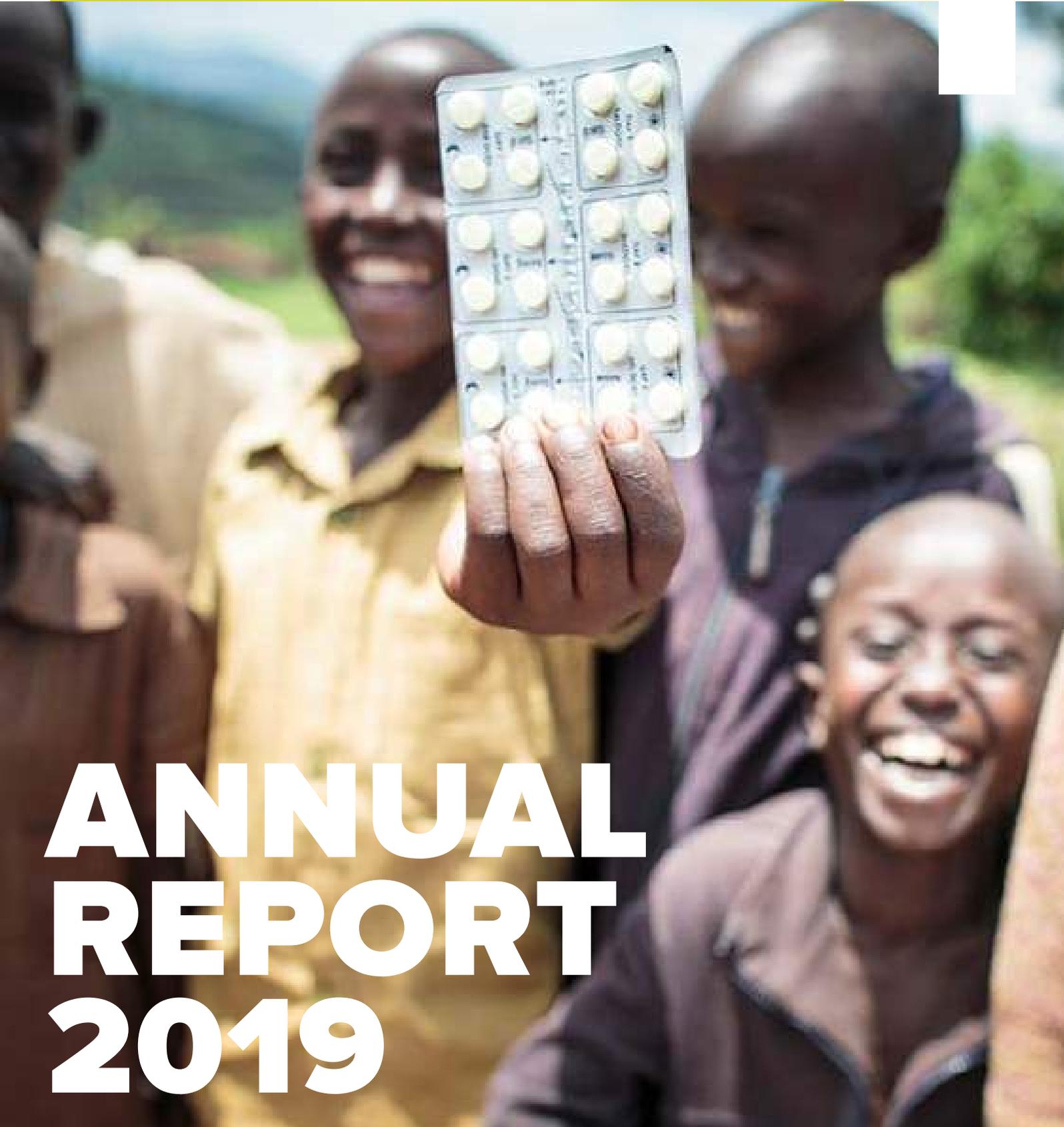




solutions

universal access to essential medicines



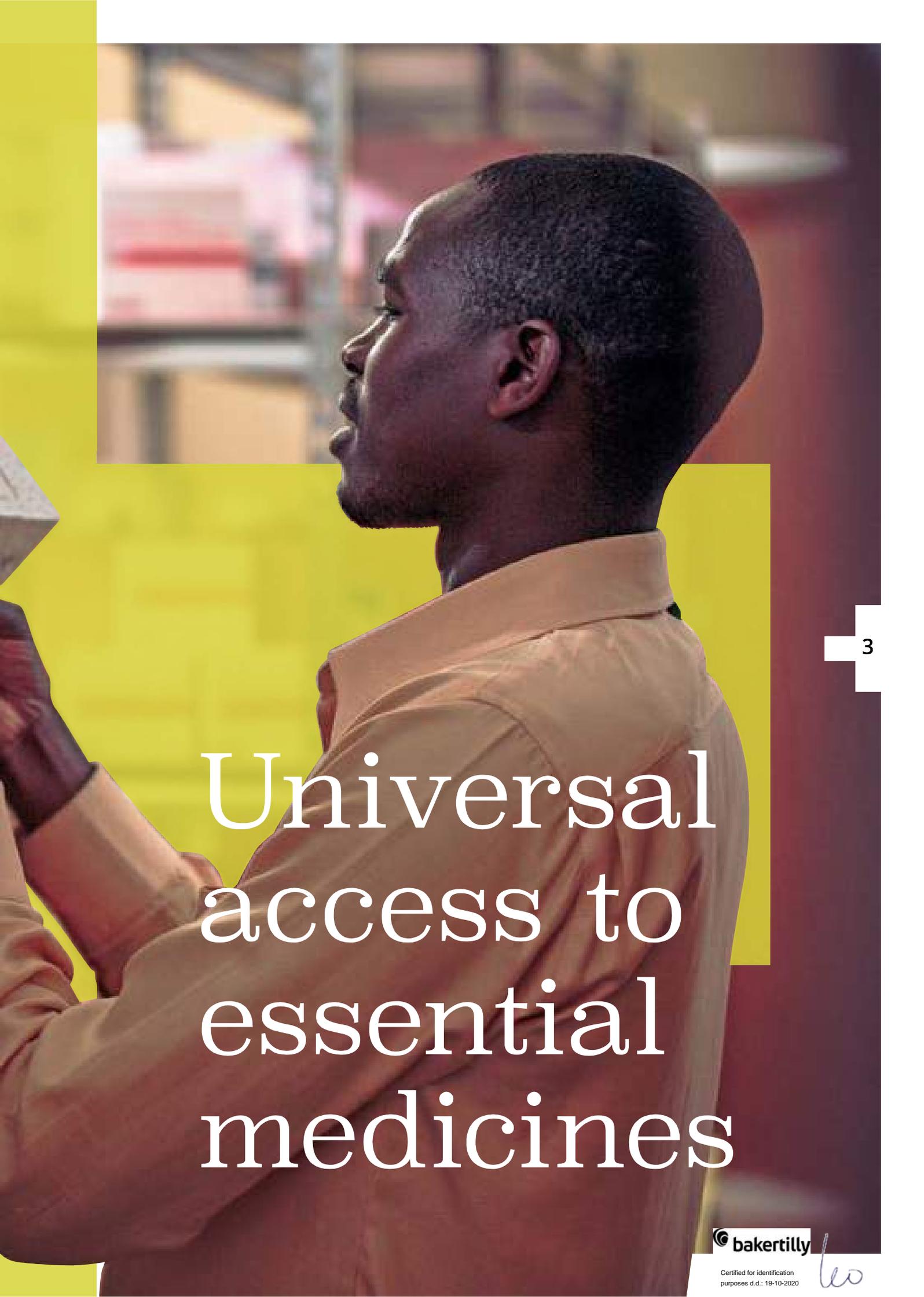
ANNUAL REPORT 2019



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Universal access to essential medicines

ANNUAL REPORT FROM THE CEO

Introduction and Highlights

2019 was a year full of change for i+solutions. The main highlight was winning the majority of the Pooled Procurement Mechanism (PPM) project of the Global Fund. i+solutions was awarded all pharma categories with an annual estimated volume of 450-500 million US dollars.

i+solutions is now one of the biggest, global procurement services agents of pharmaceuticals for low- and middle-income countries. This is a recognition of many years of hard work and delivering value for our clients. It also endorses i+solutions' vision on how global health supply chains can be improved by innovative new ideas. After implementing projects for 15 years in the global health supply chain across Africa we have developed an innovation agenda. This ranges from a block chain pilot in the north of Nigeria to creating end-to-end visibility for optimizing supply chains with modelling and modern techniques such as machine learning. Our senior leadership has worked for many years in the private sector and has gained experience in how to improve logistical supply chains. We are now applying this private sector knowledge and network to the benefit of global health supply chains. Last year we developed a whitepaper on how we believe global health supply chains can be improved through innovative new ideas. We are sharing this vision with relevant stakeholders and will publish a high-level version later in 2020.

