2025 FINANCIAL REPORT

Stichting Practica
Papendrecht

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INDEPENDENT AUDITOR'S REVIEW REPORT

To: the board of Stichting Practica

Our conclusion
We have reviewed the financial statements for the year ended 31 December 2025 of Stichting Practica based in Papendrecht.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view of the financial position of Stichting Practica as at 31 December 2025 and of its result for the year then ended in accordance with Guideline RJk C1 'Kleine-organisaties-zonder-winststreven'.

The financial statements comprise:

1. the balance sheet as at 31 December 2025
2. the statement of income and expenditure 2025 (1 January 2025 - 31 December 2025); and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our conclusion
We conducted our review in accordance with Dutch law, including the Dutch Standard 2400 'Opdrachten tot het beoordelen van financiële overzichten' (engagements to review financial statements). A review of financial statements in accordance with the Dutch Standard 2400 is a limited assurance arrangement. Our responsibilities under this standard are further described in the 'Our responsibilities for the review of the financial statements' section of our report.

We are independent of Stichting Practica 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 assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of management for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with Guideline C1 'Kleine-organisaties-zonder-winststreven'. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibilities for the review of the financial statements
Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

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The level of assurance obtained in a review engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the review, in accordance with Dutch Standard 2400.

Our review included among others:

- obtaining an understanding in the entity and its environment and the applicable financial reporting framework, in order to identify areas in the financial statements where material misstatements are likely to arise due to fraud or error, designing and performing procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion;
- obtaining an understanding of the entity's accounting systems and accounting records and consider whether these generate data that is adequate for the purpose of performing the analytical procedures;
- making inquiries of management and others within the entity;
- applying analytical procedures with respect to information included in the financial statements;
- obtaining assurance evidence that the financial statements agree with, or reconcile to, the entity's underlying accounting records;
- evaluating the assurance evidence obtained;
- considering the appropriateness of accounting policies used and considering whether the accounting estimates and related disclosures made by management appear reasonable;
- considering the overall presentation, structure and content of the financial statements, including the disclosures; and
- considering whether the financial statements and the related disclosures represent the underlying transactions and events in a manner that appears to give a true and fair view.

Was signed at Sliedrecht, 28 April 2026.

WITh Accountants B.V.
P. Alblas RA

Stichting Practica - Management report

Structure of the board and executive management

Practica was established on February 21st 2001 and is registered under the name 'Stichting Practica' at the Chamber of Commerce, with registration number 09119363. As by the statutes, Practica is a non-profit organization. The organization is managed by an executive board consisting of one Managing Director, Mr. W.H.B. van den Pol.

The executive Board is supported by a Supervisory Board, which at the beginning of 2025 consisted of Mrs. J.H.M. Barendse (Chair), Mrs. M.A. van den Broek (Member) and Mr. M.T. Westra (Secretary). The Supervisory Board was joined by Mr. D.R. Frans on July 8th 2025, and by Mr. J.G. van Oord on October 29th 2025. Mrs. J.H.M. Barendse and Mr. M.T. Westra have withdrawn from the Supervisory Board on October 29th 2025. The members of the Supervisory board receive no remuneration for their contributions. Next to the head office in Papendrecht, the Netherlands, Practica has an office in Antananarivo, Madagascar which was managed by Mr. X. Gras in 2025.

Mission and strategy

Adapted technology and practical know-how are critical elements for development. Practica aims to improve the livelihoods of people in low- and middle-income countries, by contributing to sustainable and inclusive access to water, food, energy and sanitation. We recognize the capacity of local service providers and entrepreneurs as key players in delivering the required services. To this end, we innovate to develop effective technologies, tools, trainings and support mechanisms for the private sector, development partners and knowledge institutes.

Practica focuses on sector development in four main pillars: sustainable rural water supply, cost-effective groundwater mobilisation, climate-smart agriculture and safe city-wide urban sanitation. The organisation acts as a non-profit consultancy organization: we partner with international and local organizations that share our goals, and support those organizations to implement technical innovations within their programs. We charge a consultancy fee for those services based on an organizational cost-recovery basis. Surplus revenues are invested in in-house applied research and product development to ensure continued innovation in the sector.

