

ANNUAL REPORT

beginning of financial year: 01.01.2020

end of the financial year: 31.12.2020

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Management report

e-Governance Academy (eGA) is an independent mission-based non-profit organisation, brought into existence by the United Nations Development Programme, Open Society Institute and the Government of Estonia in 2002.

eGA inspires, trains and advises public sector leaders, officials and stakeholders in using information technology to increase government efficiency and transparency and improve democratic processes. Additionally, in cooperation with companies eGA assists foreign governments in the design, selection and implementation of e-solutions.

We have worked with more than 230 organizations from more than 132 countries and regions. We are playing key roles in e-government and digital transformation policy planning and implementation including the formation of the lead organisations responsible for developing a nation's interoperability framework and related legal and technical framework development and management.

We have extensive experience in the development of e-governance in transitional societies, particularly in Central and Eastern Europe, the Balkans, Asia and Africa. In addition, eGA has excellent cooperation with countries of the European Union (Austria, Belgium, Faroe Islands (Denmark), Finland, Germany and The Netherlands). In Estonia the focus of the Academy has been on the development of open government at both the government and local government level.

eGA is a member of the Estonian Roundtable for Development Cooperation and the Network of Estonian Non-Profit Organisations. In carrying out its activities, eGA follows the Code of Ethics of Estonian non-profit organisations.

eGA's Annual Year Report is audited by an internationally recognised audit firm, currently Aktsiaselts BDO Eesti, project audits are carried out by KPMG Baltics AS and Ernst & Young Baltic AS, eGA has ISO 9001:2015 certificate and has established an internal audit function carried out by Grant Thornton Baltic OÜ.

Altogether in 2020 eGA had 25 staff members converted to full time equivalent, working under employment contracts and we continued our co-operation with external experts and lecturers, as we have done in previous years.

During the 2020, we probably all had moments when it seemed that this year could have been skipped as a whole. The offices were empty, we worked remotely and online more than ever. The most common phrases in meetings were "Can you hear me?" or "Your microphone is muted". We travelled less than ever. But despite of all this, the year 2020 was one of the best years in the e-Governance Academy's (eGA) history.

It is because we have excellent team members, both experts and back-office staff. To fulfil all tasks, we increased our in-house expertise. In total, there was a 31% increase in the number of eGA's employees within the year 2020. By the end of the year, eGA had 46 team members in three countries, and all of them are committed to making the world a better place every day - more transparent, open and hassle-free.

I want to highlight our Ukrainian team, which, despite difficult circumstances and mobility restrictions, is about to successfully complete the very significant digital transformation project EGOV4UKRAINE and is launching a new one – the EU4DigitalUA project. Both projects have a budget of almost 10 million euros with funding from the European Union and European Union Member States.

In 2020, we raised the horizon of our activities. To bring our expertise closer to the Asia-Pacific markets, together with the Japanese think-tank Mitsubishi UFJ Research and Consulting we established a associated company, the Digital Governance Academy Asia-Pacific.

Our goal is to increase the competitiveness of societies by supporting governments and civil society organisations on their digital transformation journey. The digital change itself is not the goal. The aim is transparent, efficient, and democratic governance that benefits citizens and businesses. eGA has shared Estonia's better experiences for years. Now, we are increasingly sharing other countries' success stories. The Mongolian Government is eager to learn from the fresh experience of the Government of Ukraine, the Government of Kazakhstan from Kyrgyzstan. eGA's role is to be both a guide and a matchmaker.

eGA's customers are present in almost all continents. In 2020, for example, we worked with the government of Mongolia in Asia, the Kingdom of Tonga in Oceania, Ukraine and the Republic of Moldova in Europe, Benin in Africa and Brazil in South America, and we did much more on each of these continents. In total, we implemented 55 projects.

The year 2020 became the year that accelerated digital transformation. Due to the pandemic, governments have had to reconsider the format and procedures of existing coordination frameworks and move online.

The most important takeaway from 2020 is that the digital solutions are much more resilient than brick and mortar during a time of crisis. Digital solutions support working from home, learning from home, and even medical treatments at home. But clearer than ever, many governments realised the need for a solid foundation for the digital solutions created in a hurry. Establishing this foundation should start immediately to avoid the risk of cementing the temporary, insecure solutions.

