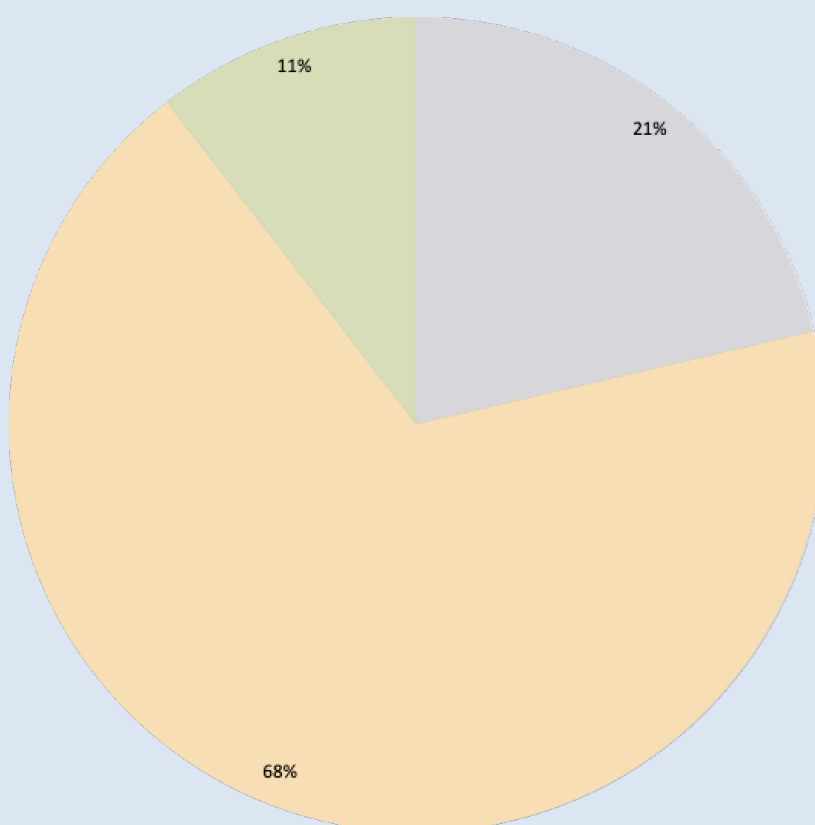




ECOSOUM

FINANCIAL REPORT



2018-2019

INTRODUCTION

This financial report summarizes all Ecosoum's resources and expenses between October 3, 2018 (the association's registration date) and December 31, 2019.

The conversion rate applied in this report between tugruks (MNT) and euros (€) is 3000 MNT for 1 €.