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IMPACT THROUGH INNOVATION

Procurement Services



Despite the PPM contract award only being made in April of 2019, i+solutions had already begun carefully planning for the implementation of the project since the tender process began in July 2018. This careful planning enabled a smooth start of the contract in August 2019. Despite the uncertainty during the tender and award process, i+solutions kept its experienced staff on board during the interim period between the old and new contracts. This period lasted five months so reflected quite an investment. In this period, we redesigned all our processes and systems resulting in

a state-of-the-art procurement platform. We are now able to process orders in a highly automated and efficient way, resulting in very short turnaround times for orders. Our clients, mainly principal recipients in 65 countries, benefit from this investment by a higher quality and reliable delivery of medicines. We also invested in our finance and quality team to be able to handle the PPM contract in the best possible way. Naturally, our other clients will benefit from these investments as well. We have the ambition to substantially grow our procurement services further in the near future.

Consulting

Our consulting activities continued in the countries in which we have a longer presence such as Burundi, Nigeria and the DRC. We also embarked on new projects such as the Performance Based Financing project for the World Bank in Liberia. Another interesting project we started is for the Women's Refugee Committee in Borno state in the north of Nigeria. Almost one third of the population there is displaced in semi-permanent refugee camps,

deprived from basic medical care. In line with our end-to-end data visibility vision, we also ran a pilot in Nigeria with a closed block chain solution, developed by our partner UnChain. The objective of the pilot was to see if we can create better insights into the last mile so we can increase the availability of essential medicines. The results are very promising, and we are looking at how we can scale up this pilot with our partners in 2020.



Staff

We are very pleased to see our staff retention being very high



despite the uncertainty of the PPM rebid in the beginning of the year. We have created a strong culture where employees work closely together and feel motivated to work on our mission. With about 18 different nationalities we also have a very diverse team, not forgetting our contractors in Africa. We work with many local freelance experts on our main projects and they are a valuable part of our workforce.

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Financials

We have invested significantly in 2019 to accommodate our growth plans. First of all, we invested in our IT platform for our procurement services so we can handle these contracts in a very efficient way. Secondly, we invested in our staff by keeping them on board in the interim for the PPM project after our separation from Partnership For Supply Chain Management (PFSCM) and before the new contract started. Thirdly, we invested in innovative solutions like the abovementioned block chain pilot in Nigeria, our whitepaper, our e-learning platform: i+academy and our Logistic

Management Information Software (LMIS): Medexis. These investments were necessary to build the foundation for the future and to reach our ambitious goals.

Unfortunately, our revenues were substantially lower due to five months without revenue from the PPM contract and also with the ending of the Nigeria Supply Chain Integration Project (NSCIP) project in the summer of 2019. While we have reduced costs where possible, the above factors have contributed to liquidity constraints and a substantial financial loss in 2019 of EUR -661,809.

IMPACT THROUGH INNOVATION

Business continuity

Regarding the business continuity we follow the classification of the Dutch Agency for Registered Accountants. We classify ourselves in category B: “there is doubt, given the poor result / development of equity or cash flow, but not such that discontinuity arises”. This is based on i+solutions Negative equity, Negative working capital and negative results for a couple of years.

i+solutions has invested a large amount in 2019 in developing an automated platform to efficiently handle procurement orders. This investment is justified by winning the lion share of the Pooled Procurement Project of the Global

Fund. i+solutions has been awarded as PSA for 3 years for the main pharma categories HIV/AIDS, Anti Malaria and Essential Medicines with a possible extension for another 3 years if the performance is good. The i+solutions IT platform allows for straight through processing and reduces our labor costs. These procurement orders are pre-financed by the donor, so the cash flow for these orders is not an issue. Given the long term nature of this contract and the potential upside of winning more similar long term procurement contracts, the outlook for the continuity of these PSA activities is good, despite the current weak financial equity and working capital.

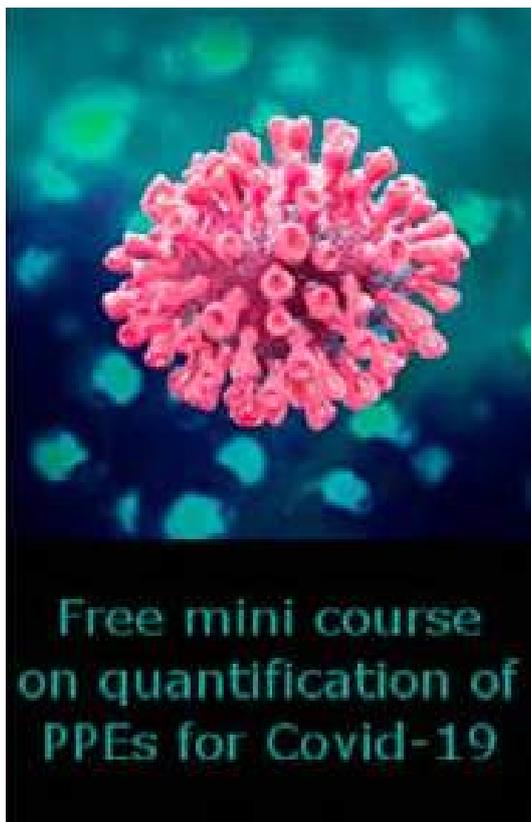


Corona outbreak

According to the latest accounting guidelines we have to make a statement on the recent corona outbreak. We have installed a Corona Crisis Committee already on the 4th of March, which is gathering on a frequent basis. We have made a contingency plan with clear measures how to best cope with the challenges resulting from this outbreak. All our staff in the Netherlands is currently working from home. This is possible due to our highly automated infrastructure. This reduces the risk our staff are infecting each other, and being faced with a peak in illnesses of staff at the same time.

We already have business continuity plans in place. For instance we have documented most of our processes and have appointed back-ups for our critical staff in case they get ill.

The biggest impact might occur in our in-country operations in Africa. Although at the moment Africa is less impacted by the corona virus, some restrictions are already in place. At the moment we expect that most of our projects in Africa can still continue, except physical training of people. We do have an e-learning platform and are able to continue training for most projects via e-learning. We have recently also published a free taster course for health workers on quantification of PPE materials and added special activities on the quantification of health supplies required for the COVID-19 outbreak. If the situation gets worse in Africa it might of course be possible our projects will face delays. We monitor this on a daily basis. Since we are active in the distribution of essential medicines our activities are earmarked as vital for society and therefore we will be allowed to continue working on them by governments.



Financial Outlook

For 2020 we expect a substantially higher revenue and a positive EBITDA. This is due to the PPM project getting fully up to speed and new business we expect to win in the procurement area. As a result of the investments made in 2019 to automate our procurement platform, we are able to create synergies across our procurement activities in 2020 and beyond, which will lead to more business opportunities.

For our consulting business, we are well positioned to win some large new multiyear projects in 2020. Our pipeline is looking healthy and we have already submitted interesting proposals due to be awarded this summer. With our new consulting strategy, we will be more focused on certain supply chain activities and countries and in doing so, create more synergies across projects. Especially our innovative concepts and scalable services like i+ academy make us an attractive partner for various principal recipients. In combination with reducing our overhead further, we are confident we can show a positive EBITDA and possibly also achieve a small net result in 2020 which is going to ramp up in the following years.

All together we are optimistic about harvesting future opportunities based on our current and improved market position. It is however a highly competitive market and we need to choose our strategic partners carefully to be successful in winning new business. The unmet need is still high and many patients are still deprived from quality medicines, especially in low income countries with weak health systems. Global donors are committed to keep investing in improving global health supply chains, even if their strategies are evolving. We are living in a very dynamic market enabling us to increase our role as an agile and innovative player. We are committed with our experienced team to create more impact through innovation in 2020 and the years beyond!



i+ solutions
universal access to essential medicines

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Strategy

i+solutions' strength is in its experience in improving health supply chains. And there is still a world to win when it comes down to the whole supply chain from source to patient. We have set ourselves high targets to use this knowledge to the benefit of patients and to create impact by innovation. The title of our whitepaper is: Serving more patients while spending less money! Key to this systemic approach is:

- + Creating end-to-end visibility so we finally have reliable and timely supply chain data
- + This data can be analyzed and modelled into more efficient supply chains including clear segmentation strategies
- + Stakeholder engagement is crucial to get buy-in for these changes
- + Change management is key to ensure that transformation is sustainable
- + Clear governance is needed to create clear roles and responsibilities
- + Finally, innovative approaches will create more impact for less money

We aim to achieve this strategy together with our strategic partners, which include Cordaid, MSH, Palladium, Abt Associates, Globis, FP2020, Reproductive Health Supplies Coalition, The Dutch Ministry of Affairs and many more.

I like to thank our staff, board members and all our partners for working closely together to achieve our mission: improving and saving lives by creating well-functioning health supply chains. Without the dedication to this mission we would not be able to deliver these life-saving medicines at the doorsteps of the millions of patients relying on it. This is what makes us tick and where we like to make a difference! Impact through Innovation!

Ed Monchen
CEO

**IMPACT
THROUGH
INNOVATION!**

WHO WE ARE, WHAT WE DO, HOW WE DO IT

Who we are

i+solutions is a Dutch not-for-profit organization providing access to best-priced, internationally recognized, quality health products and supply chain management solutions to low- and middle-income countries. Our innovative approach, expertise in training, procurement and delivery, consultancy and project management contribute to saving lives every day.