We moved e-Governance Conference 2020 into web. Also, our trainings are now available in web.

2020 aasta majandustulemuste baasil arvatatud finantssuhtarvud:

| | 2020 | 2019 |
|--|------|------|
| Current Ratio | 1,31 | 1,13 |
| Profit Margin | 0,03 | 0,03 |
| Return on Assets (ROA) | 0,06 | 0,03 |
| Return on Equity (ROE) | 0,23 | 0,22 |
| | | |
| Current Ratio = current assets / current liabilities | | |
| Profit Margin = net profit / net turnover | | |
| ROA = net profit / assets | | |
| ROE = net profit / equity | | |

For further information regarding our activities, please visit our website: www.ega.ee

Hannes Astok

Executive Director and Chairman of the Management Board

The annual accounts

Statement of financial position

(In Euros)

| | 31.12.2020 | 31.12.2019 | Note |
|--|------------------|------------------|------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 2 122 980 | 3 320 070 | 2 |
| Receivables and prepayments | 648 959 | 1 403 266 | 3 |
| Total current assets | 2 771 939 | 4 723 336 | |
| Non-current assets | | | |
| Investments in subsidiaries and associates | 31 676 | 0 | 18 |
| Receivables and prepayments | 16 570 | 16 570 | 3 |
| Property, plant and equipment | 54 098 | 37 676 | 6 |
| Total non-current assets | 102 344 | 54 246 | |
| Total assets | 2 874 283 | 4 777 582 | |
| Liabilities and net assets | | | |
| Liabilities | | | |
| Current liabilities | | | |
| Payables and prepayments | 382 022 | 746 348 | 8 |
| Grants with special terms | 1 733 915 | 3 444 307 | 10 |
| Total current liabilities | 2 115 937 | 4 190 655 | |
| Total liabilities | 2 115 937 | 4 190 655 | |
| Net assets | | | |
| Foundation/Issued capital | 383 | 383 | |
| Accumulated surpluses (deficits) from previous periods | 586 544 | 454 628 | |
| Surplus (deficit) for the period | 171 419 | 131 916 | |
| Total net assets | 758 346 | 586 927 | |
| Total liabilities and net assets | 2 874 283 | 4 777 582 | |

Statement of revenues and expenses

(In Euros)

| | 2020 | 2019 | Note |
|---|-------------------|-------------------|------|
| Revenue | | | |
| Grants and donations | 3 668 489 | 2 939 090 | 11 |
| Business income | 2 076 054 | 1 198 252 | 19 |
| Other income | 88 895 | 532 343 | 12 |
| Total revenue | 5 833 438 | 4 669 685 | |
| Expenses | | | |
| Direct cost of projects financed by grants for special purposes | -3 676 726 | -2 895 804 | 13 |
| Other operating expense | -1 201 912 | -1 087 951 | 14 |
| Employee expense | -686 623 | -529 406 | 15 |
| Depreciation and impairment loss (reversal) | -19 254 | -24 936 | 6 |
| Total expenses | -5 584 515 | -4 538 097 | |
| Surplus (deficit) from operating activities | 248 923 | 131 588 | |
| Interest income | 199 | 316 | |
| Interest expenses | -2 270 | -2 306 | |
| Other financial income and expense | -75 433 | 2 318 | |
| Net surplus (deficit) for the period | 171 419 | 131 916 | |

Statement of cash flows

(In Euros)