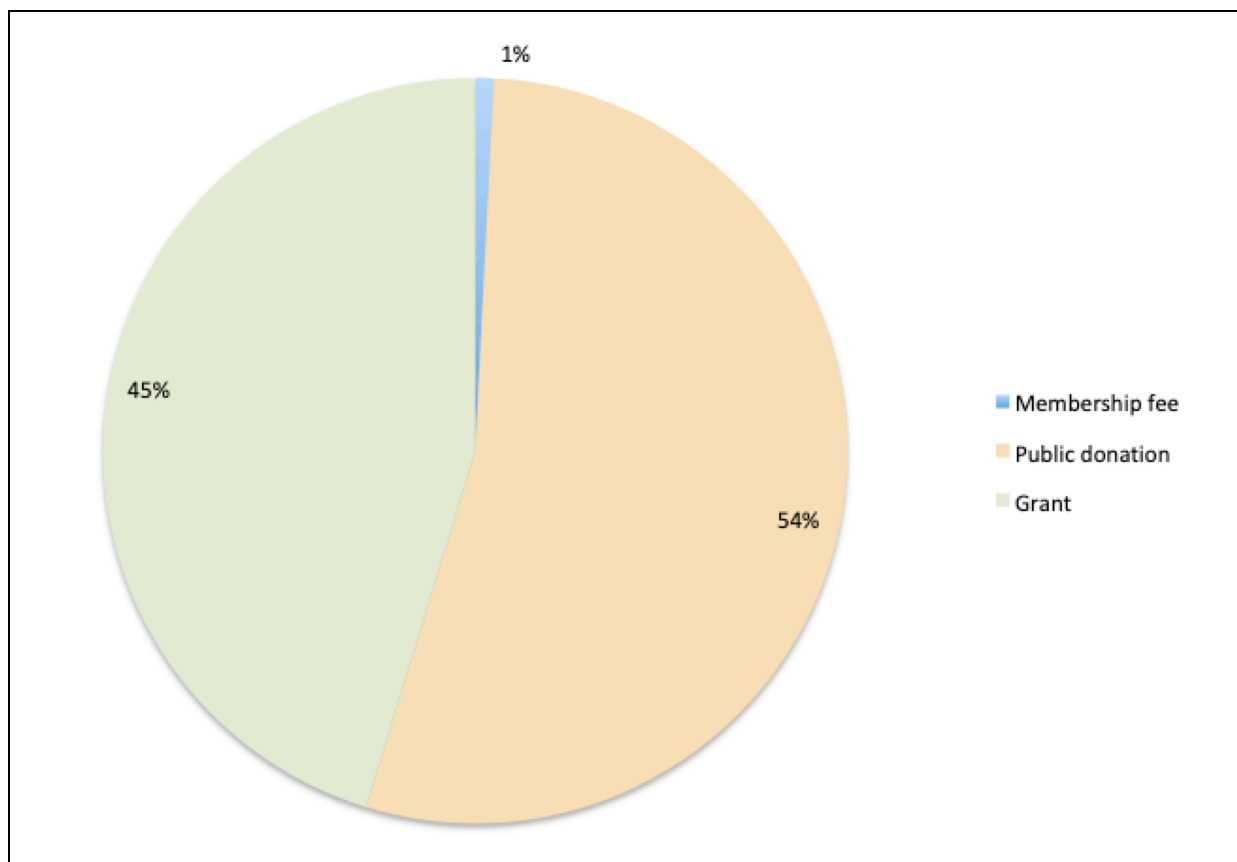
INCOME SOURCES

Over the 2018-2019 period, Ecosoum's total income was MNT 43,614,738; or € 14,538.

Public donation represents the main (54%) source of income (MNT 23,525,260; or € 7,842). Most of these donations were received through a crowdfunding campaign launched on the GoFundMe platform when the association was created.

Grants represent 45% of total income (MNT 19,739,478; or € 6,580). They comprise two grants awarded by The Asia Foundation as part of our "waste management" project (for a total amount of MNT 13,739,478; or € 4,580), as well as a partnership contract with the local administration of Khishig-Undur within the framework of the same project (MNT 6,000,000; or € 2,000).

Membership fees account for less than 1% of total income (MNT 350,000; or € 117).