Results

In 2025 Practica has finalized the development of three key innovations: the TokenTap pre-paid system and Tap & Track app to support rural drinking water sustainability, and the Zainer to perform climate-resilient agriculture in drylands. The innovations are now being used by water operators and farmers, while we prepare for its introduction at scale. Our technical support to public, private and NGO partners with a focus on practical implementation strategies has contributed to increased capacity, access and trust within the sector.

The year 2025 started with a mayor financial setback due to the sudden closure of USAID, our largest funder at the time. Looking at an important funding gap, the important contributions made by the team have limited the financial damage to a negative result of -43,931 Euro, which will be taken from our continuity reserve. Organizational adaptations were made to reduce the overhead of the organization, which contributes to a positive outlook for 2026, with an expected turnover of 1.6 M Euro and a positive financial result of 54,269 Euro. The solvency and liquidity position as at the balance sheet date is sound. We see sufficient room for future growth of our strategy, which is well aligned with key donor priorities and the Sustainable Development Goals.

Risk and risk mitigation

Anticipating a continuing decline in public budgets for development cooperation, we focus increasingly on private funders, including company foundations and philantropists, and on expanding the share of contracts with governments in our target countries, usually backed up by development banks. We aim to double the team of consultants in our focus countries, in order be more cost-effective, visible and sustainable, while maintaining a core team in the head office focused on strategic support, innovation and fund mobilisation. Reduced overhead and liabilities make us flexible and resilient to deal with the risk of further public funding reductions. Next to this, the security risks in the Sahel and Horn of Africa continue to complicate our work, which we mitigate by developing strong local partnerships.

Policy on financial reserves

Financial reserves of the organization are deposited at savings accounts of two Dutch banks, with an aim to divide the savings over the two banks. Financial reserves are never invested in stock exchange funds or similar high-risk products. Our long-term goal for the continuity reserve remains at 75% of the annual fixed costs. Surplus funds are invested in Research and Development activities.

Papendrecht, March 2026

W.H.B. van den Pol
Managing Director

ANNUAL FINANCIAL STATEMENTS

Balance as of December 31, 2025

Assets			**31-12-2025**		**31-12-2024**
	ref	EUR	EUR	EUR	EUR
Fixed Assets					
Tangible Fixed Assets	2.1				
Other non current assets		16.865		5.679	
			16.865		**5.679**
Current Assets					
Inventories		12.867		17.116	
Accounts Receivable	2.2	101.603		389.693	
Taxes and social insurance premiums	2.3	7.520		7.288	
Other receivables, prepayments and accrued income	2.4	6.737		7.226	
			128.727		**421.323**
Cash and cash equivalents	2.5		**230.214**		**90.636**
			375.806		**517.638**
Equity and liabilities					
Equity					
Continuity reserve	2.6	226.270		270.211	
Allocated reserves	2.6	0		0	
			226.270		**270.211**
Short-term debts					
Accounts payable		68.555		48.197	
Taxes and social insurance premiums	2.7	19		10.428	
Current Projects	2.8	37.601		124.980	
Other debts, accruals and deferred income	2.9	43.361		63.822	
			149.536		**247.427**
			375.806		**517.638**

Statement of revenues and expenses for the year 2025

	ref	realization 2025	budget 2025	realization 2024
		EUR	EUR	EUR
Revenues		1.397.238	1.468.628	1.369.425
Project costs	3.1	-881.183	-922.642	-855.923
		516.055	**545.986**	**513.502**
Personnel costs	3.2	419.684	495.363	401.587
Depreciation	3.3	3.607	6.000	3.616
Other operational expenses	3.4	135.676	144.250	183.011
Total expenses		**558.967**	**645.613**	**588.214**
Operating result		**-42.912**	**-99.627**	**-74.712**
Finance result		**-1.029**	**-6.700**	**-4.730**
Result for the year		**-43.941**	**-106.327**	**-79.442**

The result for the year 2025 is added to the following reserves:

	2025	2024
	EUR	EUR
- Continuity reserve	**-43.941**	**-70.890**
- Allocated reserves		**-8.552**
	-43.941	**-79.442**

