Center for Global Health Diplomacy

Based in Geneva, Switzerland and led by Dr. Christoph Benn, the JLI Center for Global Health Diplomacy team focuses on developing sustainable health financing models and advocate to secure financial and political commitment from donors, governments and other parties. Global health diplomacy uses interactions and negotiations with multiple stakeholders, including governments and civil society, multilateral agencies, private and public donors, to promote international health goals. A short overview of a selection of the team's activities are presented below.

I-DAIR

Throughout 2020, JLI has supported the setting up of I-DAIR, a new international research collaborative focused on research and capacity building on digital health and AI, particularly relevant for LICs and LMICs. I-DAIR is based in Geneva with a decentralized structure of regional hubs in different parts of the world – including Nairobi, New Delhi, Santiago de Chile, Singapore, Tunis. JLI has been part of the I-DAIR Secretariat from the inception and has taken on the external relations/resource mobilization function. I-DAIR has so far been supported for its incubation period (2020-2022) by the Swiss-based Botnar Foundation and is in advanced negotiations for partnerships with the Wellcome Trust and the Bill and Melinda Gates Foundation (BMGF). The formal launch of I-DAIR is planned in 2022 under the Indonesian G20 presidency for which JLI will lead the development of an investment case for the research side of digital health.

Transform Health Coalition

In 2020, JLI has been chairing and managing the Resource and Investment (R&I) circle of the Transform Health Coalition. The Transform Health Coalition advocates for the meaningful engagement of civil society and underrepresented populations, particularly women and young people, in the design, use and governance of digital technologies and data for health. The objectives of Transform Health include increasing recognition of the role of digital technology and data in achieving health equity, establishing effective data governance frameworks at national, regional and global levels, and expanding domestic and international investment to fund the digital transformation of primary health care so that UHC will become achievable by 2030. The objectives of the R&I circle are to develop a fully costed global plan for the acceleration of digital transformation in LMICs and to advocate for increased financial and political commitments. The R&I circle has developed into an essential neutral space for the topic of digital health financing, convening civil society partners from around the world, international NGOs, foundations such as BMGF and Botnar, bilateral partners and international organizations such as WHO, the Global Fund and Gavi on the question of how digital approaches in national health strategies can be financed sustainably. The stakeholders attending the workshops and consultations

organized by the R&I circle have formed an advisory group that is contributing to the development of a Concept Note for a global digital health investment case to be finalized in 2021-2022.

Global Health Campaign

Starting in 2019, The Global health Diplomacy team of JLI in Geneva, in partnership with the Bill and Melinda Gates Foundation, developed an advocacy strategy with the objective to keep Global Health prominently on the political agendas in the next decade. The strategy was successfully rolled out in Germany and the UK in 2019/early 2020 with the planning to be continued in other countries in a later phase. The Covid-19 pandemic in 2020 has changed the short-time strategy with an increased focus on financing the global Covid-19 response through the Access to Covid-19 Tools Accelerator (Act-A). Among the Act-A partners JLI provided specific support to the Foundation for Innovative New Diagnostics (FIND) and the Coalition for Epidemic Preparedness Innovation (CEPI). One of the key recommendations for the global health strategy has been a renewed emphasis on Primary Health Care (PHC) as the foundation and engine towards Universal Health Coverage by 2030. In 2020, JLI became part of a consortium including SEEK Development and Duke University in the USA to develop a concept note for an Investment Case for digitally enabled PHC. This concept note will be published in 2021 and discussed with key international organizations, civil society, implementing countries and the donor community.

GPI concept

In 2019 JLI supported the establishment of Global Public Investment (GPI) as a new and innovative mechanism to finance global public goods. This initiative received significant attention in 2020 because of the Covid-19 crisis and the huge resource needs to finance the global response. Tools against Covid-19 such as vaccines, diagnostics and therapeutics are classic global public goods affecting all countries at all income levels. JLI supported a series of international conferences conducted by the Wilton Park conference centre in the UK and became a member of an international group of experts to explore this concept in much more detail.

Short films

In 2020, JLI produced a number of short films. In these films we have tried to capture how mobile technology is changing daily life for Kenyans. We believe this will help us to better understand the societies we want to support progress, including our own. In recent years, mobile technology has in many parts of Africa probably been the biggest driver of development and touches upon almost all aspects of society. We hope these films allow the viewer to better understand what progress is, why it is needed and what potential there is to include the people that have been left behind.