| | 2020 | 2019 | Note |
|---|-------------------|------------------|------|
| Cash flows from operating activities | | | |
| Surplus (deficit) from operating activities | 248 923 | 131 588 | |
| Adjustments | | | |
| Depreciation and impairment loss (reversal) | 19 254 | 24 936 | 6 |
| Other adjustments | 1 329 | 280 | 6 |
| Total adjustments | 20 583 | 25 216 | |
| Adjustments for operating receivables and prepayments | 409 593 | -441 055 | 3 |
| Adjustments for operating liabilities and prepayments | -364 326 | 457 273 | 8 |
| Interest received | 199 | 316 | |
| Interest paid | -2 270 | -2 306 | |
| Proceeds from grants with special terms | -1 710 392 | 1 160 160 | 10 |
| Other cash flows from operating activities | 344 714 | -324 714 | |
| Total cash flows from operating activities | -1 052 976 | 1 006 478 | |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment and intangible assets | -37 005 | -4 151 | 6 |
| Other cash payments to acquire associates | -31 676 | 0 | 18 |
| Total cash flows from investing activities | -68 681 | -4 151 | |
| Total cash flows | -1 121 657 | 1 002 327 | |
| Cash and cash equivalents at beginning of period | 3 320 070 | 2 315 425 | 2 |
| Change in cash and cash equivalents | -1 121 657 | 1 002 327 | |
| Effect on exchange rate changes on cash and cash equivalents | -75 433 | 2 318 | |
| Cash and cash equivalents at end of period | 2 122 980 | 3 320 070 | |

Statement of changes in net assets

(In Euros)

| | | | Total net assets |
|---|---|--|------------------|
| | Foundation/Issued capital/ Reserve capital | Accumulated surpluses deficits from previous period | |
| 31.12.2018 | 383 | 454 628 | 455 011 |
| Net surplus (deficit) for the period | 0 | 131 916 | 131 916 |
| 31.12.2019 | 383 | 586 544 | 586 927 |
| Net surplus (deficit) for the period | | 171 419 | 171 419 |
| 31.12.2020 | 383 | 757 963 | 758 346 |

Notes

Note 1 Accounting policies

General information

Basis of preparation

The annual financial statements of e-Governance Academy (E-riigi Akadeemia Sihtasutus, hereafter also referred to as 'the foundation') have been prepared in accordance with the Accounting Act of the Republic of Estonia and Estonian Financial Reporting Standard. The main requirements of good accounting practice are established in the Accounting Act of Estonia and more specific guidance is provided in the standards issued by the Estonian Accounting Standard Board.

The financial statements have been prepared on the historical cost basis unless described otherwise in these accounting policies. The financial statements are presented in euros.

Financial assets

Financial assets comprise cash, short-term investments in financial assets, trade receivables and other current and non-current receivables. When a financial asset is recognised initially, it is measured at its cost, which is the fair value of the consideration given for it. The initial cost of a financial asset comprises all transaction charges directly attributable to its acquisition.

Purchases and sales of financial assets are consistently recognised at the settlement date, i.e. at the date the assets are transferred to or by the foundation.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, current accounts, demand deposits, term deposits with a short maturity (less than three months) and units in money market funds that are not subject to a material risk of changes in market value.

Presentation of the statement of cash flows

Cash flows from operating activities are reported using the indirect method – the net cash flow from operating activities is determined by adjusting surplus or deficit on operating activities for the effects of non-cash items and changes in operating receivables and payables.

Cash flows from investing and financing activities are reported using the direct method.

Foreign currency transactions and assets and liabilities denominated in a foreign currency

A transaction in a foreign currency is recorded by applying the exchange rate of the European Central Bank of the date of the transaction. At the reporting date, foreign currency monetary items are translated to euros using the closing exchange rates of the European Central Bank.

Exchange gains and losses arising on translation are recognised in the statement of financial performance.

Shares of subsidiaries and associates

Investments in subsidiaries and associates are accounted for using the cost method. An investment in an associate is initially recognized at cost, being the fair value of the consideration given and the expense directly attributable to the acquisition.

Receivables and prepayments

Trade receivables

Trade receivables comprise short-term receivables acquired in the ordinary course of the foundation's activities. Trade receivables are measured at their amortised cost (i.e. at nominal value less any repayments and impairment losses).

A trade receivable denominated in a foreign currency is recorded initially by applying the exchange rate of the European Central Bank of the date of the transaction. At the reporting date, foreign currency trade receivables are translated to euros using the exchange rates of the European Central Bank ruling at that date.