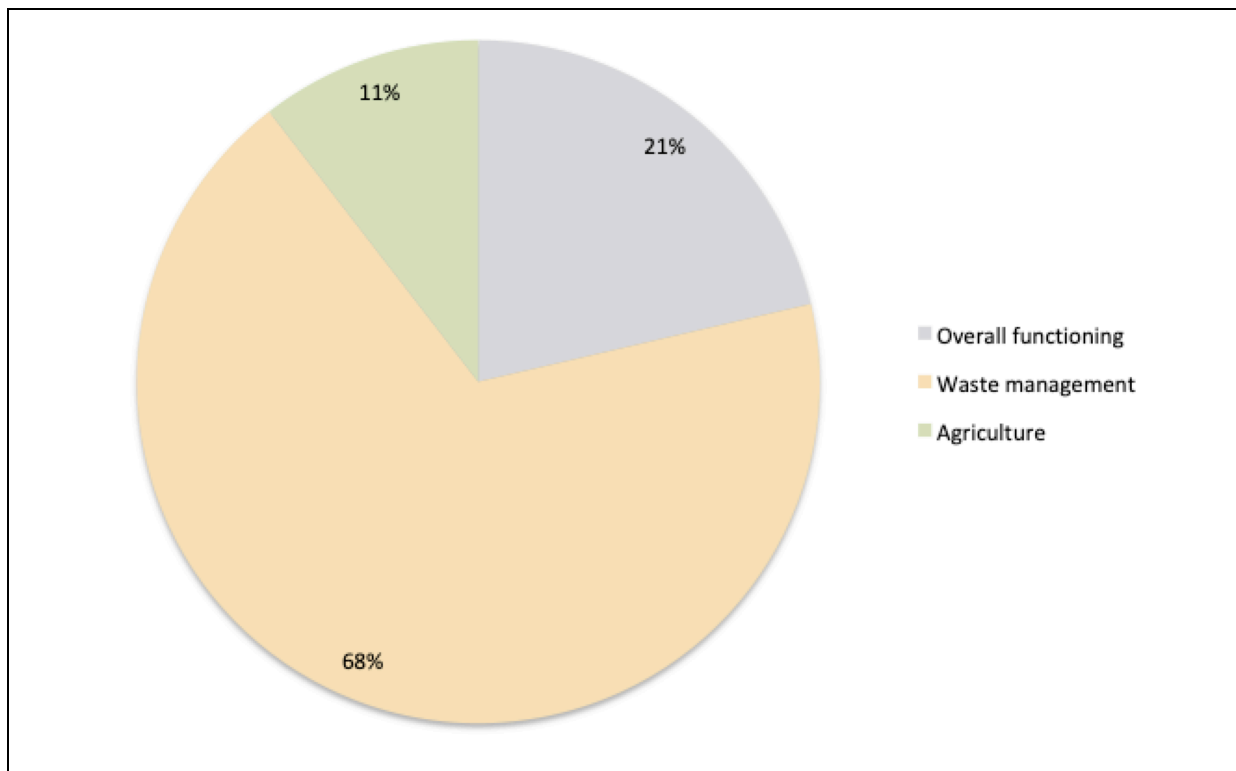


TOTAL EXPENSES AND ACCOUNT BALANCE

Total expenses over the 2018-2019 period reached MNT 11,067,900; or € 3,689.

As of December 31, 2019, the account balance was therefore positive of MNT 32,546,838; or € 10,849. This large surplus is explained by the low expenses over the 2018-2019 period and by the fact that two-thirds of the grants were received at the end of 2019 for future expenses in 2020.

The “waste management” project represents 68 % of total expenses (MNT 7,545,065; or € 2,515) while the “agriculture” project only accounts for 11% (MNT 2,362 385; or € 787). The overall functioning costs correspond to the remaining 21% (MNT 2,362,385; or € 787).



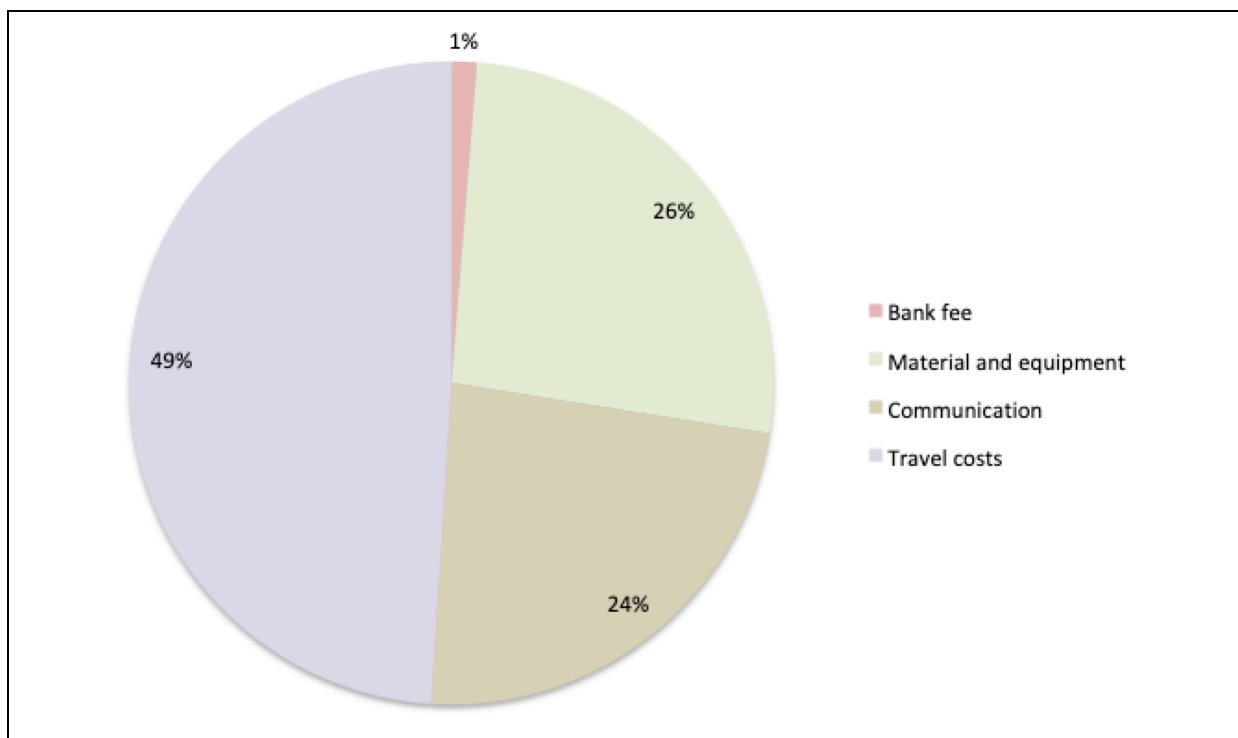
OVERALL FUNCTIONING EXPENSES

Travel costs represent almost half (49%) of overall functioning expenses (MNT 1,157,485; or € 385). These cost are mainly due to transportation, accommodation and food when traveling to Ulaanbaatar for meetings and other events related to Ecosoum's overall activity.