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Our history

i+solutions was founded in 2005 as a training and consultancy department within the International Dispensary Association Foundation (IDA Foundation). We later became an independent foundation with a two tiered board (executive board and supervisory board). i+solutions has its head office in Woerden, The Netherlands with a total of 48 employees. We also operate 4 foreign offices in Nigeria, DRC, South Africa and Burundi. i+solutions has contracted approximately 25 consultants working in the countries on project basis. Over the last 15 years, we have provided services that support the procurement and distribution of essential medicines, supporting governments and organizations in their quest to create sustainable access to medicines and health products. Our portfolio has continuously expanded and our services have been adapted to meet local and contemporary needs.

What we do

i+solutions is active in a number of projects that aim to solve bottlenecks in the access to medicines in developing countries. Our motto is 'pills and skills'. Not only do we procure essential medicines and health products, we also strengthen public health systems by conducting training and consultancy activities so that countries can improve their internal capacity and eventually take full control of their pharmaceutical supply chain.

Vision and mission

Our vision is a world where no medical need goes unmet. To achieve our vision, we partner with governmental, private sector, public and charitable organizations to develop health infrastructures to help low- and middle income countries become resilient societies.

Our mission is to save and improve lives by creating well-functioning health supply chains.

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The way we work, our core values

Collaboration: We are team players, working collaboratively with our partners and colleagues. We value relationships based on respect, fairness and a shared level of effort.

Commitment to excellence: We embrace our abilities as well as our limitations and strive for optimal results in everything we do. We recognize that our best efforts are reflected in the positive impact on the health of the communities we serve.

Empowerment: Every member of the i+solutions team is a valued asset and has a vital role to play in achieving our goals. We support each other in finding innovative solutions to the challenges we face in our business.

HIGHLIGHTS AND RESULTS 2019

Contributed to

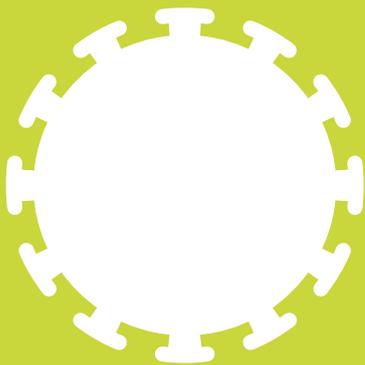
105 mln

antimalarial treatments procured



Trained healthcare staff in 2019:

513

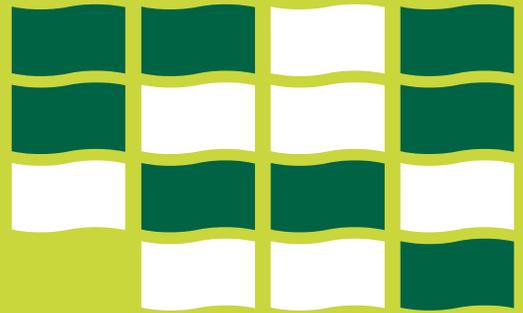
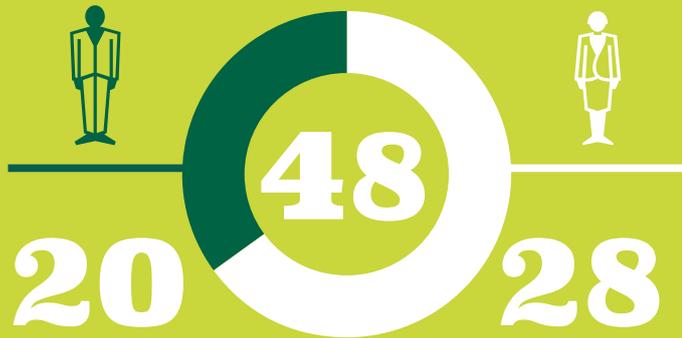


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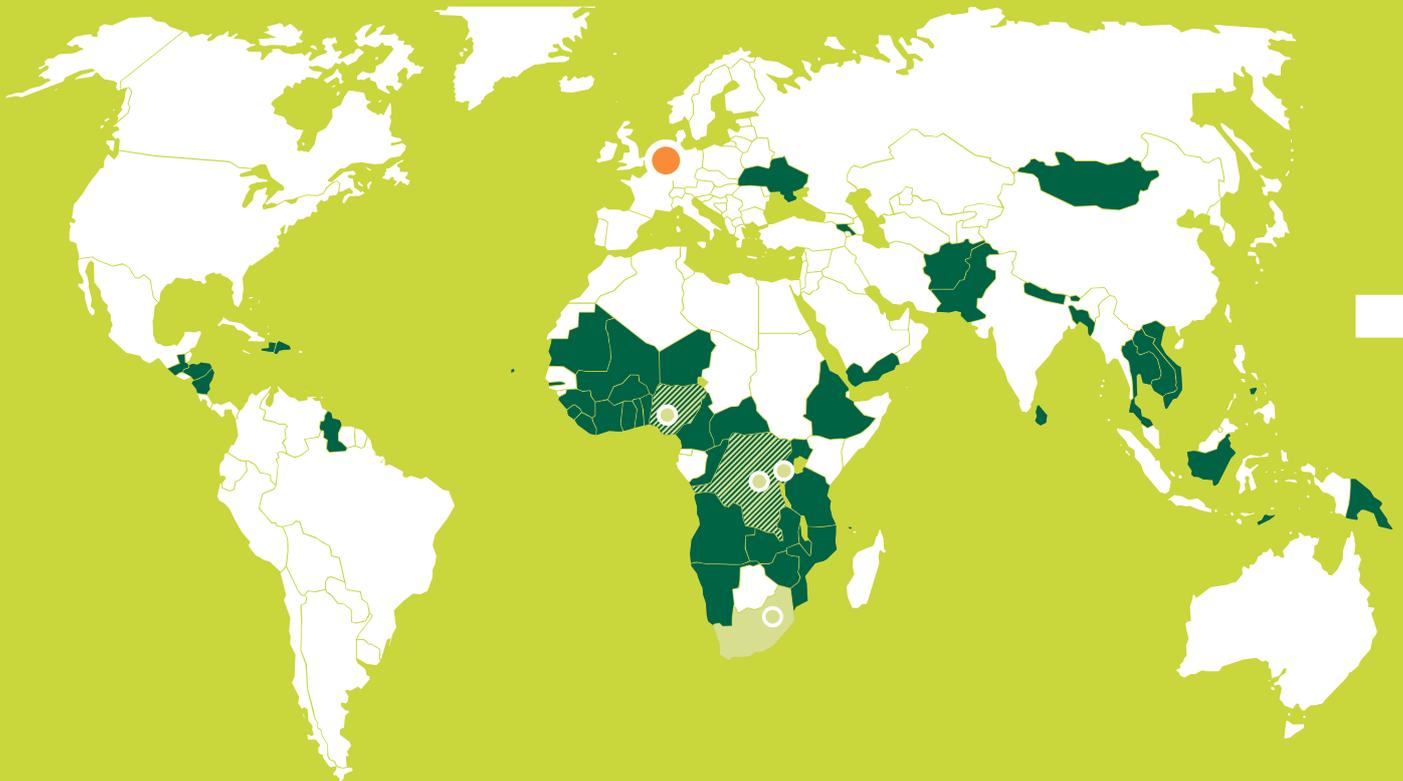
3,9 mln

people receiving ARV treatments

Employees



18 Nationalities



 our projects

 i+solutions head office

 our other offices

www.i+academy.org



growth e-learning platform

to **4,000** users

with **14** courses in **4** languages

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DIRECT PROCUREMENT SUPPORT

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As an independent organization, i+solutions supports Ministries of Health and other parties in several countries with procurement of medicines and related commodities through our direct procurement program. i+solutions is offering its procurement and logistics services for standard

supplies as well as to answer out-of-stock/emergency situations. Our activities include supplier selection, sourcing, negotiating, helping coordinate freight forwarding of commodities to the final consignee, and ensuring that procurements comply with donor rules and regulations.

Highlights 2019

In 2019, we have continued our support for Morocco related to the purchase and delivery of HIV/AIDS medicines and reproductive health commodities. Also in Morocco i+solutions has provided tailor-made procurement consultancies in which we provide support and mentorship on procurement and quantification activities to local staff of the Ministry of Health of Morocco.

For Uganda and Ethiopia, Kenya and Uganda, i+solutions is a partner in the Leishmaniasis East

Africa Platform (LEAP) managed by DNDi (Drugs for Neglected Diseases). Here, i+solutions procured laboratory materials and other supplies for the clinical trial sites of DNDi's local partners.

As Third Party, we are responsible for acting as an interface for Glaxo-Smith Kline (GSK) by placing purchase orders and managing the procurement request for GSK's essential medicines in footprint countries. In 2019 we support Sudan to purchase and deliver GSK products.



PROJECTS

PPM

Pooled Procurement Mechanism

Duration: 2009 and still ongoing

Donor: The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM)

Countries: 65 countries and 95 grants located in Sub-Saharan Africa, the Middle East, Asia and Latin America. Nigeria, Uganda, Tanzania, the Ivory Coast, Malawi, the Democratic Republic of Congo and Mozambique

Partner organizations:

i+solutions is managing this project as prime contractor. We contract Service providers for specific tasks such as freight and quality control.

Objective:

Cost-effective procurement of health commodities for developing countries.

I+solutions is a procurement services agent for PPM, procuring and delivering core products for HIV/AIDS and malaria programs.

