

Report to the management board of
European Society for Blood and Marrow Transplantation, Leiden
on the 2019 financial statements

The management board of
European Society for Blood and Marrow Transplantation
LEIDEN

Leiden, 24 August 2020

Dealt by: Mr. S. Natkiel

Financial statements 2019

Dear members of the board,

In accordance with our obligation and responsibility to compile the organization's financial statements, we hereby report on the financial statements for 2019. The financial statements are the responsibility of the organization's Management Board. The financial statements, management board report and other information are included in the appendices to this report.

Please do not hesitate to contact us if you require any further information.

Yours faithfully,
EBMT

Mr. A. Gusi-Puig

Mr. H. Dolstra

Annual reporting

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Directors' report 2019

1 General information

Statutory Name

European Group for Blood and Marrow Transplantation

Corporate Seat

Maastricht

Legal form

Association with full legal capacity

The EBMT has defined a clear **mission**: *“To save the lives of patients with blood cancers and other life-threatening diseases by advancing the fields of blood and marrow transplantation and cell therapy worldwide through science, education and advocacy.”*

The EBMT **vision** for the forthcoming year encompasses:

1. Enhancing the scientific output of the organisation through strong support from the working parties to exploit the potential of
2. the registry, and continue generating high quality retrospective and prospective data both in the autologous and allogeneic settings;
3. Collaborating with the different disease-oriented cooperative groups; with the different disease-oriented cooperative groups;
4. Widening the Annual Meeting through the incorporation of high level basic and translational research sessions;
5. Developing a broad annual educational events agenda in order to address more focused research and clinical topics;
6. Advocating for patients before the health authorities in order to maintain a high standard of care high quality research.

Indeed, in the coming years, EBMT should enhance the **scientific output** of the organization by a strong support for the WP activities to explore the potential of the registry, and continue generating high quality retrospective and non-interventional prospective studies, both in the autologous and allogeneic settings.

We aim to have a functional and professional **Registry**. By the end of 2021 there should be more centres using electronic data entry forms and more staff time allocated to consolidation and quality monitoring tasks.

EBMT is committed to sponsor prospective **clinical trials** with the objective to improve clinical prospects for BMT patients. To this end, the EBMT Clinical Trials Office (CTO) plans to set-up and manage new clinical trials, including PASS, from 2018 to 2024.

In terms of **Education**, we would like to improve the range and quality of the educational events, meetings and resources offered to EBMT members. We aim to improve the EBMT flagship event, the Annual Meeting, but also introduce medium-size meetings, addressing the issue of online educational content and contribute to increasing the reach of the EBMT to further geographical regions.

By the end of 2016, **JACIE** has become the international reference for accreditation both in Europe and in other regions. JACIE will maintain its accreditation activity but introduce new elements including ‘First-Step’ certification aimed at BMT units in Low to Middle Income countries (LMICs).

The idea will be to create a **Patient and Donor Advocacy** Committee (PDAC) which will lead the Patients, Donors and Families day and would analyse options for collaborations with Patients' Associations, and advocating for patients before the health authorities in order to maintain and promote a high standard of care and high quality research.

In terms of **Funding**, EBMT will continue increasing the partnership between EBMT and pharmaceutical companies and develop new membership perspectives, including new categories (e.g. young physicians). EBMT needs to develop non-earmarked revenues, independently of its source, in order to sustain the growing structure of the EBMT.

Although EBMT is a well-recognized organization with >40 years of existence, continuous **communication** efforts are required to gain greater visibility for its research activities and to allow its stakeholders to better understand what the EBMT is and what it does. Thus, this new Board wants to open towards **sister societies** in order to enter into a close operational cooperation with the aim to identify and support opportunities for high-quality Care, Science and Education in the field of bone marrow and stem cell transplantation.

2 Core and other activities

The European Group for Blood and Marrow Transplantation (EBMT) is a non-profit organisation that was established in 1974 in order to allow scientists and physicians involved in clinical bone marrow transplantation to share their experience and develop co-operative studies. The EBMT is devoted to the promotion of all aspects associated with the transplantation of haematopoietic stem cells from all donor sources and donor types including basic and clinical research, education, standardisation, quality control, and accreditation for transplant procedures.

EBMT members – more than 5,000 physicians, nurses, scientists and other healthcare professionals – participate in a unique collaborative network of peers involved in haematopoietic stem cell transplantation (HSCT) and cellular therapy research. Membership encompasses more than 600 centres, from over 60 countries, that perform or are involved in HSCT.

The EBMT holds a central role in performing co-operative studies and disseminating state-of-the-art knowledge: the aim is to increase survival rates and enhance the quality of life of patients with life-threatening blood cancers and diseases.

The EBMT is built on 3 pillars

- Science
- Education
- Patient Care

2.1 Studies

The EBMT coordinates its scientific activities through 10 Working Parties and the Nurses Group:

- **Disease-related:** Acute Leukaemia, Severe Aplastic Anemia, Autoimmune Diseases, Chronic Malignancies, Inborn Errors, Lymphomas
- **Transversal:** Paediatric Diseases, Cellular Therapy and Immunobiology, Infectious Diseases, Transplant-Related Complications and Quality of Life after Stem Cell Transplantation

The Working Parties use data from the EBMT patient Registry to perform three types of studies:

1. **Retrospective data collection studies** using data from the Registry, ad-hoc data collections, and centre-based surveys.
2. **Non-interventional cohort studies** based on prospective patients' registration and data collection. Treatments and medical assessments follow standard hospital protocols.
3. **Interventional studies** (Prospective Clinical Trials) based on a study protocol which determines treatments and medical assessments, including one or more experimental treatment(s).

2.2 The Registry

This is the backbone of the EBMT. The EBMT patient Registry was established in the early 1970's. It is the only data source of its kind in Europe. The data are submitted continuously by more than 600 centres, including some from outside Europe.

The Registry has data on more than 500,000 HSCT procedures including details on disease, transplant type, donor type and stem cell source. It contains data on patients that have undergone HSCT and also on patients receiving immunosuppressive therapies or other cell therapies. The Registry also offers the possibility to enter donors' follow-up data, which is crucial to ensure maximum donor safety.

The Registry underpins extensive European research that translates into changes in clinical practice and improvements in patient outcome and care.

2.3 The Activity Survey

The Activity Survey measuring trends in transplant activity

In 1990, the EBMT introduced the Activity Survey, a novel tool for assessing the real picture of HSCT in Europe. On an annual basis, all EBMT members and affiliated teams report their number of transplant patients by indication, donor type and stem cell source.

The Activity Survey has evolved into a mandatory self-reporting system and it forms an integral part of the international quality assurance program JACIE.

A second survey on cellular therapies and tissue engineering introduced in 2008 provides an overview of the latest developments in the field of non-HSCT cellular therapies.

2.4 Education and Networking at the Annual Meeting

The EBMT organizes an Annual Meeting attended by more than 5,000 scientists, physicians, nurses, statisticians, data managers, biologists, pharmacists and technicians.

This important forum ensures and encourages dialogues and information exchange, education and scientific productivity.

2.5 Patient, Family and Donor Day

The annual Patient, Family and Donor Day provides a forum for meeting professionals, exchanging experiences and learning from each other.

2.6 Standards and Accreditation

These improving safety and quality in transplant and cellular therapy

The EBMT educational events disseminate new results into the scientific community.

Approximately 15 conferences, workshops and courses, including the ESH-EBMT Training Course on HSCT, are organized every year.

The Joint Accreditation Committee ISCT-Europe & EBMT (JACIE) was established in 1998. It promotes high-quality patient care and laboratory performance in the collection, processing and administration of cellular therapy through a profession-led, voluntary accreditation scheme.

JACIE works continuously with international partner organizations to develop and maintain standards for the provision of quality medical and laboratory practice in HSCT, performs on-site inspections, and accredits those programs that demonstrate compliance with these standards. JACIE also provides training for inspectors and centres, on aspects related to the accreditation process.

2.7 Hematology and HSCT Nursing

The EBMT Nurses Group, representing more than 800 nurses and allied health professionals, is one of the leading groups in the field of hematology and HSCT nursing.

It is dedicated improving the care of patients receiving HSCT and promoting excellence in care through evidence-based practice.

3 Company legal structure

The European Society for Blood and Marrow Transplantation (EBMT) is a non-profit organisation that was established in 1974 in Netherlands in 2 legal entities:

- Association
- Foundation

The Board is the administrative body of the EBMT responsible for all running operations and decisions. Decisions are made by majority voting. The President has the deciding vote if the vote is otherwise tied.

Board members

- President: Nicolaus Kröger
- Treasurer: Harmen Dolstra (till 1 April 2019: Jürgen Kuball)
- Secretary: John Snowden (till 1 April 2020: Rafael Duarte)
- Authorised representative and Executive director: Andreu Gusi

4 EBMT Governance Platforms

Currently the EBMT consists of 2 units; the Association that will run the EBMT via the Foundation.