Cash flow statement for the year ended December 31, 2025

	2025	2024
	EUR	EUR
Cash flow from operating activities		
Operating result	-42.912	-74.712
Adjustments for:		
Depreciation	3.607	3.616
Changes in working capital		
Changes in receivables	288.347	72.030
Changes in inventories	4.249	4.374
Changes in liabilities	-97.891	-71.196
	194.705	5.208
Cash flow from operating activities	155.400	-65.888
Finance result	-1.029	-4.730
Cash flow from operating activities	154.371	-70.618
Cash flow from investment activities		
Investments in tangible fixed assets	-14.793	-2.762
Investments in intangible fixed assets		
Desinvestments in tangible fixed assets		
	-14.793	-2.762
Cash flow from investment activities	-14.793	-2.762
Net increase/(decrease) in cash and cash equivalents	139.578	-73.380
Cash and cash equivalents as per January 1	90.636	164.016
Changes in cash and cash equivalents	139.578	-73.380
Cash and cash equivalents as per December 31	230.214	90.636

Notes to the balance sheet and the statement of revenues and expenses

1 General notes

1.1 Accounting policies for the balance sheet

General

The financial statements have been prepared in accordance with the Dutch Accounting Standard C1 “Kleine-organisaties-zonder-winststreven” as issued by the Dutch Accounting Standards Board. The financial statements are expressed in euros. In general, assets and liabilities are stated at the amounts at which they were acquired or incurred. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred. The balance sheet and statement of revenues and expenses include references to the notes.

The main risk for 2026 and beyond is the global reduction in public spending on development cooperation. We have significantly reduced the overhead costs, and accelerated the diversification of funding sources to adapt to this change. We maintain a positive continuity expectation and have developed our financial report accordingly.

(In)Tangible Fixed Assets

Other non-current assets are valued at historical cost or manufacturing price including directly attributable expenditure, less straight-line depreciation over their estimated useful lives and impairment losses.

Inventories

Inventories are valued at cost price based on the FIFO method (first in, first out) or lower realisable value.

Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost.When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank balances. Cash and cash equivalents are carried at nominal value. To determine the foreign currency exchange rate as at the balance sheet date, www.oanda.com is used.

Reserves

The reserves are at the disposal of the board.

Short-term debts

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

1.2 Prior-year comparison

The accounting policies have been consistently applied to all the years presented.

1.3 Estimates

The preparation of the financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to excercise its judgement in the process of applying the accounting policies of the foundation. If necessary for the purpose of providing the essential view, the nature of these estimates and judgements, including the related assumptions, is disclosed in the notes to the financial statement items in question.

1.4 Accounting policies for the statement of revenues and expenses

General

Results are determined as the difference between the realisable value of the services rendered, and the costs and other charges for the year. Revenues are recognised in the year in which they are realized; losses are taken as soon as they are foreseeable.

Revenues

The subsidies and gifts are accounted for in the year to which they relate. Revenues are recognized based on the services performed to the balance sheet date as a percentage of the total services to be performed and in accordance with the subsidy conditions.

Depreciation

(In)Tangible fixed assets are depreciated over their estimated useful lives as from the inception of their use. Future depreciation is adjusted if there is a change in estimated future useful life.

Projectcosts

Costs of projects represents direct expenses attributable to the services performed.

Employee benefits

Salaries, wages and social security contributions are taken to the statement of revenues and expenses based on the terms of employment, where they are due to employees.
The foundation has a pension plan. All annual premiums are accounted for as expenses. Premium adjustments as a result of salary changes only have effect on future pension premiums and not on past premiums.

Other operational expenses

Other operating expenses comprise costs chargeable to the year that are not directly attributable to the costs of projects.

1.5 Notes to the cash flow statement

The cash flow statement has been prepared using the indirect method. The cash and cash equivalents disclosed in the cash flow statement comprised of cash and cash equivalents. Cash flows denominated in foreign currencies have been translated at average exchange rates. Interest received is included in net cash from operating activities.

2 Explanatory notes regarding the balance

2.1 Tangible Fixed Assets

	Other non current assets
	EUR
January 1, 2025	
Acquisition price	59.937
Accumulated depreciation	-54.258
Book value	**5.679**
Changes in 2025	
Investments	14.793
Divestments	
Divestment depreciation	
Bookresults on divestments	0
Depreciation	-3.607
	11.186
December 31, 2025	
Acquisition price	74.730
Accumulated depreciation	-57.865
Book value	**16.865**
Depreciation percentages	20- 50%

2.2 Accounts Receivable

	31-12-2025	31-12-2024
	EUR	EUR
Accounts Receivable	101.603	389.693
Provision for doubtful debts	0	0
	101.603	**389.693**