Role of i+solutions:

- + Overall management of the contract with the Global Fund
- + Managing and coordinating procurement needs for anti-retroviral drugs, artemisinin in combination therapy, other antimalarial drugs and all other essential medicines
- + Providing secure delivery to the final destination point within the country, with track and trace options
- + Assuring appropriate standards of quality, safety and efficacy of all products purchased
- + Maximizing savings and opportunities throughout the supply chain

2019 results:

- + Contributed to 3.9 million people receiving ARV treatments
- + Contributed to 105 million anti-malarial treatments procured



GHANA

Logistic Management Information System

Duration: from March 2018 to April 2019

Donor: The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM)

Country: Ghana

Partner organizations: Ghana Health Services, Resolve Solutions Partners, Ministry of Health, Ghana.

Objectives:

The objective of the Ghana Logistics Management Information System (GhiLMIS) development project is to develop a Logistics Management Information System (LMIS) that will provide data and ordering functionalities of health commodity logistics.

Role of i+solutions:

i+solutions managed the training and change management component of the implementation successfully through proactive engagement of stakeholders in the development and customization of the e-LMIS, and through creating a supportive culture and conducive environment for change. A motivated cadre of change agents, spread across the value chain, ensure strong ownership and sustainable use of the system, peer-to-peer mentoring and coaching.



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Results and activities:

- + Online training portal, training of over 150 participants
- + Timely Go-live deadline met
- + Joint system development and project implementation with change agents
- + Enabling 80 master trainers to act as the leaders for cascading trainings to over 1356 health workers across 231 health facilities within 7 months.

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Burundi

Introduction of Medexis, an eLMIS tool.

To improve the availability and access to family planning and post-abortion care products

Duration: January 2019 – December 2019

Donor: PATH/SECONAF

Country: BURUNDI

Objective: Strengthen the availability and access to family planning and post-abortion care products for vulnerable populations through the pilot implementation of an integrated stock management tool to monitor and manage stocks in real time in 36 public health structures.

Role of i+solutions: improve visibility of family planning (FP) and post-abortion care (PAC) products in the health supply chain and ensure last mile availability of these products in the health facilities enrolled in the project.

Results in 2019:

- + Medexis platform is up and running in 36 health structures, including electronic Logistics Management Information System (e-LMIS) tools to improve inventory visibility, analyze LMIS data for resupply decision-making and evaluating the performance of health facilities.
- + Improved **visibility** in the supply chain at all levels in the

supply chain (central medical store, national program level, district level)

- + Increased **availability** of FP and PAC products in all facilities from 6% to 100%
- + **Stock-out** duration decreased from 5.4 days to 0.7 days
- + Reduction of health facilities with **expired** products from 30% to 0%
- + Reduction in **average time spent** on administrative tasks related to the supply chain from 15 days to 2 hours per quarter.

Key activities to achieve results:

- + Trained 6 Master Trainers and 87 users in the use of Medexis. A Medexis user's guide and training modules have been developed for that purpose
- + Developed a monitoring and supervision framework to more effectively monitor the family planning and post-abortion care products management performance of health facilities
- + Developed inventory and stock management reporting tools and dashboards in Medexis
- + Coached and supervised the District Executive Team and 60 healthcare providers

Burundi

Introduction of Medexis, an eLMIS tool.

To improve the availability and access to nutrition products

Duration:

September 2019 – August 2020

Donor: UNICEF

Country: BURUNDI

Objective: Strengthen the availability and access to nutritional products for vulnerable populations through the implementation of an integrated stock management tool to monitor and manage stocks in real time in 98 public health structures.

Role of i+solutions: improve visibility of nutritional products in the health supply chain by implementing an eLMIS and training and coaching staff to use it, and ensure last mile availability within the 90 health facilities enrolled in the project.

Key results:

- + The Medexis platform is configured and tested. The system is up and running;
- + The Medexis solution has increased the global visibility of logistics data across the entire supply chain: at central level, at the level of PRONIA-NUT, UNICEF and Health information system department.

Key activities to achieve results:

- + Conducted an initial baseline survey to assess and determine the indicators and expected results.
- + Six Master Trainers and 125 users have been trained in the use of Medexis. A Medexis users guide and training modules have been developed.
- + Distributed 91 flash modems across the facilities in order to improve internet access.
- + Developed a monitoring and supervision framework to more effectively monitor the nutrition products management performance of health facilities.
- + Developed inventory and stock management reporting tools and dashboards in Medexis.
- + Developed electronic Logistics Management Information System (LMIS) tools to improve inventory visibility, analyze LMIS data for resupply decision-making and evaluating the performance of health facilities

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Democratic Republic of Congo: C3

Commodities Chain and Care

Duration: October 2016 – October 2019

Donor: Netherlands Ministry of Foreign Affairs

Country: Democratic Republic of Congo

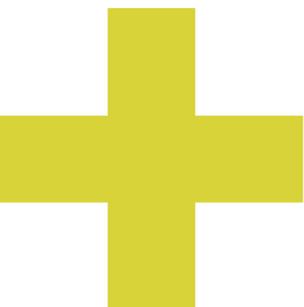
Partner organizations: UNFPA; i+solutions, Caritas, Living Peace Institute

Objectives: Provide a mechanism for women, adolescents, youth and vulnerable populations in the targeted health zones in the Kivu region that enables them to choose and use Sexual and Reproductive Health commodities as part of a total service package. This package provides survivors of sexual and gender-based violence with access to responsive and comprehensive medical and psychosocial care.

Role of i+solutions: Ensure **last mile continuous availability and optimal stock levels** of family planning (FP) commodities and other essential RH (Reproductive Health) products at 166 service delivery points in targeted health zones by the end of September 2019.

Key results in 2019 – last mile availability:

- + FP commodities and other essential RH products: all 8 of the targeted provincial HZs and 157 of their 166 health facilities (94.6%).
- + Post-rape kits and other essential RH products: 100% of the targeted health facilities (24 out of 24).
- + Stock-outs reduced from 43.3% (base-line 2017) to 1% in September 2019. Stock-outs are measured as the percentage of service delivery points experiencing stock-out of one or more critical SRH/FP commodity within the last three months.
- + Transport costs dropped 70% per HF per month by using an informed push model.
- + South Kivu: all HFs had the entire range of 8 family planning commodities available.
- + North Kivu: some stock outs occurred during the first half of 2019, mostly in the extreme north, the Ebola affected and unsafe areas. Others have been due to the limited number of donors that are supporting this province with SRH supplies.



Key activities:

- + **Ensuring improved visibility in the supply chain:** availability of supply chain management tools to enable reporting of consumption and stock movement data, placing orders to the health zone pharmacy and following-up the stock levels of commodities.
- + **Implementation of informed push model:** using the Comité d'Axe de Distribution (CAD), in which the HZs are working with the community and private moto taxis to distribute commodities to the HFs, instead of each HF making its way to the HZ pharmacy. In a pilot previously conducted in this project, transport of all medicines of vertically organized health programs were combined into one transport. Availability of family planning commodities also improved. At the beginning of the pilot, 13 out of 18 HFs reported stock out of at least one product, compared to 4 health facilities of only one product at the end of the pilot.



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- + **Organize physical distribution** for supplies made available by UNFPA from the Regional Distribution Centre to the health zone pharmacies.
- + **Redeploy excess stock** preventing out of stock situations and expired goods.
- + In addition, excess stock of implants from Burundi were distributed to HF in South and North-Kivu, thereby **preventing expiry of products** and ensuring continued availability of family planning commodities at all service delivery points.

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Democratic Republic of Congo: IHP

USAID Integrated Health Program

Duration: May 2018 – January 2022 + 3 years option to extend

Donor: USAID

Country: Democratic Republic of Congo

Partner organizations: Abt Associates, Pathfinder, IRC

Objectives:

Strengthen the capacity of Congolese institutions and communities to provide integrated and quality health services to sustainably improve the health of the Congolese population.

Role of i+solutions:

Increase **last mile continuous availability** of essential drugs as from health zone level up to health facilities and the community base, by strengthening health systems,

governance and leadership at the targeted provincial, health zone and health facility levels.

Key activities:

- + Ensuring improved visibility in the supply chain
- + Training of trainers and supportive supervision
- + Gap analysis and SCM repair
- + Last mile distribution design and implementation
- + Sustainability plans
- + Synergies and prevention of duplication of efforts



Democratic Republic of Congo: Jeune S3

Jeune S3 Santé Sexualité et Sécurité

Duration: January 2016 – December 2020

Donor: Dutch Ministry of Foreign Affairs

Country: Democratic Republic of Congo - North and South Kivu

Partner organizations: Cordaid, Swiss TPH, PSI

Objectives:

Ensure that young people (especially girls between the ages of 10 and 14) are able and motivated and can make informed choices on Sexual and Reproductive Health and Rights, and that their choices are respected.

Role of i+solutions:

Ensuring **last mile permanent availability** in Jeune S3 Health Facilities of a range of affordable quality family planning commodities, HIV prevention commodities and medicines used in the areas of maternal health and STI (sexually transmitted infections) management.

Key results in 2019:

- + South Kivu: all 8 contraceptive methods were available in 100% of Jeune S3 health facilities (HF) in December, compared to a baseline of 94% as per December 2016
- + North Kivu: all methods available in 92% in December as compared to 56% in December 2016
- + Most of the out of stock positions that occurred have been recorded in the extreme north, the Ebola affected,

and unsafe areas. Others have been due to the limited number of donors that are supporting this province with SRH supplies.