- **Board of Association (BA)** - The Board of Association now consists of 8 voting members plus 1 non-voting member (EXCOM= 3, NG Pres=1, + 4 members from the new Scientific Council and the forthcoming congress president (non-voting member).
- **Scientific Council (SC)** - The Scientific Council consists of the WP Chairs elected by the General Assembly and decides which 4 members will sit on the Board of Association.

Within the Foundation, the EXCOM (Executive Board) will maintain its current structure and continue to run the EBMT Business.

The BA is the administrative body of the EBMT. It is responsible for all running operations and decisions that are not due to be taken by the General Assembly. The BA consists of the President, the President-Elect, the Secretary, the Treasurer, the President of the EBMT Nurses Group and four members elected by and from the Scientific Council.

The President of the forthcoming annual EBMT meeting is elected onto the Board for the year preceding the annual meeting as a non-voting member. Decisions are taken by majority voting. The President has the deciding vote if the vote is otherwise tied. Board members will not receive any remuneration, except in cases mentioned in the statutes.

4.1 Working Parties (WP)

The existing Working Parties are divided into two categories.

- **Disease-related:** Acute Leukaemia, Severe Aplastic Anemia, Autoimmune Diseases, Chronic Malignancies, Inborn Errors, Lymphomas
- **Transversal:** Paediatrics, Cellular Therapy and Immunobiology, Infectious Diseases, Transplant-Related Complications and Quality of Life after Stem Cell Transplantation.

4.2 Table Mission, Responsibilities and Members

	Mission	Responsibilities	Members
BA	The Administrative body responsible for defining the strategic direction of the EBMT and running operations and decisions that is not due to be taken by the General Assembly.	<ul style="list-style-type: none"> - Define the Strategic Plan of the EBMT for the approval of the GA - Approves the Plan and Annual Budget - Supervise that the Executive Committee implements the decisions regarding Plans, Budget. 	<ul style="list-style-type: none"> - President, President-Elect, Secretary, Treasurer (EXCOM) - President of the division EBMT Nurses Group - 4 members elected by and from the Scientific Council. - President forthcoming annual EBMT meeting (non-voting member)
SC	The Scientific body responsible to define the scientific and education policy of the EBMT to be approved by the General Assembly	<ul style="list-style-type: none"> - Drafts the scientific and educational policy of the EBMT and prepares it for General Assembly approval - Evaluates regularly the scientific and educational activities of the WPs - Advices the Board on scientific and educational issues 	- 11 WP Chairs

	Mission	Responsibilities	Members
WP	Implement the EBMT Scientific and Educational Policy	<ul style="list-style-type: none"> - Elaborate and manage scientific proposals, supported by the Data Offices and CT - Elaborate and organize educational activities supported by Executive Office - Contribute to the development of definition of guidelines and policies 	WP Members

4.3 Roles and Responsibilities

The four members from the Scientific Council elected to represent the SC within the Board of Association hold different dossiers:

Role	Responsibilities
Scientific Chair	<ul style="list-style-type: none"> - Coordinates and manages the Scientific Council - Represent the Science & Research Portfolio within the Board - He / She is a member of the Scientific Annual Congress Local Organizer Committee
Scientific Co-Chair	<ul style="list-style-type: none"> - Supports the Scientific Chair to coordinate the Scientific Council - Represents the Science & Research Portfolio within the Board - He / She is a member of the Scientific Annual Congress Local Organizer Committee
Registry Board Member	<ul style="list-style-type: none"> - Represents the board within the Registry Committee - Represents Registry Portfolio within the Board
Educational Board Member	<ul style="list-style-type: none"> - Represents the board within the Educational Committee - Represents Education Portfolio within the Board

4.4 Distribution of Areas

This Table represents the areas assigned to each Platform.

BA & SC	1. EBMT Mission	2. EBMT Vision
BA	1. Strategic Plan 2. Annual Plans 3. Budget Plans 4. Congress Bids 5. Communication Policy	6. Fundraising Policy 7. HR Policy 8. Office Issues 9. Legal Issues 10. Financial Investments
SC	1. Scientific Policy 2. Educational Policy 3. Best & Abstract Process 4. Scientific Annual Congress Program	5. WP Structure 6. Registry Policy 7. Educational Events 8. WP Plans

The EBMT has offices in Barcelona, Leiden, London and Paris, and currently has 67 members of staff working on behalf of the organisation.

5 Policies pursued

In the last years EBMT has developed several Policies in order improve governance and structural stability, in order to reduce the financial risks. We have gained financial stability and provided assurances that the money is spent and allocated according to our Mission. Today, EBMT has mechanisms of control in place that demonstrate clear lines of accountability through transparency, which has resulted in an official audit of the financial statements by third party auditors.

The embedded structure of decision making prevents conflicts of interest and provides a clear segregation of responsibilities.

6 Analysis of developments during the year

The EBMT has closed 2019 with a positive financial result and continues to invest in its strategic goals in line with its mission. Furthermore, EBMT Finance has obtained an “unqualified opinion” from an independent auditor’s judgement bureau, demonstrating that EBMT is maintaining its high standard of modern management, sustaining its financial stability and provides assurance that money is being spend and allocated to our mission.

The EBMT Board continued to implement the financial model, which allowed the creation of a continues reserve of income for scientific and educational projects. This permitted further increase in staff positions as well as the strategic plan to modernize and improve the EBMT organizational structure.

6.1 Spending our financial resources on our missions

Our increasing annual income has been used to further work on our mission and improve the organizational structure of EBMT in order to strengthen our growing organization for achieving our mission goals. The budget needed for management (i.e. board and executive office expenses) decreased to 8,8% which is resulting in allocating 91,2% to our scientific studies, Registry, accreditation and education including the Annual Meeting, E-learning and Educational events. Therefore, EBMT remains a very efficient organization when assessed by international rankings (A/A+ in line with CharityWatch).

6.2 Implementing the well-balanced strategic financial roadmap

In 2019, the main challenge was to implement and optimize EBMT's organization through a well-balance financial roadmap for the future in order to be able to cover all financial challenges in line with our ambitions but also further strengthen a strong backbone. The EBMT Board decided to partially release allocated reserves in 2020 (1.067 k€) to support our roadmap and EBMT organization for the next few years which covers the hereinafter mentioned strategic topics.

6.2.1 Implementing MACRO registry

In 2019 we continued to work on the migration of the Registry into MACRO. This project will be finalized in 2020 and has the highest financial priority. Reserves have been earmarked to cover all expected costs. In addition, reserves are being used and held for any unexpected expenses.

6.2.2 Restructuring the organigram

In 2019 we restructured the managerial infrastructure of the EBMT and organized it in six departments, which are the Science, Registry, Educational, JACIE, Support and Business departments. Each department is led by a department head that together with the Executive Director form the EBMT management team. Furthermore, we recruited a Medical Officer to support all medical aspects within the organization, and an HR Coordinator and IT Coordinator to better support our organization and mission. Further implementation of the restructured organigram will continue in 2020 to strengthen the efficiency and mission goals of the EBMT.

6.2.3 Setting up successful business unit

In 2019 we continued with setting up the business unit in order to increase and streamline the process of setting up retrospective and prospective studies in collaboration with pharma, institutions and non-profit organizations. The funded studies are a growing segment of the activities of EBMT, and my compliments go to the business, operational and finance teams in the Leiden office to streamline the contracting of the scientific studies.

6.2.4 Starting the CART PAS-studies

In receiving the qualification opinion from EMA on the cellular therapy module of the EBMT Registry, the Board decided to strengthen manpower to support this initiative, which will collect post-market evidence for safety and efficacy of different commercial CART products. The first contract with Novartis has been signed and more companies are likely to follow. The finance involved in these contracts allow more manpower to execute these PASS studies and increase the Registry data and quality. In addition, this registry tool will also be helpful for all researchers who are executing clinical studies with immune effector cells in order to gather more comprehensive data sets.

6.2.5 Launching the “Benchmarking” project

In order to finance the “benchmarking project”, which will allow centres to know their own clinical transplantation outcomes compared to the rest of Europe (Snowden et al. BMT 2019), we have increased the JACIE fees. Furthermore, for the first time we have an internal Medical Officer within the EBMT organization to support benchmarking reporting. In 2020 we will give back valuable information to each reporting centre about the quality of their daily clinical care.

6.2.6 Consolidating the events and educational unit

The in-housing process of the Annual Meeting and educational events by the Barcelona office continues to be a huge success in order to increase the EBMT's positioning and visibility and to improve financial control.

6.2.7 Implementing e-learning tools

We further invested in developing a sophisticated e-learning platform, which will allow the community to further educate themselves by online training.