2.3 Taxes and social insurance premiums

	31-12-2025	31-12-2024
	EUR	EUR
VAT	7.520	7.288
	7.520	**7.288**

2.4 Other receivables, prepayments and accrued income

	31-12-2025	31-12-2024
	EUR	EUR

Pre-paid costs and other receivables	6.737	7.226
Credit notes in accounts payable	0	0
	6.737	**7.226**

2.5 Cash and cash equivalents

	31-12-2025	31-12-2024
	EUR	EUR
ASN Bank	35.436	190
Triodos Bank	167.733	38.050
Societe Generale Madagascar	26.570	51.480
Cash	475	916
	230.214	**90.636**

The cash and cash equivalents are freely disposable

2.6 Equity

	2025	2024
	EUR	EUR
Continuity reserve		
At 1 January	270.211	341.101
Result appropriation	-43.941	-70.890
At 31 December	**226.270**	**270.211**

The continuity reserve serves as a buffer in the event certain calamities occur in the future, and to pre-finance project activities. The supervisory board agreed that Practica will work towards a continuity reserve in 2025 of € 484,735, based on 75% of the annual operational costs prognosis for 2025 of € 646,313. For 2026 the supervisory and executive boards have decided to aim for a continuity reserve of € 433,498, equal to 75% of the annual fixed costs for 2026 of € 577,997.

	2025	2024
	EUR	EUR
Allocated reserves		
Acceleration R&D		
At 1 January	0	8.552
Result appropriation		-8.552
At 31 December	**0**	**0**

Short-term debts

2.7 Taxes and social insurance premiums

	31-12-2025	31-12-2024
	EUR	EUR
Payroll taxes	19	10.428
	19	**10.428**

2.8 Current projects

	31-12-2025	**31-12-2024**
	EUR	EUR
- Invoiced in advance	174.416	232.891
- To be invoiced	-136.815	-107.911
	37.601	**124.980**

2.9 Other debts, accruals and deferred income

	31-12-2025	**31-12-2024**
	EUR	EUR
Other debts	0	3.463
Holyday allowances	15.617	16.586
Vacation days	17.734	23.391
Restricted performance based bonuses employees (maximum 8% of annual salary)	0	12.882
Auditor's fees	10.010	7.500
	43.361	**63.822**

2.10 Rights and obligations not included in the balance sheet

The foundation has entered into a rental obligation for housing for an amount of € 18,279 per year. This obligation expires with a notice period of 1 year.

3 Explanatory notes to the statement of revenues and expenses

3.1 Project costs

	realization 2025	budget 2025	realization 2024
	EUR	EUR	EUR
Consultants / personel costs projects	430.028		417.330
Material / other costs projects	451.155		438.593
	881.183	**922.642**	**855.923**

Personnel costs in Madagascar for projects are recognized directly under project costs

3.2 Personnel costs

	realization 2025	budget 2025	realization 2024
	EUR	EUR	EUR
Wages and salaries	307.801	364.167	285.176
Social security contributions	60.967	68.851	58.750
Pension Costs	5.637	5.475	5.931
Other personnel costs	33.836	36.190	31.903
Salaries Madagascar	11.443	20.680	19.827
	419.684	**495.363**	**401.587**
Average number of FTEs in service Netherlands	**5,7**	**6,3**	**5,4**
Average number of FTEs in service Madagascar	**0,0**	**1,0**	**1,0**

3.3 Depreciation

	realization 2025	budget 2025	realization 2024
	EUR	EUR	EUR
Depreciation Tangible Fixed Assets	3.607	6.000	3.616
	3.607	**6.000**	**3.616**

3.4 Other operational expenses

	realization 2025	budget 2025	realization 2024
	EUR	EUR	EUR
Housing costs	54.056	52.000	49.933
Office expenses	24.206	24.150	23.515
General costs	47.715	62.100	97.378
Non-refundable VAT input tax	9.699	6.000	12.185
	135.676	**144.250**	**183.011**

BUDGET of revenues and expenses for the year 2026

	budget 2026 EUR
Revenues	1.653.410
Project costs	1.021.144
	632.266
Personnel costs	418.927
Depreciation	5.500
Other operational expenses	150.570
Total expenses	**574.997**
Operating result	**57.269**
Finance result	**-3.000**
Result for the year	**54.269**

Papendrecht, 2026

On behalf of the Executive Board

W.H.B. van den Pol
Managing Director

On behalf of the Supervisory Board

J.G. van Oord
Chair

M.A. van den Broek

D.R. Frans

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