Khama Rogo Portrait - Inaction kills

This film lays the foundation for the other films. It shows what we believe in as an organization: everyone should be able to participate in society and this can be achieved through a combination of knowledge and action. After a long international career at the World Bank, Professor Khama Rogo concludes that responsible leadership and good actions are the best ways to move forward together. He proves this with his performances on stage wherever he goes and with the construction of a hospital in his hometown in West Kenya. Rogo strongly believes in the potential of mobile technology to achieve inclusion for all.

Change is Happening - Mobile phones in Kenya

The mother of mobile innovations in Kenya - M-Pesa - made it possible for the vast majority of 'excluded' Kenyans to gain access to banking via the technology of SIM cards. Energy supplier M-Kopa followed up and now ensures millions of previously "energy-free" Kenyans have access to electricity. In "Change is Happening" we show how these revolutions shaped the lives of different Kenyan entrepreneurs.

Sharing is Power

The young theater maker Abu uses his mobile phone to find new material and inspiration for his political orientated plays and to engage with this audience on social media. Because schools hardly teach about Kenya's history before independence Abu made it his mission is to educate Kenyans about where they come from and who they are. Abu says: "if you don't know where you come from, you can't really determine where you want to go - and if you don't know who you are, others will define you and then you always end up at the bottom."

Future minded Health

Jacinta works in the healthcare sector and believes that mobile technology greatly increases the possibility of realizing universal healthcare (healthcare for everyone). She has seen her own life and Kenyan healthcare change enormously since the advent of the mobile and shares her ideas about the potential for a healthier Kenya.

The Opportunity of Data

Rose works at a company that provides Kenyans with micro credit over their phone. She is a firm believer in progress by making smart use of data. Technology has dangerous sides, but the positive aspects outweigh the negative ones, she thinks. Her company is serving poor Kenyans who previously had little or no opportunity to access credit. Mobile technology has much more economic potential for Kenya's future according to Rose and she shares her ideas on that.

Finally

In 2020, JLI launched a new website that is more reflective of our values and our mission. The site will function as a platform where influencers and opinion leaders can take part in dialogues and contribute to the most important topics that JLI puts forward, such as healthcare financing. By provoking interest and diving deeply into

those issues, the platform has the potential to trigger genuine action.

During the year, JLI finalized and kickstarted other projects, including:

- HIV Drug Resistance Surveillance by Harvard University—a geo-genetic analysis,
- Behavioral research on M-TIBA with the Center for Advanced Hindsight, Mbrella,
- Development of the Global Public Investment concept: the future of aid, and
- India Reverse Diabetes 2 program.

3. Financial

During the financial year the income amounted to EUR 842,665 (2019: EUR 5,547,547). The income consists of donations and grants by private (both for-profit and not-for-profit) and public parties.

The income from donations is used to finance JLI activities, which cannot directly be financed by directly funded programs. As a result, due to the funding structure, the majority of JLI's activities are expensed via the 'Other operating expenses' and 'Personnel expenses' as part of the 'Operating expenses'. The operating expenses are in line with JLI's objectives and amount to EUR 2,541,282 (2019: EUR 3,406,560). From the total operating expenses an amount of EUR 656,294 relates to 'Other operating expenses' and EUR 1,155,681 relates to Personnel expenses.

Split per item:

Other operating expenses consist of, among other things:

- Partners: grants for selected pilots and research ad. EUR 396,353 (2019: EUR 453,889);
- Events: including ad. EUR 10,498 (2019: EUR 108,427);
- Travel and accommodation EUR 65,659 (2019: 135,768)
- Office rent ad. EUR 40,170 (2019: 54,400);
- Audit ad. EUR 21,163 (2019: EUR 20,735).

See note 11 of the statement of income and expenditure for more detail on partner related expenditure.

Personnel expenses consist of:

- Personnel Netherlands: EUR 178,397 (2019: 505,489);
- Personnel Switzerland: 303,991 (2019: 231,728);
- Contracted services related to Facility Agreement EUR 114,202 (2019: 130,728);
- Contracted services related to Chair and Fellows EUR 142,406 (2019: 176,532);
- Contracted services related to Financial Health Diaries EUR 83,006 (2019: 55,331)
- Contracted Director Research EUR nil (2019: 50,960)

- Contracted Technical Assistance EUR 326,608 (2019: 381,563).
- Contracted Technical Assistance EUR 326,608 (2019: 381,563).