Key activities:

- + **Improve visibility in the supply chain:** technically support and capacitate health zone and health facility staff in improving stock management and timely reporting of quality stock and consumption data, leading to informed decisions from the last mile upward to district, regional and national levels.
- + **Governance:** Continue meetings of the logistic committees of the CTMP in North and South Kivu and work jointly with ministry of health and other logistic partners towards alignment of procurement and distribution of health commodities towards the last mile.
- + **Redeploy excess stock** from one health facility, health zone and province to another, in this way eliminating out of stock situations and preventing expired goods.
- + **Informed push model:** organize physical distribution of selective products from the Regional Distribution Centre to the health zones and put in place the innovative Comité d'Axe de Distribution (CAD), an informed push-based delivery model.

Nigeria

RMNCAHN

Increasing Access to Reproductive, Maternal, Newborn, Child and Adolescent Health and Nutrition (RMNCAHN) Services in Borno State

Duration: September, 2019 – December, 2019

Donor: Bill and Melinda Gates Foundation (BMGF)

Country: Nigeria

Partner organizations: Women Refugee Commission (WRC) (lead), Monguno Foundation, Borno State Primary Healthcare Development Agency (BSPHCDA)

Objectives:

The project seeks to develop and implement an integrated package of community and primary health interventions designed to increase access to reproductive, maternal, newborn, child, and adolescent health and nutrition (RMNCAHN) services in Borno State. The Village Health Worker (VHW) scheme is one of the approaches designed to address the barriers to RMNCAHN services by the consortium and was implemented in three pilot locations.

Role of i+solutions:

Institute a high-standard and efficient procurement and supply chain management system re-

quired to achieve timely availability of a range of high-quality RMNCAHN commodities at service delivery points (primary health facilities and community level) to prevent maternal and infant mortality, malnutrition and increase access to prompt RMNCAHN services.

Activities and results:

- + Support to develop a procurement forecast plus budget for RMNCAHN commodities
- + Design a logistics system for complementary LMIS (e.g., tools and processes for managing information), inventory control system (e.g., stock levels and procedures for resupply), monitoring & supervision, reporting, and procedures for storage, transportation & distribution.
- + Capacity building for senior village health workers and CHEW supervisors on the basics of commodities management
- + Participation in routine supply chain coordination meetings with WRC, SPHCDA and other local partners to discuss progress, challenges and solutions.

Nigeria

NSCIP



National Supply Chain Integration Project, Nigeria, the Global Fund, 2015 – 2019

The Nigerian Supply Chain Integration Project (NSCIP) was funded by the Global Fund for the Federal Ministry of Health in Nigeria. The project was established in 2015 and consists of three lots, Lot I - Coordination and Policy, Lot II - Warehousing and Distribution, and Lot III - Logistics Management Coordination Units and LMIS Deployment in target States. Lot III was implemented by i+Consortium, a strategic partnership comprising of i+solutions, Pharmaceutical Systems Africa (PSA), Sustainable HealthCare International (SHI) and University of Benin (UNIBEN). I+solutions was the lead partner for i+Consortium.

The NSCIP focused on the integration of supply chains across five (5) health programs - HIV/AIDS, malaria, tuberculosis, reproductive health and vaccines by reinstating the necessary federal and state governance structures, remodelling and integrating the current distribution network and creating organizational units under the State Ministry of Health to manage and coordinate all health commodity logistics activities in the state for all health programs.

In the year under review, i+solutions in collaboration with the Nigeria Federal Ministry of Health worked to return ownership of Nigeria's health commodities supply chains to the State Ministries of Health. The project closed out in June 2019 and was adjudged successful based on an independent assessment by Deloitte.



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Liberia: PBF

Performance Based Financing (PBF) Liberia

Duration: From Jan '19 to April '20

Donor: World Bank

Country: Liberia

Partner organizations: Royal Tropical Institute (KIT), Liberia Ministry of Health, Liberia Health Systems Strengthening Project (HSSP)

Objective:

To develop capacity of county health teams (CHTs) to deliver and implement the essential package of health services (EPHS) under a contracting-in PBF mechanism in three counties. The intervention seeks to improve the coverage of quality Reproductive, Maternal, Neonatal, Child and Adolescent Health (RMNCAH) services at the primary healthcare level in the selected counties.

Role of i+solutions:

To further develop central MoH and CHT level capacity to improve the long-term ability to manage PBF and the EPHS, resulting in improved functionality, well beyond the intervention period.

i+solutions, effectively incorporated learning and organizational change methods, focusing on workplace capacity building through on-the-job training, mentorship, and participatory needs assessment and learning.

Activities and results:

+ Support governance: support to the PBF Unit at the central level to refine/review the relevant instruments and tools. These included harmonized national PBF manual for all level of care, performance indicators for CHTs, quantity and quality checklist, operational plan templates, and procurement manual.

+ Capacity development and training at central and county level to manage the supply chain, with courses such as Planning, monitoring, data management, and data use, Financial management, Supply chain and logistics managements, Procurement, Fleet management





WISH2ACTION

Women's Integrated Sexual Health

I+solutions was selected to perform Supply Chain Management assessments for the IPPF led WISH2ACTION consortium, supported by the new DFID flagship "Women's Integrated Sexual Health" (WISH) program. In 2019 supply chain management assessments were performed of country membership associations in Ethiopia, Tanzania DRC and Sudan. Assignments included amongst others SCM gap analysis, solution development and recommendations. WISH2ACTION provides integrated and holistic healthcare across 16 countries in Africa and South Asia. WISH2ACTION's operational model – the WISH Cluster Model – is a comprehensive, integrated approach to ensure equitable access to family planning and sexual and reproductive health and rights (SRHR), prioritizing the most underserved women and girls, particularly youth under 20, the very poor, and marginalized populations (including people with disability, people displaced or affected by humanitarian crisis, and people living in hard-to-reach areas)

- + **Create organisation and working practices** and systems to manage the supply chain.
- + Conduct **performance review** and update of PBF indicators for consistency with the continuous quality improvement framework and overall county targets.
- + Establish, maintain, assess and continuously improve mechanisms for **assessing performance** and results and systematically document lessons learned through the PBF implementation process.
- + Address implementation and performance issues and document lessons learned.
- + Conduct supportive supervision to CHTs to improve PBF implementation and improve the performance of counties.

TRAINING

Capacity building through mobile platform i+academy

i+academy (www.iplusacademy.org) is i+solutions' innovative e-learning platform, offering courses spanning the entire supply chain cycle in 4 different languages: English, Spanish, French and Portuguese.

i+academy offers general and specialist SCM courses, competence-based training trajectories, as well as options to turn content into courses to support health systems in scaling up interventions in the most cost-effective manner. We recently added a free mini course on quantification of health supplies required to battle against COVID19 outbreak. Courses can be accessed via mobile devices and computers.

I+ACADEMY GREW TO HOST OVER 4000 USERS IN 2019.

In 2019 we ran 14 course sessions, of which several large ones: we implemented the training component of an LMIS project in Ghana, where 150 staff from Ghana's public health system followed a 8-course itinerary through the whole supply chain cycle. We developed an online training for LMIS users. Finally, we trained district pharmacists on quantification in Morocco.



List of courses

Good Manufacturing Practices for Medicines and Healthcare Products	EN
Supply Chain Management of Essential Laboratory Commodities	EN
Leadership and Governance for Health Supply Chain Management	EN
Monitoring and Evaluation of the Supply Chain Management of Medicines	EN
Quality Assurance in Supply Chain Management of Medicines	FR EN
Inventory and Logistics Management Information Systems in Healthcare	EN
Managing Transport and Distribution of Medicines Up to the Last Mile	EN
Warehouse Management for Health Systems	EN
Procurement of Medicines and Medical Supplies	FR EN
Quantification of Medicines and Health Products	FR EN
Basis Principles of Supply Chain Management for Health Systems	PO ES FR EN

www.iplusacademy.org

OUR PARTNERS AND DONORS

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Liberia Health Systems
Strengthening Project (HSSP)

Monguno
Foundation



REPORT FROM THE SUPERVISORY BOARD

Besides the regular topics, the Supervisory Board focused in 2019 on fine tuning the strategy for the next three years. A better positioning of the consulting activities was one of the main topics of these meetings. Further, the desire to grow by strategic partnerships was an important topic on the supervisory board agenda in 2019.

Since i+solutions started the PPM project in August, the Supervisory Board has paid special attention to the preparation and start of this project. Finally, due to the large investments made for this project, a more frequent monitoring of the financial reporting was established.

Meetings

The main topics discussed in the 7 Supervisory Board meetings and 3 calls comprised of:

- + The budget and annual report
- + The approval of the multi-year strategy
- + The selection of strategic partners

- + The policies and choices for geographical presence
- + The main enterprise risks including mitigation and contingency plans
- + The status and progress of main projects like the Nigeria Supply Chain Integration Project (NSCIP), The Integrated Health Project in DRC and the Wish2Action project of IPPF
- + Ensuring the codes of conduct and good governance were followed

The Supervisory Board also spoke to the Works Council during the yearly review meeting to keep abreast of their views and the interests of staff.