6.2.8 Financial conclusion

The continued positive financial development of the organization has allowed EBMT to further build on its strategic goals and improve its structure. Current highlights include in-housing educational event organization, e-learning, registry upgrade, cellular therapy registry, benchmarking system and CART PASS studies. Despite all these substantial strategic financial investments in 2019 for staff and IT, EBMT will be closing the year 2019 with a positive total result of 4,158 k€ (expenses of 10,497 k€ and a total income of 14,655 k€). A total of 500 k€ will be earmarked in line with the Board's decisions for structural innovation (300 k€) and registry implementation (200 k€). For other running projects 197 k€ will be earmarked as well. The residual budget of 3,461 k€ will be returned to our reserves and used to further secure our key staff positions and main strategic projects in case of any unforeseen serious adverse financial event. Additionally, 1,067 k€ will be used in 2020 to strategically invest in the goals mentioned above.

7 Analysis of income and results during the year

EBMT has closed the year with a positive result. The improvement of our financial outcome in the last years is due to:

- better results on the income from the Annual Meeting;
- better funding for the Clinical Trials and WP Studies;
- and last but not least a better capacity of the organisation to be in full control and follow up on its activities.

The EBMT continues to develop and build on its strategy for diversification and retention of resources

EBMT also works hard to assure its 'non-earmarked' income (Membership, Sponsoring, Annual Meeting) covers the structural cost of the Society (Registry and Management) and investment in non-commercial academic retrospective and educational studies/activities through our Working Parties (WPs).

Our 'earmarked' income comes from Pharma grants, which are allocated to specific educational studies/activities for our Clinical Trials Office and WPs.

EUR 1,000	2019		2018	
EBMT Members donations	591	4%	626	6%
Scientific Sponsors donations	703	5%	282	2%
Annual Meeting Financial Result	7,749	53%	6,551	59%
Results from investments	116	1%	-44	-0%
Non-earmarked Income	9,159	63%	7,415	67%
Grants for Studies & CT & Education	4,629	31%	2,922	26%
Accreditation (JACIE)	867	6%	725	7%
Earmarked Income	5,496	37%	3,647	33%
Total Income	14,655	100%	11,062	100%

7.1 Financial position on balance sheet date

The solvency of the organisation can be expressed as follows.

Debt ratio

EUR 1,000	2019	Ratio	2018	Ratio
Liabilities	5,004	= 0.28	4,704	= 0.35
Balance total	17,804		13,345	

The debt relatively decreased and means that the solvency increased, EBMT's solvency becomes stronger. This solvency is qualified as strong as a ratio of 0.70 is considered as common. The organisation strives to have as low liabilities as possible.

The liquidity can be calculated as follows.

Current ratio

EUR 1,000	2019	2018	2017
Gross working capital	16,786	12,462	10,084
Short-term liabilities	5,004	4,704	4,464
Working Capital	11,782	7,760	5,620
Current Ratio	3,4	2,7	2.3

All short-term debts can be paid from the current assets. Management considers a ratio between 1.5 and 2.0 to be a healthy ratio. The ratio of EBMT is outstanding.

7.2 Analysis of the cash flows and financing needs

The cash flow from operation activities increased with 0.43 million from 2.69 million in 2018 to 3.12 million in 2019.

The balance sheet items with the highest impact can be identified. The receivables for sponsors and other debtors increased 862 k€. Pre-paid costs – i.e. for the congress and other educational events to be held in 2020 – increased 417 k€.

Under liabilities, deferred income (i.e. congress, sponsorship) increased 723 k€, accrued cost (i.e. staff, professional fees) decreased 114 k€ and other liabilities increased 103 k€. The liabilities Clinical trials and Studies decreased 412 k€ due to the phase in which those clinical trials and studies currently are and the timing of invoicing.

7.3 Research and development activities

As aforementioned EBMT has in his main pillars Research through Studies and services. EBMT is investing in its main asset, the Registry.

The board earmarked during the last years, more than 500 k€ per year for structural innovation including Registry. As a result of this strict financial policy we achieved a major financial milestone, which allowed us to embark on the urgently needed new registry. Consequently, our budget for “structural innovation” is, besides dedication to the registry, also for the use of other innovative tools which need a start-up funding such as new educational tools and the needs coming from the middle term investment plan.

7.4 Expectations for the coming reporting year

The development of the Registry upgrade MACRO will continue in 2020. Although there are earmarked reserves for this, the investment will be paid for gradually and in line with the various phases of the development of the database. This investment (developing only) will cost around 750 k€. Additional investments for new functionalities within MACRO will be financed by yearly reservations coming from the net results.

Started from 2017 EBMT continues organizing the Annual Congress more and more by its self. By pulling this activity in house it already shows that this alters the revenue. Not only the revenue increases but also the costs. EBMT will continuously expand their workforces for this for operation, coordination and finance.

Other investments that are planned for the middle term (with estimation of cost):

- A mobile solution for all accreditation activities (75 k€)
- A new CRM system (100 k€);
- A new Quality Assurance Management system (25 k€);
- Integration, sharing and storage system (20 k€).

Besides IT solutions, on its mission to improve professionalisation EBMT is eager and planning to invest in human resources as well.

The outbreak of the Corona virus will have impact on the the planning to invest in human resources. See paragraph 7.5.2 for measures. As decided by the Board, our current IT-investment plan will remain for 2020.

Budget coming reporting year

The initial budget for coming reporting year is as follows.

EUR 1,000	2020
Income	11,004
Costs	12,055
Result	(1,051)
Movements earmarked reserves	1,067
Result appropriated for reserves	16

The Board approved the initial budget for 2020. Management determines if an increase or a decrease in income and costs should be foreseen. This is based on signed contracts only and conservative estimations of financial results that can be reliable estimated.

To coop with a possible future setback as structural income of the Annual Congress can be disappointed some year(s), EBMT builds a solid reserve. This should prevent that the continuity of EBMT's activities will be harmed or compromised. Therefore, EBMT will determine, on a yearly basis, what amount would be necessary to dismantle the organization. For this EBMT monitors the height of the reserves.

Other investments from the middle term investment plan will be partial covered by the reserves. EBMT is securing the method of budgeting to reserve money for structural innovation on a yearly basis. For internal purposes EBMT acknowledge earmarked reserves. The movements and heights of these internal reserves can be specified as follows:

Internal reserves

EUR 1,000	Balance 2019	Forecasted 2020	Projection 2020
Working Parties	1,943	(630)	1,313
Structural innovation	860	(41)	819
Registry continuous development	600	100	700
Project 2020	321	(321)	-
e-Learning	180	-	180
Strategic	175	(175)	
Total internal reserves	4,079	(1,067)	3,012

7.5 Analysis of the principal risks and uncertainties

7.5.1 General principal risks and uncertainties

Of course, catastrophic events are unlikely to happen all at the same time. Nevertheless, negative results could lead to a cascade of problematic events. EBMT recognizes risks and uncertainties in the following areas:

1. Uncertain financial results of the Annual Congress;
2. Uncertain macro-economic situation: Cancellation of Sponsors and (temporary) stop of Funding;
3. Complex contract negotiations: Pre-finance activities while waiting for Funding;
4. Technical aging: Lacking support for technical innovation.

As the results of the Annual Congress are expected to maintain its current level in time, EBMT becomes more and more dependent on it. Facing threats such as terroristic attacks or war situations can influence the income of these results while contractual obligations are already in place.

Macro-economic changes can affect the willingness of the Pharmaceutical Industry to be a sponsor. As well as changes in financial climate as government interference or scandals can result in declining sponsor income.

Studies or trials of high importance could ask immediate attention from the Clinical Trial Office or Data Offices. It is possible in such case that EBMT pre-finances the activities before contracts are signed and funds are flowing. In worst case the running project is cancelled if parties cannot agree on terms and conditions within the contract. The amount of the pre-finances would be the risk.

The Registry is the backbone of the organization. Lacking support for technical innovation will mean that the Registry cannot provide adequate data what will harm working processes, breach of contracts etc.

Broaden the activities could lead to (new) tax matters.

It is therefore necessarily that we build enough reserves to challenge these risks and uncertainties, based on a combined number of threats.

7.5.2 Specific actual risks, uncertainties and measures

The Corona virus has its impact on the public life and worldwide industry. Governmental measures and human behavior effects the timing and way we offer our services to individuals, hospitals and businesses. It is expected that the situation will have a negative effect on our result of 2020. Due to the uncertainty of the extent and duration of the situation it is difficult to quantify the financial impact. We continue monitor all our activities and take measures where necessary.

Health risk

We have implemented precautionary measures regarding the coronavirus outbreak based on the recommendations of official health authorities, such as the World Health Organization (WHO) and RIVM in the Netherlands. In this way we try to achieve a minimal health risks to our employees, suppliers and customers.

Market risk

Due to the crisis, we notice a reduction in our educational and accreditation activities. In order to avoid a total collapse of the demand we have focused and speeded up our e-learning development and activities, and offering a virtual annual congress to our members. Our sponsors have supported the annual congress on an acceptable level.

Credit risk

We have not noticed significant movements in the terms of payment and expect no increase of doubtful debts.

Liquidity risk

To control our liquidity risk, we reduced the speed of implementing our strategic plan. We have frozen our human resources plan for those business units that experiencing a reduction in activities. Cost reduction related to the activities will also support to reduce the risk.