See note 10 of the statement of income and expenditure for more detail.

The operating result is EUR 1,698,618 negative (2019: EUR 2,140,987). Together with the financial result, JLI has a deficit of EUR 1,778,618 per year end 2020 (2019: EUR 2,241,752). The deficit has been deducted from the balance of income and expenditure.

The financial statements have been prepared in accordance with the Guideline for 'small organisations not-for-profit' (RJK C1) of the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving'). Contrary to the Guideline for small organisations not-for-profit (RJK C1), the budget on overall level has not been included. Control is performed on program level.

Financial risks are limited since JLI's current contracted financial commitments are materially lower than its available resources. The available resources are held in cash on dedicated interest-bearing bank accounts and/or short-term deposits up to a year. JLI is exposed to currency results, as the funding is substantially received in USD and the functional currency is EUR. JLI does not work with 'embedded derivatives' and/or 'hedge accounting' and all larger programs are prefunded. Currency risks are, where possible and contractually allowed, settled at the relevant program level. Currently all JLI contracts allow currency risk settlement on program level.



4. Outlook 2021

A number of new activities already identified to take place in 2021 which are in line with our vision are highlighted below. Additional topics and activities are likely to be identified during the course of the year, while many of the ongoing activities commissioned and supported by JLI, as described above, will continue.

The National Healthcare Platform

Building on the work with the University of Utrecht's professor Jan Luiten van Zanden, which looked to gain a better understanding of the dynamics of today's 'data economy' (why institutions as we know them fail to prevent excessive data-accumulation and data-abuse), we will further explore what types of institutions could work to assure the value of people's data flow back to the people, to society.

On this topic, Chairman of the JLI Board, Onno Schellekens, is working with leaders in the insurance, medical and pension industries to better define what such an institution could look like. One idea brought forward is for the establishment of a 'National Healthcare Platform': a publicly regulated infrastructure that enables both old and new, and both private and public parties, to collectively own our digital and

mobile technology and health data. This will help to assist the digital transformation, which radically transformed many sectors, but only sparsely penetrated the Dutch healthcare system. There is a clear need for a digital strategy for healthcare, which improves its management, and can make healthcare smarter, cheaper and more personal.

This idea will be formalized in a white paper. The idea will then be pushed more broadly, such as in the media, where we hope it will begin to gain traction. Supporting material, such as short films, will be developed to support the idea which is complex.

India Reverse Diabetes 2

JLI is experimenting with how digital health services can reduce the burden of non-communicable diseases (NCDs). One such Intervention, In India, looks to develop a personalized lifestyle program aimed at supporting diabetes types 2 patients in changing their lifestyle to reverse their diabetic condition. In addition, the project also aims to:

- demonstrate how digital technology can be utilized to deliver lifestyle as a medicine,
- illustrate how digital health services can reduce the burden of non-communicable diseases.
- activate partners and stakeholders to further test and invest in these digital services.

This project is modeled on the Dutch Reverse Diabetes (Keer Diabetes Om) program and digitally adapted for the Indian context. The program, delayed by the Covid-19 pandemic, will be rolled out in two areas in India, at the Eternal Heart Centre in Jaipur and in rural communities In Assam. Results from these two sites will be analyzed to understand reversal, adherence and patient engagement, and publicized through conferences, events, publications etc.

GPI and CEPI

Building on the work on GPI and the Act-A partnership in 2020, JLI's Center for Global Health Diplomacy in Geneva will support the first replenishment of CEPI securing the required funding for vaccine R&D, applying the GPI principles and frameworks as a complementary element of this replenishment. It will be the first application of this innovative concept trying to mobilize in particular Upper Middle Income countries to contribute meaningfully to the financing of a recognized global public good.

WHO

The Global Health Diplomacy team of JLI in Geneva will continue to support the Division for Digital Health and Innovation of WHO. An Investment Case to finance the digital health strategy of WHO will be developed and should be presented at the World Health Summit in Berlin in October 2021.