Committees

The Supervisory board has installed two committees: an audit and a remuneration committee. The audit committee consisted of Ms. Martine Kok and Mr. Michel Jacobs. They gathered in three meetings, discussing:

- + The budget 2019 and annual report 2018 (with the external accountant)
- + The audit committees' own regulations
- + The internal risk and control systems and procedures

The remuneration committee consisted of Mr. André van de Sande (chair in 2019) and Mr. Kees Ruijgrok. The main activities were:

- + The annual review and remuneration of the CEO
- + An assessment of the salary policies

Sincerely,

Kees Ruijgrok

Chairman of the Supervisory Board



FINANCIAL STATEMENTS

2019

Stichting
Iplussolutions

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Balance Sheet

as at December 31, 2019 (in euros),
before appropriation of result

ASSETS	note	2019	2018
Fixed assets			
Intangible fixed assets	1	2,002,104	-
Tangible fixed assets	2	67,186	113,623
Financial fixed asset	3	<u>268,372</u>	<u>114,744</u>
Total fixed assets		2,337,662	228,367
Current assets	4		
Work in progress		-	8,792
Debtors		3,597,165	1,909,925
Related Parties		-	18,000
Taxes and social securities		18,884	22,010
Other receivables and prepaid expenses		<u>17,704,589</u>	<u>133,348</u>
		21,320,638	2,092,075
38 Cash at banks and in hand	5	<u>23,764,070</u>	<u>1,079,842</u>
Total current assets		<u>45,084,708</u>	<u>3,171,917</u>
Total assets		<u><u>47,422,369</u></u>	<u><u>3,400,284</u></u>
EQUITY AND LIABILITIES			
Equity	6		
General reserve		538,844	1,161,149
Result current year		<u>-636,285</u>	<u>-622,305</u>
		-97,441	538,844
Long term liabilities	7		
Subordinated loans		<u>1,501,809</u>	<u>1,501,809</u>
Guaranteed capital		1,404,368	2,040,653
Provisions	8		
Other Provisions		<u>65,000</u>	
		65,000	
Current liabilities	9		
Creditors		38,446,902	556,129
Taxes and social securities liability		271,167	316,703
Accruals		380,590	318,737
Prepayments		<u>6,854,343</u>	<u>168,062</u>
Total current liabilities		45,953,002	1,359,631
Total equity and liabilities		<u><u>47,422,369</u></u>	<u><u>3,400,284</u></u>

Profit and Loss

for the year ended
December 31, 2019 (in euros)

	note	2019	2018
Turnover	11	6,235,592	9,011,965
Changes in work in progress		-	-1,856
Project expenses	12	<u>-2,244,377</u>	<u>-4,115,389</u>
Gross Margin		3,991,215	4,894,720
Expenses			
Personnel expenses	13	4,008,860	4,359,494
Depreciation		156,049	72,631
Other operating expenses	15	<u>991,140</u>	<u>920,984</u>
Total operating expenses		<u>5,156,049</u>	<u>5,353,109</u>
Operating Result		-1,164,834	-458,390
Financial income and expenses	16	316,679	68,682
Extraordinary income and expenses from previous years		-	<u>-253,240</u>
Result before taxation		<u>-848,155</u>	<u>-642,947</u>
Corporate income tax	17	211,870	20,643
Net result		<u><u>-636,285</u></u>	<u><u>-622,305</u></u>

Cash flow statement

for the year ended
December 31, 2019 (in euros)

	<u>2019</u>	<u>2018</u>
Cash flow from operating activities		
(Operating) result	-1,164,834	-458,390
Adjusted for:		
Depreciation	156,049	72,631
Movement in (corporate) tax	15,830	-118,389
Movements in working capital	25,472,219	-674,248
Extraordinary income and expenses from previous years	-	-253,240
Cash flow operating result	<u>24,479,264</u>	<u>-1,431,636</u>
Financial income and expenses	316,679	68,682
	<u>316,679</u>	<u>68,682</u>
Cash flow from operating activities	24,795,943	-1,362,954
40 Cash flow from investment activities		
Investments in fixed assets	-2,111,715	-9,382
Cash flow from financing activities		
Movement long term liabilities	-	-
Movement in cash at banks	<u>22,684,228</u>	<u>-1,372,335</u>
Cash at banks		
As at January 1	1,079,842	2,452,177
As at December 31	<u>23,764,070</u>	<u>1,079,842</u>
Movement in cash at banks	<u>22,684,228</u>	<u>-1,372,336</u>

Notes to the accounts

Entity information

The registered address of Stichting Iplussolutions is Polanerbaan 11, 3447 GN in Woerden. Stichting Iplussolutions is registered at the Chamber of Commerce 34236288.

Historic background

i+solutions is an independent, international, not-for-profit organization specializing in global health supply chain management for low and middle income countries. i+solutions started its activities in 2005 as a spin-off of IDA Foundation.

Accounting principles for balance sheet, profit and loss account and cash flow statement

Basis for preparation

The financial statements are prepared in accordance with the Dutch Generally Accepted Accounting Principles and are not intended to be statutory financial statements prescribed by Dutch Legislation. They have been prepared to provide information about the financial position performance and changes in the financial position of Stichting Iplussolutions to users who have been authorized by Iplussolutions to receive them.

General accounting principles of valuation and determination of the result

The financial statements are prepared in conformity with accounting principles generally accepted by the Dutch Accounting Standards Board; (Title 9, Chapter 2, Dutch Civil code). Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless stated otherwise, assets and liabilities are valued according to the cost model. Income and expenses are accounted for on accrual basis. Profit is only included when realized on balance sheet date. Losses and risks originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Foreign currency

Assets and liabilities denominated in foreign currency are translated at the exchange rates prevailing on the balance sheet date. Transactions in foreign currency during the financial year are included in the financial statements at transaction rate. Exchange differences are taken to the profit and loss account.

Intangible fixed assets

Intangible fixed assets are presented at cost less accumulated amortization and less impairments in value if applicable. Amortization is charged as a fixed percentage of cost. Intangible assets comprise of external development costs for a general financial administration software package, the costs for the development of and SQL database and for the external development of an end-to-end supply chain system. The development costs are capitalized upon completion and upon determination that it is likely from both, a technical and commercial perspective, that the project will be successful and that the costs can be determined reliably.

The investment in the general financial administration (ICT Software) is depreciated, from the date an asset comes into use, over its expected economic lifetime of five years. The investment in the end-to-end supply chain system (Datawarehouse, Globis, Master data and Process reengineering) is done to facilitate the Pooled Procurement Mechanisms project and other projects gained as a result of this. Since

the contract for the Pooled Procurement Mechanism project is three year, with an extension of another three years based on performance, the expected economic lifetime and depreciation for this system is estimated at six years.

The investment for the SQL database is estimated to have an economical life expectancy of three years.

Tangible fixed assets

Tangible fixed assets are presented at cost less accumulated amortization and less impairments in value if applicable. Amortization is charged as a fixed percentage of cost. Depreciation is provided from the date an asset comes into use and continued for its useful life with a maximum of 5 years.

Financial fixed assets

Financial fixed assets include other receivables at nominal value. A deferred tax asset or liability will be constituted in case of temporary differences between fiscal and economic valuation.

Impairment of assets

At the end of each financial year the organization will review whether its fixed assets are subject to impairment. Impairment losses are deducted from amortized costs and expensed in the profit and loss statement.

Receivables

Upon initial recognition the receivables are included at fair value and then valued at amortized cost. The

fair value and amortized cost equal the face value. Any provision for doubtful accounts deemed necessary is deducted. These provisions are determined by individual assessment of the receivables.

Foreign offices

For the implementation of several projects, i+solutions had established offices in Burundi, Democratic Republic of Congo, Nigeria, South Africa and USA. The costs have been included, at transaction rate,

in these annual statements as far as these are invoiced by and paid to i+solutions NL. The remainder of the foreign operations are reported and funded, at cost.

The prepaid balance to foreign offices in US Dollar, funded through i+solutions NL, at balance date are included in the report undervalued against the exchange rate prevailing at balance date. The prepaid balances are included under Other receivables and prepaid expenses.

Country

Name of the Entity

Nigeria	Stichting Iplussolutions Nigeria LTD
Democratic Republic of Congo	DRC i+solutions (NGO)
Burundi	I+solutions Burundi (NGO)
South Africa	iplusSolutions NPC (Not for profit organization)
U.S.A.	IDA Solutions USA Inc

All the foreign entities are fully controlled by Stichting Iplussolutions. IDA Solutions USA inc. was dissolved by the end of 2019.

Net turnover

Net turnover represents the amounts invoiced or to be invoiced to third parties in respect of goods provided, where i+solutions acts as a principal, and services rendered in the financial year net of discounts and turnover taxes. For services rendered as an agent, the corresponding fees are recognized as revenue in the period during which the services were performed.

years and tax-exempt items and non-deductible expenses, and using current tax rates.

Principles of the cash flow summary

The cash flow statement has been prepared using the indirect method. The funds in the cash flow statement consist of cash at bank and in hand and the current account debt at the bank. Cash flows denominated in foreign currencies have been translated at an estimated average rate. Exchange differences, income and expenditure owing to interest and tax on profits have been included under the cash flow from operating activities.

Corporate tax

Taxation on profits is calculated on the reported pre-tax profit or loss, taking into account any losses carried forward from previous financial

Continuity

In the last four years the organization has had a negative net result which has led to negative equity as per end of 2019.