7.6 Outline of the willingness to hedge or not hedge risks and uncertainties

EBMT operates according to internal rules regarding financial risks and tries to avoid each risk that could have impact on the equity of the organization.

In general EBMT's risk appetite can be indicated as low.

7.7 Measures taken to control the principal risks and uncertainties

In order to mitigate aforementioned risks, the organisation has taken internal measures.

EBMT operates each year following a budget which is approved by the board. All activities that take place are comprised within the budget. New activities are brought to the board first for approval. The board will only approve these activities when funding is recognized. Periodically budget follow up takes place and analyses are performed to see if operations are in line with the budget.

Results of the Annual Congress are thoroughly estimated and followed up during the year in order to monitor the course of this result. Risks caused by external factors which cannot be influenced by the organization are disregarded. This also applies to the macro-economic changes that could affect sponsor decisions.

To minimize the risk of pre-financing studies EBMT intends to get agreements signed first before the start of delivering services. As the contract parties mostly are well known and financial solvent this risk is qualified as low. There also is a risk of loss-making trials. In such unexpectedly cases EBMT proactively contacts the contract party to discuss additional funding once a possible loss is detected.

As part of the strategy plan EBMT is building the Registry together with a global firm. In that way we ensure ourselves to have a solid partner with a good reputation and reduce the risk of discontinuity of any kind.

7.8 Expected impact if principal risks materialize

As the result of the Annual Congress is far out the most important one for funding EBMT's activities its impact when materializing the risk would be high. The highest impact would appear if cancellation of the congress happens just before the event. In that situation almost all costs have been paid for and/or contractually obliged to pay. Almost no income will exist because of sponsor pull back and reimbursement of registration fees. At that point the maximum risk would be 3.0 M.

7.9 Risks and uncertainties that had a significant impact on the entity during the past financial year

No risks occurred during the past financial year that should be qualified as significant. Management qualifies such risks as significant if the impact is higher or equal to 5% of the net result.

7.10 Current or planned improvements to the entity's risk management system

The organization has planned improvements with regard to tax matters. All (new) activities will be examined and if necessary, the current tax control framework will be changed accordingly. This started in 2018 and finished in 2019.

8 Remuneration policy

As a non-profit organization and written in our bylaws the EBMT Board Members are volunteers and cannot get any remuneration for their services and activities. EBMT Board Members expenses for travel meetings (Hotels, Transport) are covered.

9 Corporate social responsibility

EBMT has decided in the previous years to operate paper free in two major activities. We stopped printing the Annual Congress Handbook (5,000 books of 500 pages) and also stopped entering Medical Data by paper and started Centres to enter Medical Data on-line.

EBMT undertakes studies to improve patient care without any commercial interest. The objective is to cover the scope of those diseases in which the Industry has non-financial interests.

As a responsible employer, EBMT offers its staff competitive salaries in the non-profit sector with a flexible balance between family and professional activities. Also, with few resources EBMT takes care of the training needs of its staff.

10 Key figures and ratios

10.1 Summary

The year 2019 was a financially good year that ended with a net result of EUR 4,158 K. The net result increased EUR 2,052 K.

10.2 Financial resources

EBMT's income identifies the following types of income.

EUR 1,000	2019		2018	
EBMT Members donations	591	4%	626	6%
Scientific Sponsors donations	703	5%	282	2%
Annual Meeting Financial Result	7,749	53%	6,551	59%
Results from investments	116	1%	-44	-0%
Non-earmarked Income	9,159	63%	7,415	67%
Grants for Studies & CT & Education	4,629	31%	2,922	26%
Accreditation (JACIE)	867	6%	725	7%
Earmarked Income	5,496	37%	3,647	33%

EUR 1,000	2019		2018	
Total Income	14,655	100%	11,062	100%

10.3 Source of income

The source of income is a breakdown of the consolidated income divided in the categories Industry-income and Non-industry-income. It indicates the importantness of the sources.

Source of income	% Industry	% Non-Industry
Scientific Sponsors donations	5.4	0.7
EBMT Members donations	0.0	4.0
Annual Meeting	37.1	15.8
Grants for Studies, Clinical Trials & Education	28.3	2.0
Accreditation (JACIE)	0.0	5.9
Income from investments	0.0	0.8
Total	70.8	29.2

The highest contribution of one single organization is 5.6% of the total income.

10.4 Destination of resources

Destination of resources

EUR 1,000	2019		2018	
Scientific Studies	2,375	23%	2,135	24%
EBMT Registry	863	8%	829	9%
Annual Meeting	4,020	38%	3,233	36%
Educational Activities	1,672	16%	1,209	14%
Standards & Accreditation	643	6%	694	7%
Total Mission Cost	9,573	91	8,100	90%
Management & Administration	924	9%	856	10%
Total Expenditure	10,497	100%	8,956	100%

Management & Administration grow mainly due to increased human resources, professional services and board expenditure.

2019 Financial statements

of

European Society for Blood and Marrow Transplantation

Registered office:

Effective place of business:

Address:

Maastricht

Leiden

Rijnsburgseweg 10
2333 AA LEIDEN

Consolidated balance sheet as at 31 December 2019

(after appropriation of the net result)

Assets

(in euros)

	2019	2018
Fixed assets		
Tangible fixed assets (1)	107,988	64,427
Financial fixed assets (2)	910,592	818,421
	<u>1,018,580</u>	<u>882,848</u>
Current assets		
Receivables (3)	2,467,219	1,192,848
Cash at bank and in hand (4)	14,318,194	11,269,510
	<u>16,785,413</u>	<u>12,462,358</u>
Total assets	<u><u>17,803,993</u></u>	<u><u>13,345,206</u></u>

Equity and liabilities

Group equity (5)	12,799,629	8,641,617
Current liabilities (6)	5,004,364	4,703,589
	<u>17,803,993</u>	<u>13,345,206</u>
Total equity and liabilities	<u><u>17,803,993</u></u>	<u><u>13,345,206</u></u>

Consolidated profit and loss account for 2019

(in euros)	2019	Budget'19	2018
Revenues			
Corporate Sponsors (7)	700,209	350,000	281,500
Memberships (8)	591,425	595,000	626,317
Annual Congress (9)	7,748,819	6,976,000	6,550,614
Clinical Trials and Studies (10)	3,334,717	362,000	2,068,469
Accreditation fees (11)	864,622	866,000	724,705
Grants and Target Sponsoring (12)	271,968	-	87,500
Educational Events (13)	1,012,905	520,000	745,607
Other Revenues (14)	14,127	8,000	21,000
Financial Income (15)	116,042	1,000	(43,802)
Total revenues	14,654,834	9,678,000	11,061,910
Operating expenses			
Direct Cost (16)	5,298,152	5,145,000	4,296,600
Working Parties (17)	491,478	231,000	480,960
Staff Costs (18)	3,695,585	3,746,911	3,175,848
Housing Costs(19)	147,628	161,200	142,035
Professional fees (20)	367,517	381,200	310,723
General Costs (21)	134,411	155,500	122,295
Information and Communications			
Technology (22)	234,050	639,800	341,156
Governance (23)	115,777	85,000	79,442
Financial Expenses (24)	12,224	-	6,779
Total operating expenses	10,496,822	10,545,611	8,955,838
Net result	4,158,012	(867,611)	2,106,072
Distribution of the result			
Addition other reserves	4,158,012		2,106,072

Consolidated cash flow statement for 2019

(in euros)	2019	2018
Cash flow from operating activities		
Operating profit/(loss)	4,158,012	2,106,072
Adjustments for:		
depreciation and amortization	27,829	21,885
Changes in working capital:		
movements in receivables	(1,274,371)	279,654
movements in current liabilities	300,775	239,325
movements in securities	(92,171)	38,794
	(1,065,767)	557,773
Cash flow from operating activities	3,120,074	2,685,730
Cash flow from investing activities		
Additions to tangible fixed assets	(71,390)	(27,447)
Net cash flow/ Increase in cash at bank and in hand	3,048,684	2,658,283

Accounting policies used for the consolidated financial statements

General

The organization prepared the consolidated financial statements in accordance with the Dutch Accounting Standard 640 (RJ 640). The financial statements were prepared on 24 August 2020.

Group activities

The European Society for Blood and Marrow Transplantation (EBMT) is a non-profit organisation that was established in 1974 in order to allow scientists and physicians involved in clinical bone marrow transplantation to share their experience and develop co-operative studies. The EBMT is devoted to the promotion of all aspects associated with the transplantation of haematopoietic stem cells from all donor sources and donor types including basic and clinical research, education, standardisation, quality control, and accreditation for transplant procedures.

Judgements and estimates

The management of the group makes various judgments and estimates when applying the accounting policies and rules for preparing the financial statements. When applicable, the principal judgments and estimates, including underlying assumptions, are set out in each of the below mentioned accounting policies.