5. Governance

JLI is a not for profit foundation with ANBI-status, incorporated under the laws of the Netherlands on July 17, 2015.

JLI is managed by a statutory board of directors. Members of the statutory board are:

- Onno P. Schellekens, chairman of the statutory board; appointed on July 17, 2015;
- D. Peter van Rooijen, appointed on July 17, 2015;
- Michiel Heidenrijk, appointed on July 17, 2015;
- Aaltje de Roos, appointed on August 30, 2019

The statutory board of JLI meets at least four times per calendar year. The statutory directors regularly discuss the strategy, the activities, planning, results and new developments.

The one-tier board operates on the basis of a partnership model which means that collectively the board oversees general strategy and financials and that the different board members each oversee their own portfolios that are obviously considered to contribute to/align with the higher-level vision and goals of JLI.

At the end of 2020, JLI employed 4.6 FTE staff (working in the Amsterdam (2.1 FTE) and Geneva offices (2.5 FTE) (2019: 6.9 (NL: 5.1 and CH 1.8), 0.6 FTE free lancers and had ongoing collaborative arrangements with 7 persons on the basis of consultancy contracts. The average number of full-time equivalents during the financial year 2020 was 4.9 (NL: 2.9 and CH: 2.9) (2019: 7.8 (NL: 6 and CH: 1.8)). This does not include the support by PharmAccess staff on financial management, IT, legal and HR services as provided for under a facility agreement between the two organizations.



Signing of the Board Report

Amsterdam, 7 June 2021

Board of Directors:

O.P. Schellekens

Chairman

M. Heidenrijk

Executive Director

D.P. van Rooijen

Director

A. de Roos

Board Member

FINANCIAL STATEMENTS

Balance sheet as of 31 December 2020

(After appropriation of the result)

	Note	31.12.2020	31.12.2019	Note	31.12.2020	31.12.2019
		EUR	EUR		EUR	EUR
Assets						
Fixed assets						
Tangible fixed assets	1	45,800	56,356			
Current assets						
Receivables:						
Deferred income	7	-	110,296			
Debtors	2	17,396	233,845			
Other receivables	3	25,645	66,449			
Cash	4		8,093,989			
			<u>8,560,935</u>			
		<u>6,372,037</u>				
		6,460,878				
Equity and liabilities						
Equity						
Balance of income and Expenditure	5					7,524,781
Current liabilities						
Creditors					188,677	
Taxes and social security contributions					3,408	
Deferred income	6				263,269	
Other liabilities and accrued expenses	7					11,302
	8				403,582	1,036,154
			<u>8,093,989</u>			
		<u>6,460,878</u>			<u>6,460,878</u>	<u>8,560,935</u>



Statement of income and expenditure for the year 2020

	Note	2020		2019	
		EUR		EUR	
Income	9	842,665		5,547,547	
Operating expenses:					
Direct program costs		718,751		1,078,339	
Personnel expenses	10	1,155,682		1,581,041	
Amortization and depreciation		10,556		11,650	
Other operating expenses	11	656,294	2,541,283	735,530	3,406,560
Operating result		<u>(1,698,618)</u>		<u>2,140,987</u>	
Financial income and expenses:					
Financial expenses	12	(84,840)		(2,001)	
Financial income	13	4,840	80,000	102,766	100,765
Result		<u>(1,778,618)</u>		<u>2,241,752</u>	
Deducted/added to:					
Balance of income and expenditure		<u>(1,778,618)</u>		<u>2,241,752</u>	
		<u>(1,778,618)</u>		<u>2,241,752</u>	

Cash flow statement for the year 2020

	2020	2019
	EUR	EUR
Operating result	(1,698,618)	2,140,987
Adjustments for:		
Depreciation (and other changes in value)	10,556	11,650
Changes in working capital:		
• movements operating accounts receivable	257,253	(221,116)
• movement deferred income	373,565	95,485
• movements other current liabilities	(584,708)	(642,664)
Cash flow from business activities	(1,641,952)	1,509,973
Interest received/paid	4,840	102,766
Cash flow from operating activities	(1,637,112)	1,612,739
Investments in (in)tangible fixed assets	-	-
Cash flow from investment activities	-	-
Net cash flow	(1,637,112)	1,612,739
Exchange gains/(losses) on cash at banks and in hand	(84,840)	(2,001)
Net increase/(decrease) in cash at banks and in hand	(1,721,952)	1,610,738
The movement in cash at banks and in hand can be broken down as follows:		
Cash as at 1 January	8,093,989	6,483,251
Movements during the financial year	(1,721,952)	1,610,738
Cash as at December 31	6,372,037	8,093,989