Trade receivables are assessed for impairment on an individual basis, i.e. the collectibility of each amount due under an invoice or a contract is assessed separately. When individual assessment is not practicable due to the large number of items involved, only significant receivables are assessed for impairment on an individual basis. The rest of the receivables are assessed for impairment collectively by reference to the foundation's historical experience with uncollectible items. Recovery of doubtful (impaired) receivables written down in a prior period is recognised by reducing expenses from doubtful receivables. Trade receivables whose collection is doubtful are recognised as expenses in

accordance with the provisions of the Accounting Act.

Other receivables

All other receivables (accrued income, loans provided and other current and non-current receivables) except for items acquired for resale are measured at their amortised cost.

As a rule, the amortised cost of a current receivable is equal to its nominal value (less any impairment losses). Therefore, a current receivable is carried in the statement of financial position in the amount that is expected to be collectible. A non-current receivable is recognised initially at the fair value of the consideration receivable. In subsequent periods, it is measured and interest income is charged on it using the effective interest rate method. Receivables acquired for resale are measured at their fair value.

Plant, property and equipment and intangible assets

Non-current assets

In line with the materiality concept, an asset is recognised as non-current if its cost exceeds 600 euros and estimated useful life extends beyond a year.

An item of property, plant and equipment is recognised initially at its cost, which comprises its purchase price (including import duties and other non-refundable taxes) and other direct costs incurred in bringing the asset to the location and condition necessary. After initial recognition, an item of property, plant and equipment is carried at its cost less any accumulated depreciation and any impairment losses. Items of property, plant and equipment are depreciated over their estimated useful lives using the straight-line method.

In the statement of financial position, non-current assets are classified in line with the format provided in the Accounting Act. The foundation has the following classes of non-current assets:

- Property, plant and equipment, which comprises computers and equipment and other fixtures and fittings.

Where an item of property, plant and equipment consists of parts that have different useful lives, the parts are accounted for separately and assigned depreciation rates that correspond to their useful lives. Where the recoverable amount of an item of property, plant and equipment (i.e. the higher of its net selling price and value in use) declines below its carrying amount, the asset is written down to its recoverable amount.

Minimal acquisition cost 600 EUR

Depreciation of fixed assets is calculated by usually using the following depreciation rates:

- Computing equipment, 33%, 3 years
- Business equipment 33%, 3 years
- Furniture 10%, 10 years

In justified cases, different depreciation rates may be applied.

Leases

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset to the foundation. All other leases are classified as operating leases.

The foundation as a lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charge (interest expense) and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. A leased asset is depreciated similarly to assets that are owned. When it is not sufficiently certain that the lessee will acquire the asset by the end of the lease term, the leased asset is depreciated over the shorter of its lease term and estimated useful life.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Financial liabilities

Financial liabilities comprise trade payables, accrued expenses and other current and non-current payables and borrowings. When a financial liability is recognised initially, it is measured at its cost which is the fair value of the consideration received for it. The initial cost of a financial liability comprises all transaction charges directly attributable to its acquisition. After initial recognition, financial liabilities are measured at their amortised cost.

A financial liability is removed from the statement of financial position when it is discharged or cancelled or expires.

Vacation pay liability

Expenses related to the vacation pay liability are recognised in the period in which the liability arises. The vacation pay liability is adjusted on an annual basis – at the end of the financial year. The vacation pay earned by the employees is recognised as an expense in the statement of financial performance and a current liability to employees in the statement of financial position.

Grants and donations

The activities of e-Governance Academy are financed to a significant extent with grants and transfers.

In the statement of financial performance, the item Grants and transfers comprises specific-purpose grants and transfers – for example, the transfers received for carrying out the development cooperation projects of the Ministry of Foreign Affairs, the grants provided by Open Estonia Foundation and specific-purpose grants and transfers received from other organisations and persons.

The cash received for a project is recognized in the statement of financial position as a liability (deferred income), which is taken to revenue in proportion to the expenses incurred in the reporting period in respect of the same project or at the rate of execution of the project. When a financed activity (project) ends, the foundation has to submit to the provider of the specific-purpose grant (the donor) a report on the use of funds received. As a rule, the amount of a grant that remains unused is returned.