Fiscal year 2019 was impacted by a later than expected start of the Pooled Procurement Mechanism project in conjunction with some large Consultancy projects phasing out during the year. The yearly results were also impacted by one-off indirect costs for recruitment and third parties to support the implementation of the new project and one-off costs related to piloting a Logistic Management Information System which did not bring the expected results and hence discontinued.

Despite the negative results of 2019, the assumption underlying this annual report and the day-to-day operations is the continuity of the organization.

The reason for this is that the investments made in 2018-2019 to win the Pooled Procurement Mechanism project started paying off. Winning this project does not only mean a secure income stream for the coming three years (and likely the extension for another three years) but also positions the organization as a solid partner for Procurement Service Agent services which already led to the acquisition of material new projects at the beginning of 2020, and more to come is foreseen.

Besides the additional revenues

and gross margins from these new projects, there are a number of synergies that will reduce the costs further, such as the reduction in the number of non-billable hours, the efficiency-gains from the investments made in the IT infrastructure and developments and the synergies to be created across the two Business Units.

Assumptions underlying the annual report

As with any annual report, several estimations and assumptions were made when preparing the annual report.

A first assumption relates to the continuity of the organization. Taking the above into consideration, the projections are such that it can be fairly assumed that the organization will be in operation for the near future.

A second, important, assumption is that the Global Fund will use its option to extend the current contract for another 3 years. Based on that assumption the outlook for the future six years shows positive results substantial enough to justify both, the activation of the Pooled Procurement Mechanism investments and addition to the Deferred tax asset.

Finally, there is no reason to assume that the current balance of accounts receivable will not be received, and the balance of accounts payable will not be paid within the agreed period.

Specific notes to the balance sheet items

1. INTANGIBLE FIXED ASSETS

The movements in intangible fixed assets can be specified as follows.

	ICT Software	Dataware house	Globis	Master data	Process Reengineering	SQL	Total
As at January 1, 2019							
At cost	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-
Book value as at January 1, 2019	-	-	-	-	-	-	-
Movements							
Additions	17,450	157,097	721,099	171,040	830,558	212,268	2,109,512
Disposals	-	-	-	-	-	-	-
Depreciation	<u>3,116</u>	<u>8,237</u>	<u>9,612</u>	<u>11,700</u>	<u>51,542</u>	<u>23,201</u>	<u>107,409</u>
Total	14,334	148,860	711,487	159,340	779,016	189,067	2,002,104
As at December 31, 2019							
At cost	17,450	157,097	721,099	171,040	830,558	212,268	2,109,512
Accumulated depreciation	<u>3,116</u>	<u>8,237</u>	<u>9,612</u>	<u>11,700</u>	<u>51,542</u>	<u>23,201</u>	<u>107,409</u>
Book value as at December 31, 2019	<u>14,334</u>	<u>148,860</u>	<u>711,487</u>	<u>159,340</u>	<u>779,016</u>	<u>189,067</u>	<u>2,002,104</u>
Depreciation %	20%	16,7%	16,7%	16,7%	16,7%	33,3%	

2. TANGIBLE FIXED ASSETS

The movements in tangible fixed assets can be specified as follows.

	<u>Office equipment</u>	<u>ICT</u>	<u>Total</u>
As at January 1, 2019			
At cost	295,102	408,151	703,253
Accumulated depreciation	<u>277,466</u>	<u>312,164</u>	<u>589,630</u>
Book value as at January 1, 2019	17,635	95,988	113,623
			-
Movements			-
Additions	2,204		2,204
Disposals			-
Depreciation	<u>13,695</u>	<u>34,946</u>	<u>48,641</u>
Total	-11,491	-34,946	-46,437
			-
46 As at December 31, 2019			-
At cost	297,305	408,151	705,457
Accumulated depreciation	<u>291,161</u>	<u>347,110</u>	<u>638,271</u>
Book value as at December 31, 2019	<u><u>6,144</u></u>	<u><u>61,041</u></u>	<u><u>67,186</u></u>
Depreciation %	20%	20%	

3. FINANCIAL FIXED ASSETS

Deferred tax asset	<u>2019</u>	<u>2018</u>
Addition 2018	114,744	114,744
Addition 2019	<u>153,628</u>	
	<u><u>268,372</u></u>	<u><u>114,744</u></u>

4. CURRENT ASSETS

All receivables are due within one year.

Debtors

While no provision for bad debts was needed in 2018, a provision was included in 2019 to cater for the uncertainty of receiving funds EUR 15,977.

Debtors	2019	2018
Debtors	3,613,142	1,909,925
Doubtful debtors	-15,977	
	3,597,165	1,909,925

The increase in 2019 is mainly caused by outstanding payments related to the Pooled Procurement Mechanisms Project.

Current Assets

Current Assets	2019	2018
Related parties - Stichting i+Anbi	-	18,000
Taxes and social securities	18,884	22,010
	18,884	40,010

Other receivables and prepaid expenses

Other receivables and prepaid expenses	2019	2018
Value added tax	283,203	95,916
Prepaid expenses foreign offices	36,864	
Sales to be invoiced	17,032,274	
Other receivables and prepaid expenses	352,248	37,432
	17,704,589	133,348

The increase in other receivables and prepaid expenses is largely due to sales to be invoiced for at balance date for the Pooled Procurement Mechanism Project. In addition, an accrual was made related to the Marine Insurance taken out for the Pooled Procurement Mechanism Project, and for another part due to VAT to be received.

5. CASH AT BANK AND IN HAND

From cash at bank EUR 51,530 is not freely disposable due to a guarantee given for rent. The balance as per 31st December 2019 includes a further EUR 24,462,369 which has been received as prepayment for Direct Procurement and Pooled Procurement Mechanism activities and expenses.

6. EQUITY

General reserve	2019	2018
As at January 1	538,844	1,161,149
Appropriated profit for the financial year	-636,285	-622,305
Appropriated reserve	-	-
As at December 31	-97,441	538,844

7. LONG TERM LIABILITIES

Subordinated loans

48 The interest rate for this loan has been fixed on 0% as per 1 January 2016. Repayment of the loan is due on 31 December 2034. Repayment of the loan in between is due in the circumstance that the guaranteed capital of i+solutions, excluding the subordinated loan is, in two successive years, more than 50% of the total equity and liabilities of i+solutions. At the end of 2019 this percentage is -0,4% (2018: 16%). In the case of reorganization due to loss of specific contracts/engagements the loan can be used to finance the cost with approval of the lender.

Subordinated loans	2019	2018
As at January 1	1,501,809	1,501,809
Utilization for reorganization	-	-
As at December 31	1,501,809	1,501,809

8. PROVISIONS

Other Provisions	2019	2018
Other Provisions	65,000	-
	65,000	- 556,129

Other Provisions relate to the cost of early termination of projects.

9, CURRENT LIABILITIES

Creditors	<u>2019</u>	<u>2018</u>
Creditors	38,446,902	556,129
	<u>38,446,902</u>	<u>556,129</u>

The significant increase in Creditors is related to the Pooled Procurement Mechanisms Project. Supplier invoices are included in Creditors upon receipt but only paid out upon delivery of goods and services.

Taxes and social securities	<u>2019</u>	<u>2018</u>
Wages taxes and social security charges	281,742	177,887
Pension premium	-10,575	-
Corporate profit tax	-	138,816
	<u>271,167</u>	<u>316,703</u>

With respect to Corporate profit tax, in 2018 i+solutions had undergone a tax assessment by the Dutch Tax Authorities (DTA), based on which an accrual was included in the results of 2018.

However, the objection as filed by i+solutions has resulted in a lower charge of EUR 58,242, which is reflected in the results of 2019.

Accruals	<u>2019</u>	<u>2018</u>
Holiday allowance and days	269,275	225,545
Accrued expenses	111,315	93,192
	<u>380,590</u>	<u>318,737</u>

Prepayments	<u>2019</u>	<u>2018</u>
Prepayment Pooled Procurement Mechanism procurement	5,093,376	
Other prepayments	1,790,808	168,062
	<u>6,854,343</u>	<u>168,062</u>

Accrued expenses 2019 include an accrual for Marine Insurance related to the Pooled Procurement Mechanisms Project. In order to be able to process fast-track orders within the Pooled Procurement Mechanisms Project as and when they occur, an advance payment is received. The other prepayments are in part advance payments received for procurement of health commodities for other parties, and in part advance payments for Project management and Consultancy projects.