Notes to the financial statements

GENERAL

Foundation

'Stichting Joep Lange Institute for Global Health and Development', hereinafter: 'JLI', was founded on July 17th, 2015 in accordance with Dutch law. JLI is based in Amsterdam, the Netherlands.

JLI is registered with the Trade Register at the Chamber of Commerce under number 63768402. The financial statements are presented in euros.

Part of the activities are carried out by JLI's representative office in Geneva, Switzerland.

Objectives

The objectives of JLI is to serve general public advancement by improving health and healthcare worldwide by taking action, including but not limited to the following:

- a. to initiate, stimulate, provide and support education and training for the benefit of health and healthcare worldwide, or to arrange for the same to be done;
- b. to initiate, stimulate, perform and support scientific and other research and innovation for the benefit of health and healthcare worldwide, or to arrange for the same to be done;
- c. to initiate, stimulate, provide and support advocacy and policy change for the benefit of health and healthcare worldwide, or to arrange for the same to be done;
- d. to initiate, stimulate, undertake and support business activities and other economic activity for the benefit of health and healthcare worldwide, and to arrange for the same to be done;
- e. to create a sound infrastructure for the activities referred to above, whether or not in an international network, or to arrange for the same to be done; and
- f. to do any and all things that are related to or may be conducive to the above, all of this in the broadest sense of the word, including but not limited to:
 - i. to incorporate, in any manner participate in, manage, supervise and finance businesses and companies; and
 - ii. to borrow, lend and raise funds, to acquire, dispose of and encumber property subject to registration, to issue guarantees and to encumber assets of the Foundation, also for obligations of third parties, and to enter into related agreements.

ACCOUNTING PRINCIPLES

General

The financial statements have been prepared in accordance with the Guideline for small organisations not-for-profit (RJK C1) of the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving'). A budget on overall level has not been included as control is performed on program level.

The financial statements have been prepared using the historical cost convention and are based on going concern. Income and expenses are accounted for on accrual basis. Liabilities and any losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

If not indicated otherwise, the amounts of the accounts are stated at face value.

As from 2020 the foundation is confronted with the consequences of the corona virus. Although the consequences of the corona virus are uncertain in the long term, the foundation does not expect any consequences for the continuation of the activities.

BALANCE SHEET

Tangible fixed assets

Tangible fixed assets are presented at cost less accumulated depreciation and, if applicable, less impairments. Depreciation is based on the expected future useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use.

Costs for periodical major maintenance are charged to the result at the moment they arise.

Receivables

Upon initial recognition the receivables are valued at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

Cash

The cash is valued at face value. If cash equivalents are not freely disposable, then this has been taken into account upon valuation.

Current liabilities
Deferred income

Deferred income consists of subsidy prepayments related to programs to be carried out less the realized costs of these programs, taking into account foreseeable losses on programs. Additionally, deferred income also relates to payments from funders related to programs which have not been recognized as income.

Other current liabilities

Upon initial recognition, liabilities recorded are stated at fair value and then valued at amortized cost.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT STATEMENT OF INCOME AND EXPENDITURE

Income and expenditure are recognized as they are earned or incurred and are recorded in the financial statements of the period to which they relate. Overhead expenses are excluded from program expenses and recorded in the operating expenses.

Income

'Income from donations' relates to gifts from donors who support the general objectives of the foundation and is recognized consistently to the period to which it relates. Income from 'Realized income related to programs' is recognized in proportion to the completed program activities rendered on active programs, based on the cost incurred up to balance sheet date. The costs of these program activities are allocated to the same period.

Direct program costs

Direct program costs consist of expenses directly related to programs (out-of-pocket costs) excluding staff costs.

Donations to partners within 'Other operating expenses'

Donations to partners, in line with the objectives of the foundation, are recognized when communicated to the partner(s).