When the expenses of a project funded with a specific-purpose grant are incurred in the eligibility period and meet the eligibility rules but the cash to be provided by the donor has not yet been received, the expenses are recognized as project expenses in the period in which they are incurred and are taken to revenue in the same amount in accordance with the principle of matching revenues and expenses. An amount of the same size is recognized as a receivable until cash is received from the donor.

Other income comprises other project-based funding provided by donors for specific-purpose projects or training. The cash received for a project is recognized in the statement of financial position as a liability (deferred income), which is taken to revenue in proportion to the expenses incurred in the reporting period in respect of the same project or at the rate of execution of the project. Other income comprises mainly financing for short-term projects and training events.

Grants are recognized as income on a systematic basis over the periods in which the foundation recognizes as expenses the costs for which the grants are intended to compensate. A grant received for compensating for expenses incurred in previous periods or which do not have any attaching conditions that have to be complied with in the future are recognized as income in the period in which the grant was provided. A grant is not recognized as income until there is reasonable assurance that the foundation will comply with the conditions attaching to the grant and the grant proceeds become receivable. In the statement of cash flows, specific-purpose grants are reported using the indirect method.

Revenue recognition

Revenue from trading activities comprises income generated by economic activities. The item also includes successful bids for public procurement projects, short-term consulting revenue and revenue from services that support the foundation's statutory activities.

Related parties

A related party is a person or a company that is related to e-Governance Academy to such an extent that transactions between them may be conducted on terms other than market terms.

Related parties include:

- 1) the founders;
- 2) the members of the executive and higher governing bodies; and
- 3) companies under the control or significant influence of all of the above persons.

Events after the reporting period

The financial statements reflect all significant events affecting the valuation of assets and liabilities that became evident between the reporting date (31 December 2020) and the date on which the financial statements were authorized for issue but are related to the reporting or prior periods. Subsequent events that are indicative of conditions that arose after the reporting date but which will have a significant effect on the result of the next financial year are disclosed in the notes to the financial statements.

Note 2 Cash and cash equivalents

(In Euros)

| | 31.12.2020 | 31.12.2019 |
|--|------------------|------------------|
| Cash on hand, EUR | 2 545 | 11 374 |
| Cash on hand, foreign currencies | 4 325 | 1 090 |
| Cash at bank, EUR | 1 186 833 | 2 948 042 |
| Cash at bank, foreign currencies | 929 277 | 359 564 |
| Total cash and cash equivalents | 2 122 980 | 3 320 070 |

Note 3 Receivables and prepayments

(In Euros)

| | 31.12.2020 | Allocation by remaining maturity | | Note |
|--|------------------|----------------------------------|---------------|------|
| | | Within 12 months | 1 - 5 years | |
| Accounts receivable | 401 702 | 401 702 | | |
| Accounts receivables | 401 702 | 401 702 | | |
| Tax prepayments and receivables | 26 041 | 26 041 | | 4 |
| Other receivables | 221 216 | 221 216 | | 5 |
| Accrued income | 221 216 | 221 216 | | |
| Prepayments | 0 | 0 | | |
| Deferred expenses | 0 | 0 | | |
| Total receivables and prepayments | 665 529 | 648 959 | 16 570 | |
| | | | | |
| | 31.12.2019 | Allocation by remaining maturity | | Note |
| | | Within 12 months | 1 - 5 years | |
| Accounts receivable | 608 474 | 608 474 | | |
| Accounts receivables | 608 474 | 608 474 | | |
| Tax prepayments and receivables | 87 434 | 87 434 | | 4 |
| Other receivables | 362 644 | 362 644 | | 5 |
| Accrued income | 362 644 | 362 644 | | |
| Prepayments | 344 714 | 344 714 | | |
| Deferred expenses | 344 714 | 344 714 | | |
| Other receivables and prepayments | 16 570 | | 16 570 | |
| Total receivables and prepayments | 1 419 836 | 1 403 266 | 16 570 | |