Material and equipment represent 26% of overall functioning expenses (MNT 620,000; or € 207). These expenses mainly comprise the purchase of a printer and office supplies.

Communication expenses represent 24% (MNT 555,000; or € 185) and correspond to telephone and Internet bills.

Bank fees represent 1% of overall functioning expenses (MNT 29,900; or € 10).



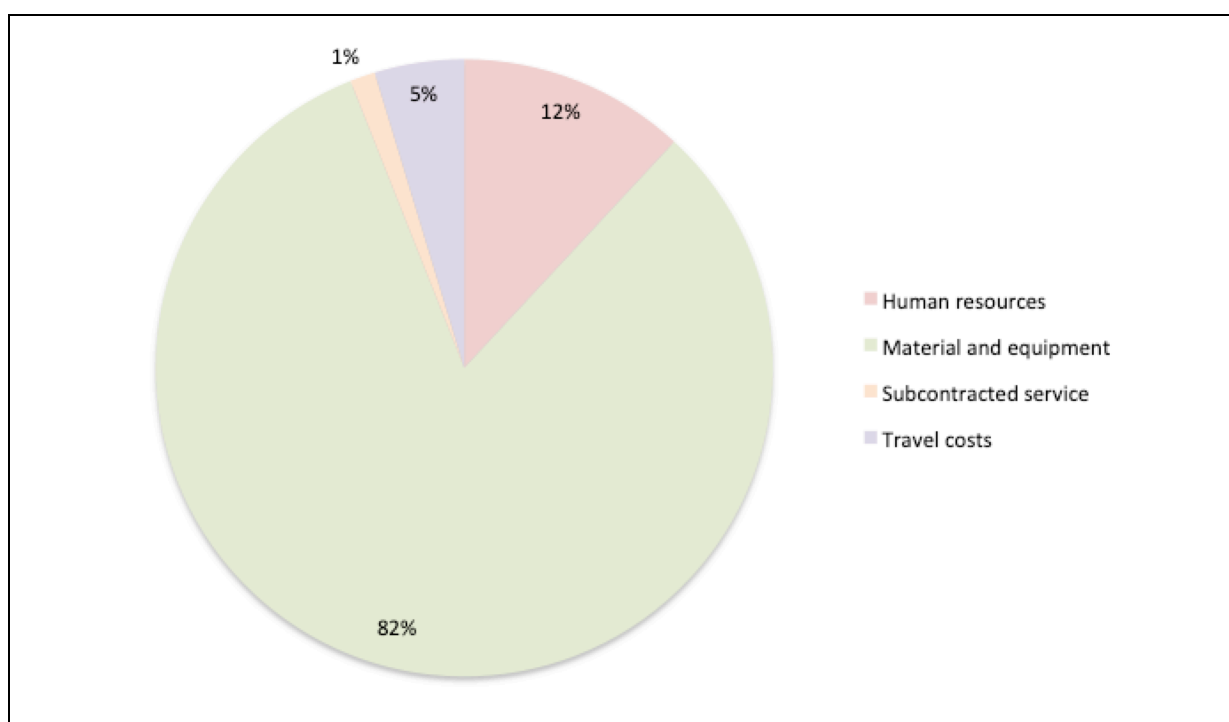
“WASTE MANAGEMENT” PROJECT EXPENSES

Materials and equipment represent the vast majority (82%) of the expenses associated with the “waste management” project (MNT 6,191,695; or € 2,064). These expenses include tools and raw materials for the construction of plastic recycling machines, as well as other miscellaneous equipment (bags, posters, flyers, etc.).

Human resources costs represent 12% of the “waste management” project’s expenses (MNT 899,370; or € 300). As Ecosoum’s staff has been totally voluntary over the 2018-2019 period, these expenses correspond only to the purchase of food for international volunteers.

Travel costs specifically associated with the “waste management” project account for 5% of the project’s costs (MNT 354,000; or € 118).

Subcontracting costs (translation) represent 1% of the project’s costs (MNT 100,000; or € 33).



“AGRICULTURE” PROJECT EXPENSES

The purchase of material and equipment corresponds to 72% of the expenses linked to the "agriculture" project (MNT 835,000; or € 278). These expenses comprise a wire mesh to protect Ecosoum's agricultural field as well as a few tools.

Subcontracting costs (mainly translation costs) represent 26% of the project's expenses (MNT 306,000; or € 102).

Human resources (food for volunteers) account for 2% of the "agriculture" project's expenses (MNT 19,450; or € 6).

No travel costs were specifically linked to the "agriculture" project during the 2018-2019 period.