Recognition of transactions in foreign currency

Transactions in foreign currencies are recorded at the exchange rate prevailing at the transaction date. At year-end, the assets and liabilities reading in foreign currencies are translated into euros at the rates of exchange as per that date.

Financial instruments

Financial instruments include both primary financial instruments, such as receivables and liabilities, and financial derivatives. Reference is made to the treatment per balance sheet item for the principles of primary financial instruments. The foundation does not use derivatives and there are also no embedded derivatives. The foundation does not apply hedge accounting.

Principles for preparation of the cash flow statement

The cash flow statement is prepared according to the indirect method. The funds in the cash flow statement consist of cash and cash equivalents. Cash equivalents can be considered to be highly liquid deposits.

Cash flows in foreign currencies are translated at an estimated average rate. Exchange rate differences concerning finances are shown separately in the cash flow statement. Comparative figures have been adjusted for this cause.

Notes to the specific items of the balance sheet

1. *Tangible fixed assets*

	2020	2019
	EUR	EUR
Book value as of 1 January	56,356	68,006
Additions during the year	-	-
Depreciation during the year	(10,556)	(11,650)
Book value as at 31 December	45,800	56,356
Purchase value as at 31 December	87,318	87,318
Accumulated depreciation	(41,518)	(30,962)
Book value as at 31 December	45,800	56,356

The depreciation of the tangible fixed assets is calculated according to the straight-line method. The depreciation percentages are based on the economic life span. The following depreciation percentages are used:

- Computer equipment :33.3%;
- Refurbishment :10%;
- Office furniture and other assets :20%

2. *Debtors*

	31.12.2020	31.12.2019
	EUR	EUR
Debtors	17,396	233,845
Provision for doubtful debts	-	-
Balance as at 31 December	17,396	233,845

3. *Other receivables*

	31.12.2020	31.12.2019
	EUR	EUR
Prepayments	2,383	26,039
Advances partners related to programs	-	21,253
Deposits	18,906	18,906
Other	4,356	252
Balance as at 31 December	25,645	66,449

Notes to the specific items of the balance sheet

4. Cash

	31.12.2020	31.12.2019
	EUR	EUR
ABN-AMRO EUR Account	5,580,434	6,500,757
ABN-AMRO USD Account	791,603	1,593,232
Balance as at 31 December	6,372,037	8,093,989

Funds are available in line with the different program and foundation objectives.

5. Balance of income and expenditure

	31.12.2020	31.12.2019
	EUR	EUR
Balance as at 1 January	7,524,781	5,283,029
Result current year	(1,778,618)	2,241,752
Balance as at 31 December	5,746,163	7,524,781

Result appropriation for the year

The result for the year amounts to EUR 1,778,618 negative. The deficit has been deducted from the balance of income and expenditure. The balance of income and expenditure is available to use in line with the described objectives of the foundation as stated in article 3.4 of the Articles of Association.

6. Taxes and social security contributions

	31.12.2020	31.12.2019
	EUR	EUR
Wage tax	3,408	11,302
Social security contributions	-	-
Balance as at 31 December	3,408	11,302

7. Deferred income

	31.12.2020	31.12.2019
	EUR	EUR
Received from donors related to programs	(3,225,817)	(19,875,644)
Realized revenue on programs	2,962,549	19,985,941
Balance as at 31 December	263,269	(110,296)

Payments that have not been recognized as income are presented as 'deferred income'. The donations from Gilead are recognized consistently in the years which it relates to. As the last tranche of a multi-year grant was received in 2019 the total amount of EUR 17.4 million was settled within the work in progress position.

Notes to the specific items of the balance sheet

8. Other liabilities and accrued expenses

	EUR	EUR
Accrued expenses	133,886	391,736
Liabilities programs	119,860	-
Holiday allowance and social securities	5,615	11,846
Balance as at 31 December	259,361	403,582

Off-balance sheet commitments

In December 2016 a ten-year operational lease agreement was signed for the premises - AHTC building, 4th floor, Tower C and D - located at the Paasheuvelweg 25 in Amsterdam, the Netherlands. The yearly operational lease amount amounts to EUR 67,500. The first two years are free of charge, year 3: 60%, year 4: 73,3%, year 5: 86,6% and year 6 -10: 100% of the yearly operational lease amount.