Note 4 Tax prepayments and liabilities

(In Euros)

| | 31.12.2020 | | 31.12.2019 | |
|--|-----------------|-----------------|-----------------|-----------------|
| | Tax prepayments | Tax liabilities | Tax prepayments | Tax liabilities |
| Value added tax | 24 582 | 0 | 48 646 | 0 |
| Personal income tax | 0 | 18 577 | 0 | 18 814 |
| Fringe benefit income tax | 0 | 667 | 0 | 1 290 |
| Social tax | 0 | 32 534 | 0 | 33 764 |
| Contributions to mandatory funded pension | 0 | 1 520 | 0 | 1 456 |
| Unemployment insurance tax | 0 | 1 754 | 0 | 1 793 |
| Interest | | | 0 | 7 |
| Other tax prepayments and liabilities | 0 | 14 | 0 | 14 |
| Prepayment account balance | 1 459 | | 38 788 | |
| Total tax prepayments and liabilities | 26 041 | 55 066 | 87 434 | 57 138 |

See also Notes 3 and 8

Note 5 Other receivables

(In Euros)

| | 31.12.2020 | | 31.12.2019 | |
|--------------------------------------|----------------|------------------|------------|------|
| | | Within 12 months | | Note |
| Accrued income | 221 216 | 221 216 | | 3 |
| | 189 731 | 189 731 | | 10 |
| | 31 485 | 31 485 | | |
| Total other receivables | 221 216 | 221 216 | | |
| | | | | |
| | 31.12.2019 | | 31.12.2019 | |
| | | Within 12 months | | Note |
| Accrued income | 362 644 | 362 644 | | 3 |
| Receivables from donors | 352 506 | 352 506 | | 10 |
| Miscellaneous short-term receivables | 10 138 | 10 138 | | |
| Total other receivables | 362 644 | 362 644 | | |

Note 6 Property, plant and equipment

(In Euros)

| | | | Total |
|----------------------------------|--------------------------------|-------------------------------------|---------------|
| | Computers and computer systems | Other property, plant and equipment | |
| 31.12.2018 | | | |
| Carried at cost | 80 734 | 50 003 | 130 737 |
| Accumulated depreciation | -43 063 | -28 933 | -71 996 |
| Residual cost | 37 671 | 21 070 | 58 741 |
| Acquisitions and additions | 4 151 | | 4 151 |
| Other acquisitions and additions | 4 151 | | 4 151 |
| Depreciation | -14 935 | -10 001 | -24 936 |
| Other changes | -280 | | -280 |
| 31.12.2019 | | | |
| Carried at cost | 83 280 | 50 003 | 133 283 |
| Accumulated depreciation | -56 673 | -38 934 | -95 607 |
| Residual cost | 26 607 | 11 069 | 37 676 |
| Acquisitions and additions | 37 005 | | 37 005 |
| Other acquisitions and additions | 37 005 | | 37 005 |
| Depreciation | -9 452 | -9 802 | -19 254 |
| Other changes | -1 329 | | -1 329 |
| 31.12.2020 | | | |
| Carried at cost | 118 956 | 50 003 | 168 959 |
| Accumulated depreciation | -66 125 | -48 736 | -114 861 |
| Residual cost | 52 831 | 1 267 | 54 098 |

Note 7 Operating lease

(In Euros)

Accounting entity as lessee

| | 2020 | 2019 | Note |
|--------------------------|---------|---------|-------|
| Operating lease expenses | 182 150 | 151 791 | 13,14 |

Operating lease costs include rent for office equipment, office equipment and furniture, and rent for general office space.

Note 8 Payables and prepayments

(In Euros)

| | 31.12.2020 | Within 12 months | Note |
|---------------------------------------|----------------|------------------|------|
| Trade payables | 200 686 | 200 686 | |
| Employee payables | 91 868 | 91 868 | 9 |
| Tax payables | 55 066 | 55 066 | 4 |
| Other payables | 1 919 | 1 919 | |
| Other accrued expenses | 1 919 | 1 919 | |
| Prepayments received | 32 483 | 32 483 | |
| Deferred income | 32 483 | 32 483 | |
| Total payables and prepayments | 382 022 | 382 022 | |
| | 31.12.2019 | Within 12 months | Note |
| Trade payables | 333 658 | 333 658 | |
| Employee payables | 54 439 | 54 439 | 9 |
| Tax payables | 57 138 | 57 138 | 4 |
| Other payables | 3 490 | 3 490 | |
| Other accrued expenses | 3 490 | 3 490 | |
| Prepayments received | 297 623 | 297 623 | |
| Deferred income | 297 623 | 297 623 | |
| Total payables and prepayments | 746 348 | 746 348 | |