Equity interests

Ultimate parent company

The European Society for Blood and Marrow Transplantation, the Association, Maastricht, is the ultimate parent company of Stichting European Society for Blood and Marrow Transplantation and includes the financial data of Stichting European Society for Blood and Marrow Transplantation in its consolidated financial statements.

Basis of consolidation

The consolidated financial statements include the financial data of the Association (The Society) and Foundation of the European Society for Blood and Marrow Transplantation (EBMT) at 31 December 2019. As head of the this group the Society is the entity which exercise control in the foundation. Within the EBMT organisation there is an organizational connection, central management and an economic unit. This financial statement is fully consolidated and are determined in accordance with consistent accounting policies.

Foreign currency translation

The consolidated financial statements are prepared in euros, the functional and presentation currency of the company. Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions denominated in foreign currencies are initially carried at the functional exchange rates ruling at the date of transaction. Monetary balance sheet items denominated in foreign currencies are translated at the functional exchange rates ruling at the balance sheet date. Non-monetary balance sheet items that are measured at historical cost in a foreign currency are translated at the functional exchange rates ruling at the date of transaction. Non-monetary balance sheet items that are measured at current value are translated at the functional exchange rates ruling at the date of valuation.

Exchange differences arising on the settlement or translation of monetary items denominated in foreign currencies are taken to the profit and loss account.

Offsetting

Assets and liabilities are only offset in the financial statements if and to the extent that:

- An enforceable legal right exists to offset the assets and liabilities and settle them simultaneously.
And
- The positive intention is to settle the assets and liabilities on a net basis or simultaneously.

Financial instruments

Financial instruments include both primary financial instruments, such as receivables, securities and payables, and derivative financial instruments.

All purchases and sales of financial assets made according to standard market conventions are recognized as at the transaction date, being the date on which the group enters into a binding agreement.

Tangible fixed assets

Tangible fixed assets in use by the company

Tangible fixed assets in use by the organization are carried at the cost of acquisition or production net of accumulated depreciation and, where applicable, accumulated impairment losses. Tangible fixed assets carried at cost do not include capitalized interest charges.

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful economic lives, taking into account the residual value, as follows:

- Other tangible fixed assets are depreciated in five years.

If the expected depreciation method, useful economic life and/or residual value are subject to changes over time, they are treated as a change in accounting estimate.

Costs of major maintenance are recognized under cost when incurred and if the recognition criteria are met. The carrying amount of the components to be replaced will be regarded as a disposal and taken directly to the profit and loss account. All other repair and maintenance costs are taken directly to the profit and loss account

Retired tangible fixed assets are carried at the lower of cost and their fair value less costs.

A tangible fixed asset is derecognized upon sale or when no further economic benefits are expected from its continued use or sale. The gain or loss arising on the disposal is taken to the profit and loss account.

Financial fixed assets

Securities

Securities are initially recognized at fair value plus directly attributable transaction costs, with the exception of securities carried at fair value with changes recognized through profit or loss.

After initial measurement, securities forming part of the trading portfolio are carried at fair value, without any deduction for transaction costs incurred on disposal. Gains and losses arising from changes in the fair value are taken to the profit and loss account.

After initial measurement, other listed securities (shares and bonds) not forming part of the trading portfolio are carried at fair value. Gains and losses arising from fair value changes are taken to the profit and loss account.

Dividends received are taken to the profit and loss account.

Current receivables

Receivables not forming part of the trading portfolio are initially measured at fair value and subsequently carried at amortized cost less a provision for doubtful debts where necessary.

Cash at bank and in hand

Cash at bank and in hand includes cash in hand and bank balances. It also includes deposits if these are effectively at the group's free disposal, even if interest income may be lost.

Classification of equity and liabilities

A financial instrument or its separate components are classified in the consolidated financial statements as liability or as equity in accordance with the substance of the contractual agreement underlying the financial instrument. In the organization financial statements, a financial instrument is classified in accordance with the legal reality. Interest, dividends, gains and losses relating to a financial instrument, or part of a financial instrument, are included in the financial statements in accordance with the classification of the financial instrument as liability or equity.

Provisions

A provision is formed if the group has a legal or constructive obligation as at the balance sheet date if it is probable that an outflow of resources will be required to settle the obligation and the amount of the liability can be reliably estimated. The amount of the provision is determined based on a best estimate of the amounts required to settle the liabilities and losses concerned at the balance sheet date. Provisions are carried at non-discounted value, unless stated otherwise.

If third-party reimbursement of expenses required to settle a provision is probable, the reimbursement is recognized as a separate asset.

Pension provisions

Dutch pension plans

Contributions payable to the pension plan administrator are recognized as an expense in the profit and loss account. Contributions payable or prepaid contributions as at year-end are recognized under accruals and deferred income, and prepayments and accrued income, respectively.

A provision is formed for liabilities other than the contributions payable to the pension plan administrator if, as at the balance sheet date, the group has a legal or constructive obligation towards the pension plan administrator and/or to its own employees, if it is probable that settlement of these liabilities will entail an outflow of resources and if a reliable estimate can be made of the amount of the liabilities. The provision for additional liabilities to the pension plan administrator and/or the employees is based on a best estimate of the amounts required to settle these liabilities concerned at the balance sheet date. The provision is carried at present value if the effect of the

time value of money is material (with the discount rate before taxation reflecting the market interest rate for high-quality corporate bonds).

A pension receivable in respect of surpluses available at the pension plan administrator is recognized if the group controls the surplus, if it is probable that it yields future economic benefits for the group and if it can be reliably determined. A pension surplus is calculated using the same method as is used for provisions.

Taxes

Current taxes

The activities of EBMT have been investigated on the possibility of tax obligations. The general conclusion is that no taxation should be applied on the results of EBMT. No taxation is recognized under the current liabilities nor in the profit and loss account.

Current liabilities

On initial recognition, current liabilities are carried at fair value less directly attributable transaction costs (in the case of financial liabilities not carried at fair value through profit or loss).

Leasing

Assessing whether an agreement contains a lease is based on the substance at the inception date of the agreement. The agreement is regarded as a lease if the fulfillment of the agreement depends on the use of a specific asset, or on whether the lease contains the right of use of a specific asset.

Income

General

Gross operating income represents net turnover, other operating income, and other external charges. Net turnover represents the proceeds from the supply of services, net of VAT, discounts, et cetera.

Services

If the result of a transaction relating to a service can be reliably estimated and the income is probable to be received, the income relating to that service is recognized in proportion to the service delivered.

Stage of completion is based on the costs incurred in providing the services up to the balance sheet date in proportion to the estimated costs of the total services to be provided.

Royalties

Royalties are recognized in the profit and loss account according to the accrual principle, provided the income can be measured and the income is probable to be received.

Dividend

Dividends are recognized in the profit and loss account if the group is entitled to them and the dividends are probable to be received.

Grants related to income

Grants related to income are recognized in the profit and loss account in the year in which the granted expenditure is incurred, in which the loss of income is recognized or in which the operating loss is incurred.

Expenses

General

Expenses are determined with due observance of the aforementioned accounting policies and allocated to the financial year to which they relate. Foreseeable and other obligations as well as potential losses arising before the financial year-end are recognized if they are known before the financial statements are prepared and provided all other conditions for forming provisions are met.

Interest

Interest is allocated to successive financial reporting periods in proportion to the outstanding principal. Premiums and discounts are treated as annual interest charges so that the effective interest rate, together with the interest payable on the loan, is recognized in the profit and loss account, with the amortized cost of the liabilities being recognized in the balance sheet. Period interest charges and similar charges are recognized in the year in which they fall due.

Consolidated cash flow statement

The cash flow statement has been prepared in accordance with the indirect method.

Cash and cash equivalents consists of cash at bank and in hand. The securities are non-highly liquid investments.

Interest received and paid, dividends received and profits tax are included under cash flows from operating activities.

Notes to the consolidated balance sheet

Tangible fixed assets (1)

Movements in tangible fixed assets were as follows:

(in euros)	Other fixed operating assets
	<hr/>
Balance at 1 January 2018:	
Cost	106,009
Accumulated depreciation and impairments	(47,144)
	<hr/>
Carrying amount at 1 January 2018	58,865
Additions	27,447
Depreciation	(21,885)
	<hr/>
Carrying amount at 31 December 2018	<u>64,427</u>
Balance at 31 December 2018:	
Cost	133,456
Accumulated depreciation and impairments	(69,029)
	<hr/>
Carrying amount at 31 December 2018	<u>64,427</u>
	Other fixed operating assets
	<hr/>
Balance at 1 January 2019:	
Cost	133,456
Accumulated depreciation and impairments	(69,029)
	<hr/>
Carrying amount at 1 January 2019	64,427
Additions	71,390
Depreciation	(27,829)
	<hr/>
Carrying amount at 31 December 2019	<u>107,988</u>
Balance at 31 December 2019:	
Cost	204,846
Accumulated depreciation and impairments	(96,858)
	<hr/>
Carrying amount at 31 December 2019	<u>107,988</u>

Financial fixed assets (2)

Other securities

Other securities includes listed securities of € 910,592 (2018: € 818,421). Changes in the value of listed securities included in the profit and loss account amount to € 114,484 (2018: € 48,998 negative). The securities are stated at market value.