JLI provided a conditional grant to the President and Fellows of Harvard College, acting through Harvard T.H. Chan School of Public Health for their application entitled 'Designing pooled next generation sequencing algorithms for affordable HIV drug resistance surveillance in Africa'. The grant value amounts to EUR 189,190 (USD 211,866). At year end 2020 an amount of EUR 2,607 remains as off-balance sheet commitment to Harvard T.H. Chan.

The Joep Lange Chair and Fellows Program brings together experts from different backgrounds and geographies to collaborate on research that will help drive change in the field of global health. This multidisciplinary approach is echoed in the unique rotating character of the Chair, which will welcome up to five (partly concurrent) professors from different fields of expertise in five years. In partnership with the top academic institutes in Africa, Asia, Europe and the United States, the Chairs and Fellows will focus on building the knowledge base of global health and collaborate with organizations that can apply these insights to improve access to quality healthcare across the globe. JLI agreed to make a grant available to AIGHD to the value of EUR 2,000,000 to coordinate the Program while the remainder of the Program's budget (EUR 845,000) is administered by JLI. At year end 2020 an amount of EUR 858,679 remains as off-balance sheet commitment to AIGHD.

Notes to the specific items of statement of income and expenditure

The statement of income and expenditure can also be split over 'project' and 'non-project' related income and expenditure.

	Project	Non-Project	Total 2020
	EUR	EUR	EUR
Total income	842,665	-	842,665
Operating expenses:			
Direct program costs	718,751	-	718,751
Personnel expenses	619,875	535,807	1,155,682
Amortization and depreciation	-	10,556	10,556
Other operating expenses	484,291	172,003	656,294
Subtotal operating expenses	1,822,917	718,366	2,541,283
Operating result	(980,252)	(718,366)	(1,698,618)
Financial income and expenses:			
Financial expenses	5,884	(90,724)	(84,840)
Financial income	-	4,840	4,840
Subtotal financial income and expenses	5,884	(85,884)	(80,000)
Result	(974,368)	(804,250)	(1,778,618)

With respect to the total 'non-project' realization ad. EUR 804,250 the following remark can be made. The total costs of JLI's activities in Switzerland amount to EUR 350,338 for the year 2020. This amount consists of EUR 303,991 personnel expenses, of which EUR 93,839 have been charged-out to programs. The remainder are operating expenses of EUR 46,347.

Notes to the specific items of statement of income and expenditure

9. Income

	2020	2019
	EUR	EUR
Income from donations	-	4,442,178
Realized income related to programs	842,090	1,105,369
Other income	575	-
	842,665	5,547,547

The 'Income from donations' consist of:

Gilead	-	4,369,178
PharmAccess Foundation - joint agenda on prevention	-	73,000
Gilead/Janssen - Book Launch	-	-
IAS	-	-
Other	-	-
Total income from donations	-	4,442,178

The 'Realized income related to programs' consist of:

Chair and fellows - Ministry of Foreign Affairs	182,141	190,780
Communication strategy for the Sanitation and Hygiene Fund	156,638	-
Noordwijk III - Gates Foundation	151,300	134,950
PharmAccess Foundation	92,608	305,108
The Global Fund	83,703	-
Establishment of the I-DAIR Collaborative	65,025	-
Diagnostic alliance - FIND	50,921	-
Support for the Resource & Investment Circle & development	18,512	-
Resource & Investment Circle manager	13,010	-
Investment Case for the Therapeutics Partnership of ACT A	12,990	-
Aegon	10,000	-
Reverse diabetes India - JvdB	2,942	1,681
HCV PBF Impact Investment - interest income	2,300	-
FT Conference - UHC - PharmAccess / HIF / Ministry of Foreign Affairs	-	291,294
Center of Advanced Hindsight - PAI / CPI / CPL-KE	-	181,556
Total realized income related to programs	842,090	1,105,369

Notes to the specific items of statement of income and expenditure

10. *Personnel expenses*

	2020	2019
	EUR	EUR
Salaries	140,392	389,381
Social security contributions	29,689	66,147
Pension costs	8,316	49,961
Subtotal personnel Netherlands	<u>178,397</u>	<u>505,489</u>
Subtotal personnel Switzerland	303,911	231,728
Contracted services related to Facility Agreement	114,202	130,728
Contracted services related to Chair and Fellows	142,406	176,532
Contracted services related to Financial Health Diaries	83,006	55,331
Contracted Director Research	-	50,960
Contracted Technical Assistance	326,608	381,563
Other	7,072	48,710
	<u><u>1,155,682</u></u>	<u><u>1,581,041</u></u>

The 'personnel expenses' presented above relate to activities in line with the objectives of the foundation.