Note 9 Employee payables

(In Euros)

| | 31.12.2020 | 31.12.2019 | Note |
|--------------------------------|---------------|---------------|------|
| Vacation pay liability | 46 526 | 30 695 | |
| Salaries payable | 44 557 | 23 488 | |
| Other payables to employees | 785 | 256 | |
| Total employee payables | 91 868 | 54 439 | 8 |

Note 10 Grants with special terms

(In Euros)

| | 31.12.2018 | | Received | Repaid | Recognized in statement of revenues and expenses | 31.12.2019 | |
|--|-------------|-------------|-----------|--------|--|-------------|-------------|
| | Receivables | Liabilities | | | | Receivables | Liabilities |
| Grants for operating expenses | | | | | | | |
| Grants for operating expense | 39 170 | 2 284 147 | 4 412 618 | -32 | -2 939 090 | 352 506 | 3 444 307 |
| Total grants for operating expenses | 39 170 | 2 284 147 | 4 412 618 | -32 | -2 939 090 | 352 506 | 3 444 307 |
| Total grants | 39 170 | 2 284 147 | 4 412 618 | -32 | -2 939 090 | 352 506 | 3 444 307 |
| | 31.12.2019 | | Received | Repaid | Recognized in statement of revenues and expenses | 31.12.2020 | |
| | Receivables | Liabilities | | | | Receivables | Liabilities |
| Grants for operating expenses | | | | | | | |
| Grants for operating expense | 352 506 | 3 444 307 | 1 804 662 | -9 340 | -3 668 489 | 189 731 | 1 733 915 |
| Total grants for operating expenses | 352 506 | 3 444 307 | 1 804 662 | -9 340 | -3 668 489 | 189 731 | 1 733 915 |
| Total grants | 352 506 | 3 444 307 | 1 804 662 | -9 340 | -3 668 489 | 189 731 | 1 733 915 |

see Requirements for Donors (Note 5) and Donations and Grants (Note 11)

Note 11 Grants and donations

(In Euros)

| | 2020 | 2019 |
|---|------------------|------------------|
| Grants and donations related to income | 36 000 | 36 000 |
| Specific-purpose grants and transfers for carrying out projects | 3 632 489 | 2 903 090 |
| Total grants and donations | 3 668 489 | 2 939 090 |
| Provision from state budget | 451 566 | 781 756 |
| Other specific-purpose grants | 3 216 923 | 2 157 334 |

| Monetary and non-monetary grants and donations | | |
|--|---------------|--------------|
| | 2020 | 2019 |
| Monetary grant | 16 515 | 8 800 |
| Total grants and donations | 16 515 | 8 800 |

Note 12 Other income

(In Euros)

| | 2020 | 2019 |
|-------------------------------------|---------------|----------------|
| Statutory training activities | 63 966 | 499 872 |
| Donations | 16 515 | 8 800 |
| Other | 8 414 | 23 671 |
| Total other operating income | 88 895 | 532 343 |

Note 13 Direct expenses of projects financed by grants and donations

(In Euros)

| | 2020 | 2019 | Note |
|---|------------------|------------------|------|
| Transportation expense | 1 573 | 33 358 | |
| Office expense | 175 765 | 149 056 | 7 |
| Travel expense | 39 451 | 136 377 | |
| Labor expense | 1 110 615 | 1 049 643 | 15 |
| Expenses on visas | 0 | 97 | |
| Training participants' accommodation expenses | 4 675 | 24 899 | |
| Other project/training execution expenses | 2 344 647 | 1 502 374 | |
| Total direct expenses of projects financed by grants and donations | 3 676 726 | 2 895 804 | |