Current receivables (3)

(in euros)

	2019	2018
Membership receivables	23,236	28,039
Sponsors and other debtors receivables	1,268,111	375,499
Other amounts receivable	48,915	79,301
Prepayments and accrued income	1,126,957	710,009
Total	2,467,219	1,192,848

A provision for doubtful membership receivables is applied in 2019 for an amount of € 67,006 (2018: € 34,829).

Other amounts receivable can be broken down as follows:

(in euros)

	2019	2018
Value Added Tax receivable	24,985	58,646
Pension and Social security contributions receivable	1,597	-
Other receivables	22,333	20,655
Total	48,915	79,301

Prepayments and accrued income can be broken down as follows:

(in euros)	2019	2018
Interest receivable	567	500
Income to invoice	124,784	-
Prepaid Staff expenses	7,339	10,828
Prepaid ICT expenses	15,914	12,030
Prepaid Professional fees	12,487	-
Prepaid General expenses	4,019	6,455
Prepaid Accreditation expenses	-	5,010
Prepaid Educational Events expenses	102,612	198,053
Prepaid Annual Congress expenses	849,384	470,812
Prepaid Clinical Trial and Studies expenses	200	517
Other prepayments	9,651	5,804
Total	1,126,957	710,009

Cash at bank and in hand (4)

(in euros)	2019	2018
Cash in hand	615	-
Cash at bank	14,317,579	11,269,510
Total	14,318,194	11,269,510

The cash at bank is at the group's free disposal.

Group equity (5)

Equity

(in euros)	2019	2018
Group equity January 1	8,641,617	6,535,545
Movements earmarked reserves	(3,382,092)	-
Movements other reserves	3,382,092	-
Appropriation of the net result	4,158,012	2,106,072
Group equity December 31	12,799,629	8,641,617

The group equity can be specified as follows:

	Earmarked reserves	Other reserves	Total Equity
Balance at 1 January 2018	2,299,999	4,235,546	6,535,545
Movements 2018	-	-	-
Result appropriation for 2018	1,082,093	1,023,979	2,106,072
Balance at 31 December 2018	<u>3,382,092</u>	<u>5,259,525</u>	<u>8,641,617</u>
Balance at 1 January 2019	3,382,092	5,259,525	8,641,617
Movements 2019	(3,382,092)	3,382,092	-
Result appropriation for 2019	-	4,158,012	4,158,012
Balance at 31 December 2019	<u>-</u>	<u>12,799,629</u>	<u>12,799,629</u>

The earmarked reserves have been serving solely internal purposes. The reserves will be presented in the future as other reserves until the group has legal obligations to introduce earmarked reserves again.

Current liabilities (6)

(in euros)	2019	2018
Trade creditors/suppliers	474,156	391,847
Value Added Tax payable	22,027	37,669
Other taxes and social security charges	136,465	99,960
Pension-related liabilities	-	-
Other liabilities	1,035,336	1,447,637
Accruals and deferred income	3,336,380	2,726,476
Total	<u>5,004,364</u>	<u>4,703,589</u>

Other liabilities can be broken down as follows:

(in euros)	2019	2018
Clinical Trials and Studies pre-received funding	<u>1,035,336</u>	<u>1,447,637</u>

Accruals and deferred income can be broken down as follows:

(in euros)	2019	2018
Deferred income Annual Congress	1,845,589	1,636,303
Deferred income Accreditation	364,147	368,021
Deferred income Corporate Sponsors	320,346	135,833
Deferred income Educational Events	410,261	19,833
Deferred income Other	57,798	114,666
Accrued Staff costs	199,908	350,173
Accrued Professional fees	107,071	79,476
Accrued ICT costs	17,001	684
Accrued General costs	5,781	10,055
Accrued Clinical Trials and Studies costs	3,600	7,836
Other costs payable	4,878	3,596
Total	3,336,380	2,726,476

Financial instruments

General

The information included in the notes for financial instruments is useful in estimating the extent of risks relating to both on-balance sheet and off-balance sheet financial instruments.

The group's primary financial instruments, not being derivatives, serve to finance the group's operating activities or directly arise from these activities. The group's policy is not to trade in financial instruments for speculation purposes.

The principal risks arising from the group's financial instruments are credit risks, liquidity risks, cash flow risks and price risks, which comprise foreign exchange, interest rate and market risks.

The group's policy to mitigate these risks is set out below:

Foreign exchange risk

The group is exposed to foreign exchange risks arising from purchase and sales transactions denominated in a currency (British pound/ US dollar) other than the group's presentation currency. The group's policy is not to hedge foreign exchange risks.

Credit risk

The group trades only with parties which are commonly known as creditworthy (Industry). The group's credit risk is minimal.

Liquidity risk

The group manages liquidity risk through the contract policy. Investments in human resources or in the structure of the organization (i.e. ICT-tools, software development, leasing) depends on the direct funding from the contracts related to those items. Close interim monitoring apply to these contracts.

Interest rate and cash flow risks

Interest rate risk is the risk of the fair value of future cash flows from financial instruments fluctuating due to changing market interest rates. The risk of market rate fluctuations run by the group is of no significance as there are no long-term receivables and liabilities which bear such a risk.

Arrangements and commitments not shown in the balance sheet

Operating leases- group as lessee

The group has concluded operating leases relating to premises as lessee. The future minimum lease payments can be broken down as follows:

(in euros)	2019	2018
with a term of less than 1 year	150,764	104,984
with a term of 1 to 5 years	164,678	171,268
with a term of more than 5 years	-	-
Total	315,442	276,252

Total lease payments of € 142,429 (2018: € 137,702) are included in the profit and loss account for 2019.

Legal claim

There are no legal claims or awareness of any legal claims coming up at the moment of reporting.

Other commitments not shown in the balance sheet

The group's contractual commitments for licenses totaled € 115,512 at 31 December 2019 (2018: € 95,612).

The group's contractual commitments for database development totaled € 109,368 at 31 December 2019 (2018: € 211,732).

The group's contractual commitments for services totaled € 50,000 at 31 December 2019 (2018: € 50,000).

The group's contractual commitments for cancelation fees for hotels and venue totaled € 707,063 at 31 December 2019 (2018: € 790,086).

Notes to the consolidated profit and loss account

Corporate Sponsors (7)

The corporate sponsors increased by 149% (2018 : decreased by 38%) compared to the previous year. The number of corporate sponsors increased from 18 to 25.

Memberships (8)

The number of centres in 2019 is 568 (2018: 572) and individuals in 2019 is 99 (2018: 86). A provision for doubtful debts effected the membership income negatively with an amount of € 43,487 in 2019 (2018: € -)

Annual Congress (9)

The congress took place in March 2019 in Frankfurt (2018: March in Lisbon). The inhousing process of the congress is still ongoing and is expected to be completed in 2022.

Clinical Trials and Studies (10)

Clinical Trials and Studies are performed in the offices Leiden and Paris. During 2019 a lot of requests have come from the Industries for short-term studies that resulted in an increase of income. One Clinical Trial reached the closing phase.

Accreditation fees (11)

The number of accreditations that took place in 2019 was 71 (2018: 78). An increase of the fees resulted in an increase of income.

Grants and Target Sponsoring (12)

Grants for specific projects were provided for development of e-Learning, the EBMT Handbook and development and usage of the SOS-VOD application. The income is related to the costs involved for these projects.

Educational Events (13)

The number of organized educational events for external participants in 2019 was 12 (2018: 12).

Other Revenues (14)

Other revenues exist of use of the EBMT brand and royalties.

Financial Income (15)

The financial income exist of results from financial fixed assets (securities) and bank interest. For an amount of € 93,018 is to be considered as unrealized (2018: € 68.969 negative).