Remuneration of Members of the Board

During the financial year Onno Schellekens (Chairman), Peter van Rooijen, Michiel Heidenrijk and Aaltje de Roos formed the Statutory Board ('Bestuur') of the Stichting Joep Lange Institute for Health and Development. During this period no payments were made to the Members of the Board. Stichting Joep Lange Institute for Health and Development is voluntarily in compliance with the Dutch Standard Remuneration Act ('Wet Normering Topinkomens'(WNT)).

Notes to the specific items of statement of income and expenditure

11. Other operating expenses

	2020	2019
	EUR	EUR
Partners	396,353	453,889
Partners - charged out	-	(181,556)
Events	10,498	108,427
Travel and accommodation	65,659	135,768
Office rent	40,170	54,400
Audit	21,163	20,735
Professional literature	-	1,129
Communication	6,921	5,762
IT	13,910	5,351
Other	101,619	131,625
	656,294	735,530

The 'Partners' consist of:

Center of Advanced Hindsight		
- Support for digital innovation: M-Tiba	-	453,889
- Mbrella	13,872	-
GLAS	190,041	-
ICSS	100,679	-
Harvard T.H. Chan School	91,761	-
Other	-	-
	396,353	453,889

Notes to the specific items of statement of income and expenditure

12. *Financial expenses*

	2020	2019
	EUR	EUR
FX-results	81,185	-
Bank interest and charges	3,655	2,001
	84,840	2,001

13. *Financial income*

	2020	2019
	EUR	EUR
FX-results	-	80,071
Bank interest	4,840	22,696
	4,840	102,766

Other notes

Number of employees

The average number of full-time equivalents during the financial year 2020 was 4.9 (NL: 2.9 and CH: 2.0) (2019: 7.8 (NL: 6 and CH: 1.8))The year-end full-time equivalents was 4.6 (NL: 2.1 and CH 2.5) (2019: 6.9 (NL: 5.1 and CH 1.8)).

Subsequent events

There are no events to report.



Signing of the Financial Statements

Amsterdam, 7 June 2021

Board of Directors:

O.P. Schellekens

Chairman

M. Heidenrijk

Executive Director

D.P. van Rooijen

Director

A. de Roos

Board Member

OTHER INFORMATION

Independent auditor's report

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



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Independent auditor's report

To: the board of directors of Stichting Joep Lange Institute for Global Health and Development

Report on the audit of the financial statements 2020 included in the annual accounts

Our opinion

We have audited the financial statements 2020 of Stichting Joep Lange Institute for Global Health and Development, based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting Joep Lange Institute for Global Health and Development as at 31 December 2020, and of its result for 2020 in accordance with the Guideline for annual reporting for small organizations not-for-profit (RJK C1) of the Dutch Accounting Standards Board.

The financial statements comprise:

- The balance sheet as at 31 December 2020
- The statement of income and expenditure for the year 2020
- Cash flow statement for the year 2020
- 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 Our responsibilities for the audit of the financial statements section of our report.

We are independent of Stichting Joep Lange Institute for Global Health and Development in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (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.

Report on other information included in the annual accounts

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

- The board report
- Other information pursuant to the Guideline for annual reporting for small organizations not-for-profit (RJK C1) 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 for small organizations not-for-profit (RJK C1) of the Dutch Accounting Standards Board

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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 for small organizations not-for-profit (RJK C1) of the Dutch Accounting Standards Board and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management board's report and other information in accordance the Guideline for annual reporting for small organizations not-for-profit (RJK C1) of the Dutch Accounting Standards Board.

Description of responsibilities for the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting for small organizations not-for-profit. Furthermore, management is responsible for such internal control as management 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 company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company 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 company'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 skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- 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 company'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 company'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 a company 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.

We communicate with management 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.

The Hague, 7 June 2021

Ernst & Young Accountants LLP

signed by J.W. van der Steen