Note 14 Miscellaneous operating expenses

(In Euros)

| | 2020 | 2019 | Note |
|---|------------------|------------------|------|
| Leases | 55 912 | 41 703 | 7 |
| Energy | 5 080 | 4 472 | |
| Electricity | 2 623 | 1 751 | |
| Heat energy | 2 457 | 2 721 | |
| Water supply services | 58 | 563 | |
| Miscellaneous office expenses | 86 685 | 69 760 | 7 |
| Travel expense | 65 994 | 362 860 | |
| Training expense | 6 146 | 917 | |
| Sub-contracted experts and technical implementation | 905 109 | 411 321 | |
| Expenditure on organizing training and project events | 39 248 | 168 028 | |
| Other | 37 680 | 28 327 | |
| Total miscellaneous operating expenses | 1 201 912 | 1 087 951 | |

Note 15 Labor expense

(In Euros)

| | 2020 | 2019 | Note |
|---|------------------|------------------|------|
| Wage and salary expense | 1 457 950 | 1 266 232 | 16 |
| Social security taxes | 339 287 | 312 818 | |
| Total labor expense | 1 797 237 | 1 579 050 | |
| Thereof disclosed as direct expenses of projects financed by grants and donations | 1 110 615 | 1 049 643 | 13 |
| Average number of employees in full time equivalent units | 25 | 22 | |

The average number of employees 25 working for e-Governance Academy (includes, also 3 members of the Management Board working under a contract of a Member of the Management Board.)

An additional 19 people (experts and lecturers) contributed to our activities on the basis of subcontracting agreements, and an additional 20 people worked in Ukraine under the FOP service agreements.

Remuneration and other significant benefits calculated for the executive and senior management (incl. The founding member) are also reflected in Note 16 Related parties.

Note 16 Related parties

(In Euros)

Balances with related parties by categories

Purchases and sales of goods and services

| | 2020 | 2019 | |
|--|---------------------------------|---------------------------------|-----------------------------|
| | Purchases of goods and services | Purchases of goods and services | Sales of goods and services |
| Founders and members | 30 270 | 38 768 | |
| Management, higher supervisory body and individuals with material ownership interest and the entities under their control or significant influence | | | 417 |

| Remuneration and other significant benefits calculated for members of management and highest supervisory body | | |
|---|---------|---------|
| | 2020 | 2019 |
| Remuneration | 229 010 | 129 500 |

Related party transactions:

The Purchases column reflects transactions made with companies related to the founders of the foundation (expert work and consultation and expenses).

The Sales column is the sales of the conference service provided to the organization related to the executive and senior management.

The contract of the members of the Management Board provides for 6 months' compensation in case of termination of the contract without cause.

The amounts of fees and other significant benefits calculated for the executive and senior management are also reflected in Note 15 Labor expense.

Note 17 Events after the reporting date

The spread of the coronavirus (Covid-19) in the world and in Estonia has characterized both 2020 and the first quarter of 2021 as the impact of the virus on the economy continues.

Despite the crisis, other eGA projects have generally remained on schedule, we have had to make more activities in the projects virtual due to travel restrictions, and it has become increasingly important for us to find good project implementation partners in the target countries.

In 2021, we have already been able to travel to target countries a bit more freely, and the implementation of our projects has not been significantly hindered due to travel restrictions.

We have also developed a platform for conducting e-trainings, so we can continue with our training activities without having the delegations visiting Estonia.

2020 was a record year for the e-Governance Academy and according to current budget forecasts, we hope to close 2021 with a positive economic result.

Note 18 Investments in subsidiaries and associates

(In Euros)

| | 31.12.2020 |
|---|---------------|
| Shares of associates | 31 676 |
| Total investments in subsidiaries and associates | 31 676 |

Digital Governance Academy Asia-Pacific Co. Ltd. (D-GAP), established in Japan in cooperation with Mitsubishi UFJ Research and Consulting Co., Ltd. (60% of shares), e-Governance Academy (40% of shares).

Note 19 Business income

(In Euros)

| | 2020 | 2019 |
|--|------------------|------------------|
| Consultancy: Foreign Public Authority | 1 357 328 | 788 077 |
| Consultancy: International Organizations | 616 487 | 297 096 |
| Other business activities | 102 239 | 113 079 |
| Total business income | 2 076 054 | 1 198 252 |