Direct Cost (16)

(in euros)	2019	Budget'19	2018
Annual Congress	4,019,744	4,084,000	3,233,316
Clinical Trials and Studies	286,459	336,000	233,427
Accreditation	248,043	325,000	336,539
Educational Events	743,906	400,000	493,318
Total	5,298,152	5,145,000	4,296,600

Working Parties (17)

(in euros)	2019	Budget'19	2018
Autoimmune Diseases	9,487	16,000	10,917
Acute Leukaemia	50,003	16,000	28,446
Chronic Malignancies	61,607	16,000	108,900
Therapy and Immunobiology	3,597	32,000	21,881
Infectious Diseases	38,789	16,000	23,320
Inborn Errors	29,158	16,000	45,387
Lymphoma	44,214	16,000	50,907
Nurses Group	51,623	55,000	67,789
Paediatric Diseases	84,556	16,000	56,750
Severe Aplastic Anaemia	34,215	16,000	27,000
Transplant Complications	84,229	16,000	39,663
Total	491,478	231,000	480,960

Staff Costs (18)

(in euros)	2019	Budget'19	2018
Wages and salaries	1,976,600	1,875,946	1,458,560
Hired staff	1,347,139	1,065,515	1,307,652
Pension Premiums	135,346	72,000	75,044
Social Security charges	491,864	644,700	395,950
Education and Training	26,043	52,600	33,514
Insurances	31,055	24,700	27,155
Commuting	52,383	-	38,288
Travel and Accommodation business trips	84,051	79,000	90,992
Other staff costs	19,826	9,700	12,647
Sub Total	4,164,307	3,824,161	3,439,802
Supported by Working Parties	(468,722)	(77,250)	(263,954)
Total	3,695,585	3,746,911	3,175,848

Workforce

The average number of staff (in FTEs) employed by the group in 2019 was 67.1 (2018:58.9), broken down by contracts as follows:

	2019	2018
Employees with EBMT contract	53.1	37.2
Employees hired from third parties	14.0	21.7
Total manpower	67.1	58.9

The average number of staff (in FTEs) employed by the group by geographic location can be broken down as follows:

	2019	2018
England	11.2	9.0
France	11.3	12.9
Italy	2.9	2.5
Netherlands	24.5	20.6
Spain	17.2	13.9
Total manpower	67.1	58.9

Housing Costs (19)

(in euros)	2019	Budget'19	2018
Rent offices	142,429	161,200	137,702
Cleaning, insurance, maintenance	5,199	-	4,333
Total	147,628	161,200	142,035

Professional fees (20)

(in euros)	2019	Budget'19	2018
Auditor Services	49,140	40,000	31,985
Advisors and Consultants	115,724	101,000	22,515
Tax Services	32,045	30,000	18,403
Legal Services	56,653	80,000	97,448
Payroll Services	53,955	51,200	52,059
Supporting Services	60,000	70,000	88,313
Other Services	-	9,000	-
Total	367,517	381,200	310,723

General Costs (21)

(in euros)	2019	Budget'19	2018
Office Costs	21,036	34,200	23,998
Marketing and Communication	53,457	26,500	42,642
Meeting arrangements, Representation	21,816	19,100	25,894
Bank charges	4,466	13,300	7,801
Other general costs	5,807	41,000	75
	<u>106,582</u>	<u>134,100</u>	<u>109,281</u>
Depreciation tangible fixed assets	27,829	21,400	21,885
Total	<u><u>134,411</u></u>	<u><u>155,500</u></u>	<u><u>131,166</u></u>

Information and Communications Technology (22)

(in euros)	2019	Budget'19	2018
Licenses and hosting	86,479	122,100	89,060
Database development Registry	130,000	368,000	189,050
App development	739	85,000	9,012
Website development	884	47,500	40,045
Telecommunications	15,948	17,200	13,989
Total	<u><u>234,050</u></u>	<u><u>639,800</u></u>	<u><u>341,156</u></u>

Governance (23)

(in euros)	2019	Budget'19	2018
Travel and accommodation Board	74,038	75,000	65,896
Travel and accommodation Committees	16,027	10,000	4,675
Other Governance costs	25,712	-	8,871
Total	<u><u>115,777</u></u>	<u><u>85,000</u></u>	<u><u>79,442</u></u>

Financial Expenses (24)

(in euros)	2019	Budget'19	2018
Management fees bank	5,605	-	5,823
Exchange differences	6,619	-	956
Total	<u><u>12,224</u></u>	<u><u>-</u></u>	<u><u>6,779</u></u>

Notes to the consolidated cash flow statement

Breakdown of cash and cash equivalents

(in euros)

Cash and cash equivalents of the group at 31 December 2018	<u>11,269,510</u>
Balance sheet movements in cash and cash equivalents in 2019	<u>3,048,684</u>
Cash and cash equivalents of the group at 31 December 2019	<u>14,318,194</u>

The cash and cash equivalents are at the group's free disposal.

Balance sheet movements in cash and cash equivalents in 2019 can be broken down as follows:

(in euros)

Cash flow from operating activities in 2019	3,120,074
Cash flow from investing activities in 2019	<u>(71,390)</u>
Total cash flow movements in 2019	<u>3,048,684</u>

Notes to cash flows (25)

Additions to tangible fixed assets on the cash flow statement only include additions for which cash payments were made in 2019. There were no additions to tangible fixed assets under finance leases.

Company balance sheet as at 31 December 2019

(after appropriation of the net result)

A s s e t s

(in euros)

	2019	2018
Fixed assets		
Tangible fixed assets (26)	-	-
Financial fixed assets (27)	910,592	818,421
	<u>910,592</u>	<u>818,421</u>
Current assets		
Receivables (28)	11,217,755	7,707,109
Cash at bank and in hand (29)	8,902,413	10,277,591
	<u>20,120,168</u>	<u>17,984,700</u>
Total assets	<u><u>21,030,760</u></u>	<u><u>18,803,121</u></u>

E q u i t y a n d l i a b i l i t i e s

Equity (30)		
Earmarked reserves	-	1,279,886
Other reserves	20,934,804	15,829,771
	<u>20,934,804</u>	<u>17,109,657</u>
Current liabilities (31)	95,956	1,693,464
Total equity and liabilities	<u><u>21,030,760</u></u>	<u><u>18,803,121</u></u>

Company profit and loss account for 2019

(in euros)

	2019	Budget'19	2018
Revenues			
Memberships (32)	591,425	595,000	626,317
Annual Congress (33)	7,748,819	6,976,000	6,550,614
Grants and Target Sponsoring (34)	3,000	-	-
Financial Income (35)	116,042	1,000	(43,802)
Total revenues	8,459,286	7,572,000	7,133,129
Operating expenses			
Direct Cost (36)	4,019,744	4,084,000	3,233,316
Working Parties (37)	491,478	231,000	480,960
General Costs (38)	1,550	-	2,221
Governance (39)	115,777	85,000	79,442
Financial Expenses (40)	5,590	-	5,823
Total operating expenses	4,634,139	4,400,000	3,801,762
Net result	3,825,147	3,172,000	3,331,367
Distribution of the result			
Addition other reserves	3,825,147		3,331,367

Accounting policies used in preparing the company financial statements

Basis of preparation

The company financial statements have been prepared in accordance with the Dutch Accounting Standard 640 (RJ 640). The financial statements were prepared on 24 August 2020.

For the accounting policies, please refer to the accounting policies of the consolidated financial statements.

Notes to the company balance sheet

Tangible fixed assets (26)

Movements in tangible fixed assets were as follows:

(in euros)	Other fixed operating assets
Balance at 1 January 2018:	
Cost	4,534
Accumulated depreciation and impairments	(4,534)
	-
Carrying amount at 1 January 2018	-
Additions	-
Depreciation	-
	-
Carrying amount at 31 December 2018	-
Balance at 31 December 2018:	
Cost	4,534
Accumulated depreciation and impairments	(4,534)
	-
Carrying amount at 31 December 2018	-
	Other fixed operating assets
Balance at 1 January 2019:	
Cost	4,534
Accumulated depreciation and impairments	(4,534)
	-
Carrying amount at 1 January 2019	-
Additions	-
Depreciation	-
	-
Carrying amount at 31 December 2019	-
Balance at 31 December 2019:	
Cost	4,534
Accumulated depreciation and impairments	(4,534)
	-
Carrying amount at 31 December 2019	-

Financial fixed assets (27)

Other securities

Other securities includes listed securities of € 910,592 (2018: € 818,421). Changes in the value of listed securities included in the profit and loss account amount to € 114,484 (2018: € 48,998 negative). The securities are stated at market value.

Current receivables (28)

(in euros)	2019	2018
Membership receivables	23,236	28,039
Sponsors and other debtors receivables	323,618	59,506
Other amounts receivable	10,848,196	7,142,448
Prepayments and accrued income	22,705	477,116
Total	11,217,755	7,707,109

A provision for doubtful membership receivables is applied in 2019 for an amount of € 67,006 (2018: € 34,829).

Other amounts receivable can be broken down as follows:

(in euros)	2019	2018
Current account Foundation EBMT	10,823,211	7,119,056
Value Added Tax receivable	24,985	23,392
Total	10,848,196	7,142,448

No interest (2018: 0%) was charged on the current account balances with the group company.

Prepayments and accrued income can be broken down as follows:

(in euros)	2019	2018
Interest receivable	567	500
Prepaid Annual Congress expenses	12,487	470,812
Other prepayments	9,651	5,804
Total	22,705	477,116

Cash at bank and in hand (29)

(in euros)	2019	2018
Cash in hand	-	-
Cash at bank	8,902,413	10,277,591
Total	8,902,413	10,277,591

The total amount in cash at bank is at the entity's free disposal.