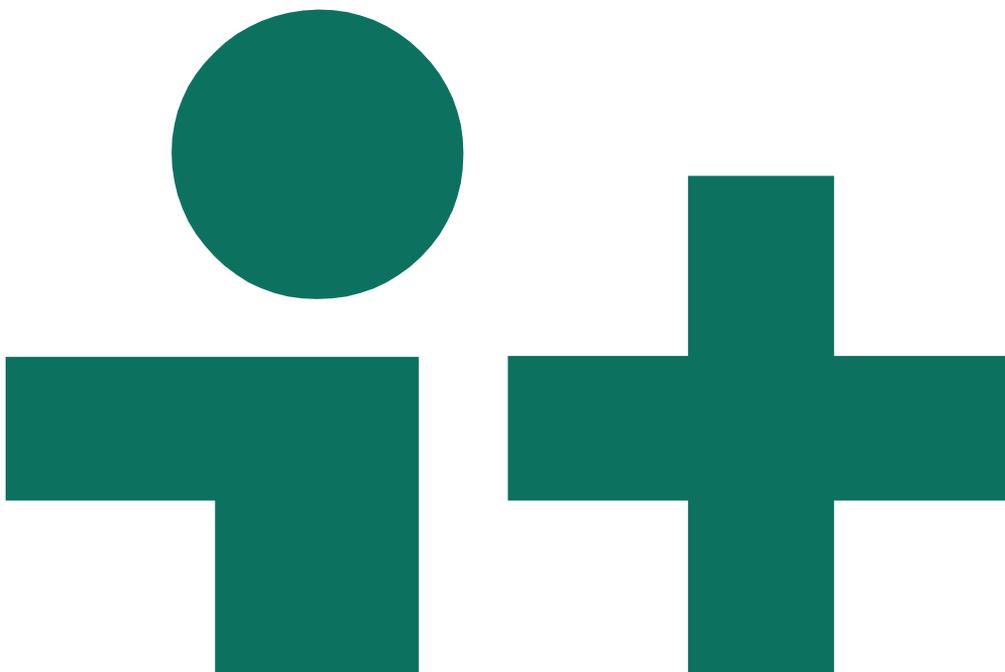
10. CONTINGENT LIABILITIES

Office lease

The office lease has been renewed as per December 2018 for an additional five years until November 2023 with a notice period of 4 months. Rent expenses in the Netherlands amount to EUR 137,290 excluding VAT per year for 2019.

Car lease

In October 2019 the organization entered into a new contract with a car leasing company for five years. Of which an amount of EUR 11,600 is due within one year.



Specific notes to the profit and loss account

11. NET TURNOVER

As of 2019 the organization has organized its internal activities differently which has led to a reclassification of turnover over the different categories. These changes have also been applied retrospectively to 2018 to make a like-for-like comparison.

	<u>2019</u>	<u>2018</u>
Procurement services	2,778,641	4,026,621
Consultancy & projects	3,201,901	4,919,398
Training	14,936	65,946
Others	240,115	-1,856
	<u>6,235,592</u>	<u>9,010,109</u>

During 2019 the turnover was lower than in 2018 due to lower Pooled Procurement Mechanism revenues vs PFSCM because of a late start of the project, slightly less Direct Procurement and lower revenues from NSCIP partially offset by the Health System Strengthening Project in Liberia and Integrated Health Program for DRC, Medexis and SCS Borno among others.

The Procurement services revenue includes the fees earned for services provided under the Pooled Procurement Mechanisms project. As part of those services the procured commodities amount to EUR 45,496,387 as per below.

	<u>2019</u>
ANTM	8,085,487,19
ARV	37,150,492,18
Freight & Logistc	260,408
	<u>45,496,387</u>

12. PROJECT EXPENSES

	<u>2019</u>	<u>2018</u>
Project expenses	2,244,377	4,115,389
	<u>2,244,377</u>	<u>4,115,389</u>

13. PERSONNEL EXPENSES

	<u>2019</u>	<u>2018</u>
Salaries and wages	2,801,171	3,123,231
Social security premiums	533,210	607,116
Other personnel expenses	674,480	629,147
	<u>4,008,860</u>	<u>4,359,494</u>

Included in the social security premiums is EUR 166,469 for pension premiums (2018: EUR 183,872).

52 Employees

During the year 2019 the Foundation had an average number of employees (FTE) of 34.

14. REMUNERATION OF DIRECTORS

The Executive Board of Stichting i+Solutions consisted of one person in 2019. In accordance with the exemption of Section 383-1, Book 2 of the Dutch Civil Code no disclosure regarding payments to the Executive Board is required

15. OTHER OPERATING EXPENSES

	<u>2019</u>	<u>2018</u>
Housing expenses	180,324	218,635
Acquisition expenses	209,605	265,775
Audit costs	43,555	40,229
Supervisory Board remuneration	21,456	19,384
Office expenses	536,200	376,961
	<u>991,140</u>	<u>920,984</u>

16. FINANCIAL INCOME AND EXPENSES

	<u>2019</u>	<u>2018</u>
Exchange differences	336,174	68,682
Interest income and expenses	-19,495	-
Net Financial Income	<u><u>316,679</u></u>	<u><u>68,682</u></u>

The exchange differences are mostly due to the revaluation of bank balances held in USD as per year end.

17. CORPORATE TAX

	<u>2019</u>	<u>2018</u>
Corporate tax for the year	-	-
Loss compensation previous year	-	11,005
Additional Assessment 2014 - 2016	58,242	-107,385
Release deferred tax liability		2,279
Deferred tax asset	153,628	114,744
Corporate tax, Gain / (Loss)	<u><u>211,870</u></u>	<u><u>20,643</u></u>

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Appropriation of profit

The result for the year 2019 amounting to EUR -636.285 (2018: EUR -622,305) will be deducted from the general reserve.



Post Balance Sheet Events

According to the latest accounting guidelines we have to make a statement on the recent corona outbreak. We have installed a Corona Crisis Committee already on the 4th of March, which is gathering on a frequent basis. We have made a contingency plan with clear measures how to best cope with the challenges resulting from this outbreak. All our staff in the Netherlands is currently working from home. This is possible due to our highly automated infrastructure. This reduces the risk our staff are infecting each other, and being faced with a peak in illnesses of staff at the same time. We already have business continuity plans in place. For instance we have documented most of our processes and have appointed back-ups for our critical staff in case they get ill.

The biggest impact might occur in our in-country operations in Afri-

ca. Although at the moment Africa is less impacted by the corona virus, some restrictions are already in place. At the moment we expect that most of our projects in Africa can still continue, except physical training of people. We do have an e-learning platform and are able continue training for most projects via e-learning. We have recently also published a free taster course for health workers on quantification of PPE materials and added special activities on the quantification of health supplies required for the COVID-19 outbreak. If the situation gets worst in Africa it might of course be possible our projects will face delays. We monitor this on a daily basis. Since we are active in the distribution of essential medicines our activities are earmarked as vital for society and therefore we will be allowed to continue working on them by governments.



Approval of the annual report

Approved by:

SUPERVISORY BOARD

C.J. Ruijgrok residing at Delft - The Netherlands (Chair)

M.A. Jacobs residing at Oegstgeest -The Netherlands

M.J. Kok residing at The Hague-The Netherlands

A.G.C.J. van de Sande residing at Bilthoven - The Netherlands

H.E. van Schooten residing at Delft-The Netherlands

Adopted by:

EXECUTIVE BOARD

E.A. Monchen

Chief Executive Officer

Woerden, March 31st, 2020

Other information



To the Supervisory Board of
Stichting Iplussolutions

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INDEPENDENT AUDITOR'S REPORT

A. Report on the audit of the financial statements 2019 included in the annual financial report

Our opinion

We have audited the financial statements 2019 of Stichting Iplussolutions, based in Woerden.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting Iplussolutions as at December 31, 2019, and of its result for 2019 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- 1 the balance sheet as at December 31, 2019;
- 2 the profit and loss for the year ended December 31, 2019
- 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 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting Iplussolutions 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.

Emphasis on going concern and assumption paragraph

We draw attention to the paragraphs 'continuity' and 'assumptions' in the notes to the accounts on page 44 which describes the background of the negative equity, working capital and results as well as several major assumptions made by management when preparing the annual report. Our opinion is not modified in respect of this matter.

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B. Report on the other information included in the annual report

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

- Annual Report from the CEO
- Who we are, what we do, how we do it
- Highlights and results 2019
- Direct Procurement Support
- Projects
- Training
- Our Partners and Donors
- Report from the Supervisory 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 Part 9 of Book 2 of the Dutch Civil Code.

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 Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the company financial statements.

Management is responsible for the preparation of the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

C. Description of responsibilities regarding the company financial statements

Responsibilities of management and supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. 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 company 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.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement 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 detect all material errors and fraud during our audit.

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 judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- 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 a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with supervisory board 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.

Amsterdam, October 19, 2020

Baker Tilly (Netherlands) N.V.

signed by

L. den Boer RA
Director Audit

A handwritten signature in blue ink, appearing to be 'L. den Boer', is written over the bottom right corner of the page.



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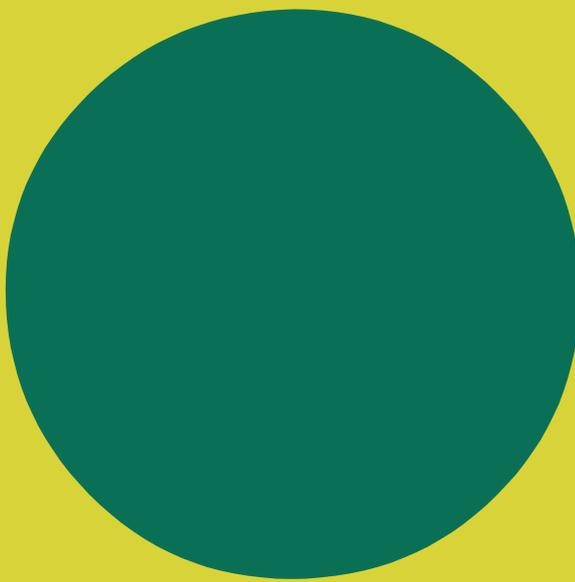
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