Equity (30)

(in euros)	Earmarked reserves	Other reserves	Total
Balance at 1 January 2018	1,038,938	12,739,352	13,778,290
Movements 2018	-	-	-
Result appropriation for 2018	240,948	3,090,419	3,331,367
Balance at 31 December 2018	<u>1,279,886</u>	<u>15,829,771</u>	<u>17,109,657</u>
Balance at 1 January 2019	1,279,886	15,829,771	17,109,657
Movements 2019	(1,279,886)	1,279,886	-
Result appropriation for 2019	-	3,825,147	3,825,147
Balance at 31 December 2019	<u>-</u>	<u>20,934,804</u>	<u>20,934,804</u>

The earmarked reserves have been serving solely internal purposes. The reserves will be presented in the future as other reserves until the group has legal obligations to introduce earmarked reserves again.

Current liabilities (31)

(in euros)	2019	2018
Trade creditors/suppliers	83,193	26,481
Value Added Tax payable	-	23,734
Accruals and deferred income	12,782	1,643,249
Total	95,975	1,693,464

Accruals and deferred income can be broken down as follows:

(in euros)	2019	2018
Deferred income Annual Congress	-	1,636,303
Deferred income Other	2,215	2,615
Accrued Professional fees	9,000	-
Accrued General costs	163	2,500
Other costs payable	1,404	1,831
Total	12,782	1,643,249

Financial instruments

General

The information included in the notes for financial instruments is useful in estimating the extent of risks relating to both on-balance sheet and off-balance sheet financial instruments.

The organization's primary financial instruments, not being derivatives, serve to finance the organization's operating activities or directly arise from these activities. The organization's policy is not to trade in financial instruments for speculation purposes.

The principal risks arising from the organization's financial instruments are credit risks, liquidity risks, cash flow risks and price risks, which comprise foreign exchange, interest rate and market risks.

The organization's policy to mitigate these risks is set out below:

Foreign exchange risk

The organization is exposed to foreign exchange risks arising from purchase and sales transactions denominated in a currency (British pound/ US dollar) other than the organization's presentation currency. The organization's policy is not to hedge foreign exchange risks.

Credit risk

The organization trades only with parties which are commonly known as creditworthy (Industry). The organization's credit risk is minimal.

Liquidity risk

The organization manages liquidity risk through the contract policy. Investments in human resources or in the structure of the organization (i.e. ICT-tools, software development, leasing) depends on the direct funding from the contracts related to those items. Close interim monitoring apply to these contracts.

Interest rate and cash flow risks

Interest rate risk is the risk of the fair value of future cash flows from financial instruments fluctuating due to changing market interest rates. The risk of market rate fluctuations run by the organization is of no significance as there are no long-term receivables and liabilities which bear such a risk.

Arrangements and commitments not shown in the balance sheet

Legal claim

There are no legal claims or awareness of any legal claims coming up at the moment of reporting.

Other commitments not shown in the balance sheet

The organization's contractual commitments for cancelation fees for hotels and venue totaled € - at 31 December 2019 (2018: € 790,086).

Notes to the company profit and loss account

Memberships (32)

The number of centres in 2019 is 568 (2018: 572) and individuals in 2019 is 99 (2018: 86).

A provision for doubtful debts effected the membership income negatively with an amount of € 43,487 in 2019 (2018: € -)

Annual Congress (33)

The congress took place in March 2019 in Frankfurt (2018: March in Lisbon). The inhousing process of the congress is still ongoing and is expected to be completed in 2022.

Grants and Target Sponsoring (34)

Grants for specific projects were provided for development of e-Learning, the EBMT Handbook and development and useage of the SOS-VOD application. The income is related to the costs involved for these projects.

Financial Income (35)

The financial income exist of results from financial fixed assets (securities) and bank interest. For an amount of € 93,018 is to be considered as unrealized (2018: € 68.969 negative).

Direct Cost (36)

(in euros)	2019	Budget'19	2018
Annual Congress	<u>4,019,744</u>	<u>4,084,000</u>	<u>3,233,316</u>

Working Parties (37)

(in euros)	2019	Budget'19	2018
Autoimmune Diseases	9,487	16,000	10,917
Acute Leukaemia	50,003	16,000	28,446
Chronic Malignancies	61,607	16,000	108,900
Therapy and Immunobiology	3,597	32,000	21,881
Infectious Diseases	38,789	16,000	23,320
Inborn Errors	29,158	16,000	45,387
Lymphoma	44,214	16,000	50,907
Nurses Group	51,623	55,000	67,789
Paediatric Diseases	84,556	16,000	56,750
Severe Aplastic Anaemia	34,215	16,000	27,000
Transplant Complications	84,229	16,000	39,663
Total	<u><u>491,478</u></u>	<u><u>231,000</u></u>	<u><u>480,960</u></u>

General Costs (38)

(in euros)

	2019	Budget'19	2018
Other general costs	1,550	-	2,221

Governance (39)

(in euros)

	2019	Budget'19	2018
Travel and accommodation Board	74,038	75,000	65,896
Travel and accommodation Committees	16,027	10,000	4,675
Other Governance costs	25,712	-	8,871
Total	115,777	85,000	79,442

Financial Expenses (40)

(in euros)

	2019	Budget'19	2018
Management fees bank	5,590	-	5,823

Signatories to the financial statements

Leiden,

Management board:

Mr. N.M. Kröger
(President)

Mr. H. Dolstra
(Treasurer)

Mr. J.A. Snowden
(Secretary)

Other information

Proposed appropriation of the positive result for 2019

The Management board proposes to add the positive result for 2019 to the (other) reserves.

The consolidated net result for 2019 of € 4,158,012 will be appropriated as follows.

(in euros)

Movements in earmarked reserves	(3,382,092)
Supplement to other reserves	<u>7,540,104</u>
Net positive result	<u><u>4,158,012</u></u>

The proposed adjustments for the reserves required to be held by law and under the Articles of Association have already been included in the financial statements in the distributed result.

Events after the balance sheet date

During December 2019 the outbreak of the Corona virus started in the region Wuhan, China. This virus reached Europe half of February 2020. In order to keep this virus under control, the Dutch (and all other European) government have taken various measures. Comparable measures were taken in the rest of the world. The impact of the outbreak of the Corona virus are to be considered as events after the balance sheet date, which does not provide additional information about the factual situation on balance sheet date and therefore have not been processed in the financial statements 2019.

The situation that emerged in 2020 will have a significant impact on the national and international economy. This has implications for EBMT as well. The activities that are most affected by the current situation are as follows:

- Educational events that are organized as face to face meetings. Some of those will be postponed or cancelled, other events will be organized as virtual meetings. Postponing and cancellation will have a negative impact on our income.
- The date of the annual congress is moved from March 2020 to March 2021. This will have a negative impact on the net result of 2020 as the congress 2020 will be virtual only.
- Accreditation activities are put on hold until it is possible again to travel and allowed to visit the centres. This will have a negative impact on our income.

Above mentioned reductions in activities will lead to a decrease of income in 2020. EBMT has a strong financial position that can bear an expected negative result. One of the measures we took is to introduce a contingency plan that controls our growth plan. At this moment it is hard to predict the how the Corona crisis will impact our activities for the rest of 2020. This is caused by the great uncertainty in the way the Corona virus will spread with its impact, the restrictive measures and duration and effectivity of these measures.

To the board of directors of
Stichting European Society for Blood and Marrow
Transplantation

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

Our opinion

We have audited the consolidated and statutory financial statements 2019 of the European Society for Blood and Marrow Transplantation, based in Maastricht.

In our opinion the accompanying consolidated and statutory financial statements give a true and fair view of the financial position of the European Society for Blood and Marrow Transplantation as at 31 December 2019, and of its result for 2019 in accordance with the Guideline for annual reporting 640 Not-for-profit organizations of the Dutch Accounting Standards Board.

The financial statements comprise:

- 1 the consolidated and statutory balance sheet as at 31 December 2019;
- 2 the consolidated and statutory profit and loss account for 2019; and
- 3 the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of the European Society for Blood and Marrow Transplantation 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.

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

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

- The directors' report;
- Other information as required by the Guideline for annual reporting 640 Not-for-profit organizations of the Dutch Accounting Standards Board.

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

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Guideline for annual reporting 640 Not-for-profit organizations of the Dutch Accounting Standards Board.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Guideline for annual reporting 640 Not-for-profit organizations of the Dutch Accounting Standards Board 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 financial statements.

The board of directors is responsible for the preparation of the directors' report in accordance with the Guideline for annual reporting 640 Not-for-profit organizations of the Dutch Accounting Standards Board and other information as required by the Guideline for annual reporting 640 Not-for-profit organizations of the Dutch Accounting Standards Board.

C. Description of responsibilities regarding the financial statements

Responsibilities of the board of directors for the financial statements

The board of directors is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 640 Not-for-profit organizations of the Dutch Accounting Standards Board. Furthermore, the board of directors is responsible for such internal control as the board of directors 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, the board of directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board of directors should prepare the financial statements using the going concern basis of accounting unless the board of directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The board of directors 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 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 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 the board of directors;
- Concluding on the appropriateness of the board of directors 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; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Rotterdam, September 9, 2020

Baker Tilly (Netherlands) N.V.

Was signed

Harry van den Burg