

ANNUAL REPORT

(Translation of the Estonian original)

Beginning of the reporting period:	01.01.2016
End of the reporting period:	31.12.2016
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MANAGEMENT REPORT

Let's Do It Foundation's most notable and most extensive project in 2016 was managing the Let's Do It World movement, that comprises mainly of planning of World Cleanup. Some of the other projects were carrying out a training program titled Waste Recess in schools (www.teemeara.ee/prygivahetund) and developing the electronic democracy tool CitizenOS (citizenos.com/en/).

Social and environmental context

The Global Waste Management Outlook report (published in 2015 by UNEP and the International Solid Waste Association) has clearly stated that the world is being overwhelmed by the uncontrolled dumping of waste. The amounts are staggering - over 4 billion tons a year - and less than 20% of this is recycled, mostly in economically advanced countries. About a third of this is not even collected, but simply dumped into rivers, burnt openly, or onto the streets and byways of townships and cities globally. An unknown quantity leaks into the oceans (ca 8 million tons of plastics a year) jeopardising marine life and marine food stocks. Whilst most developed countries have been able to invest in pollution control over the last 30 years, less developed nations are overcome by the rapidity of urbanisation and population growth and are failing to provide essential public services quickly enough to catch up with the growth of waste in their nations. The scale of the growth of pollution is damaging public health, reducing inward investment into many cities, reducing tourism, damaging food supplies, water quality and of course the global quality of air, in terms of CO2 emissions and short lived climate pollutants as well as dioxins released through uncontrolled burning.

There are many initiatives that are fighting back pollution in various parts of the world. The overwhelming growth of cities and substantial lack of public awareness as to the risks of living in and among one's own waste require a more ambitious and all-inclusive approach to waste pollution. ISWA calculates that around 65 million people live either in or adjacent to open waste dumps globally, a population the size of France and in certain domains, poor waste management is killing more people than malaria. Today, more than ever, the need for awareness raising and change behaviour is becoming more crucial as more and more precedents arise where policy makers are attempting to stop waste pollution at the source.

General activities

The main aim Let's Do It Foundation is a clean world and the next important milestone in achieving this target is carrying out the global World Cleanup Day on the 15th of September 2018.

To date we have put together an action plan and a budget until the end of 2019. During this time period we aim to include and inform 5% of the population of the planet of the occurrence of the cleanup day. This level of participation is necessary to generate lasting change in the behaviour of mankind.

Let's Do It World (LDIW) is a civic movement that started in Estonia when the first Teeme Ära! Trash picking community activities day took place on the 3rd of May 2008. The movement has since become global and by the end of 2016 ca. 17 million people had taken part in cleanups based on the example of the Estonian *one country-one day* model. The idea has been embraced and the organizing teams have been set up in 113 countries, all of which recognize Estonia as the birthplace of the idea and appreciate our support and guidance. Our message is – clean world starts from Estonia.

The headquarters of the global movement has since the beginning of the movement been located in Tallinn. LDIW is one of the largest civic movements in the world, which motivates to act for a positive cause. The keyword is global cooperation.

Our daily activities in organizing the World Cleanup can be split in three:

1. sharing information, advice and support with leaders in countries around the globe;
2. developing a World Waste Map - a universal software solution for mapping trash, for all the teams to use globally; and
3. developing a global network, with whom to map the current practice of waste processing in all the participating countries in order develop internationally viable solutions for sustainable waste management systems suitable for the specific geographical and climatic conditions.

Approximately 120 volunteers are active in the international headquarters and in five sub-teams.

Actions in 2016

The Foundation has used approximately 0,35 million euros for carrying out the activities described above, of which 56 000 euros was invested in the development of CitizenOS. Furthermore, we incorporated products, services and working hours of volunteers in the value of approximately 0,6 million euros. We are proud to say that we have received support from the development and humanitarian aid funds of the Ministry of Foreign Affairs of Estonia, Estonian Ministry of Environmental Affairs, Estonia 100, Enterprise Estonia, Europark, Skype, DHL Estonia, PricewaterhouseCoopers. Additionally 80 organizations have supported Let's Do It Foundation with non-monetary contributions in the form of their products and services. The full list of supporters is provided on our websites www.letsdoitworld.org and www.teemeara.ee.

We are happy to be partnering with several international organizations such as the UN, the European Commission, ISWA (International Solid Waste Association), JCI, etc.

Main activities in 2016

- 3,1 million people in 29 countries took part in cleanup events;
- 41 thousand tonnes of illegal waste was collected;
- the fifth international "Clean World Conference" took place in Bursa, Turkey;
- coordinating global communication activities and developing a new brand;

- coordination of everyday activities and recruiting new national leaders;
- administration of the activities of LDIW headquarters in Estonia;
- development of strategic partnerships;
- designing the global waste mapping application;
- Waste Recess program was carried out with the funding from Environmental Investment Centre;
- the development of the democracy tool CitizenOS.

Goals and evaluation

The aim of the foundation is not to earn revenue but to carry out and finance the activities listed in its charter, which we have achieved. Short-term liabilities exceed current assets of the foundation at the end of the year, but the management has a plan in place to remedy the situation. Within half a year new sources of funding have been found and several agreements are in the process of being signed.

The management assesses the foundation to be a going concern.

FINANCIAL STATEMENTS

Balance sheet

(In Euros)

	31.12.2016	31.12.2015	Note
Assets			
Current assets			
Cash and cash equivalents	3	6 899	2
Receivables and prepayments	16 051	11 297	3
Total current assets	16 054	18 196	
Non-current assets			
Intangible assets	98 828	43 003	5
Total non-current assets	98 828	43 003	
Total assets	114 882	61 199	
Liabilities and net assets			
Liabilities			
Current liabilities			
Payables and prepayments	20 713	7 302	7
Government grants	76 493	75 950	6
Total current liabilities	97 206	83 252	
Total liabilities	97 206	83 252	
Net assets			
Accumulated surplus/(deficit)	-22 053	-10 202	
Net surplus/(deficit) for the financial year	39 729	-11 851	
Total net assets	17 676	-22 053	
Total liabilities and net assets	114 882	61 199	

Statement of revenue and expenses

(In Euros)

	2016	2015	Note
Revenue			
Grants and donations	327 264	264 834	8
Revenue from commercial activities	12 259	5 671	9
Other income	813	695	
Total revenues	340 336	271 200	
Expenses			
Direct cost of projects financed by government grants	-255 096	-236 579	10
Administrative expenses	-34 968	-30 764	11
Labour expenses	-10 374	-15 655	12
Other expenses	-142	-130	
Total expenses	-300 580	-283 128	
Surplus/(deficit) from operations	39 756	-11 928	
Interest income	2	3	
Other financial income and expense	-29	74	
Net surplus/(deficit) for the period	39 729	-11 851	

Statement of Cash Flows

(In Euros)

	2016	2015	Note
Cash flows from operating activities			
Net surplus/(deficit) from operations	39 759	-11 928	
Adjustments			
Other adjustments	-1	0	5
Total adjustments	-1	0	
Changes in receivables and prepayments related to operating activities	-4 754	-4 718	3
Changes in payables and prepayments related to operating activities	13 954	40 027	6,7
Interest received	2	3	
Total cash flows from operating activities	48 957	23 384	
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	-55 824	-15 423	5
Total cash flows from investing activities	-55 824	-15 423	
Cash flows from financing activities			
Loans received	31 650	1 219	
Repayment of loans received	-31 650	-11 219	
Total cash flows from financing activities	0	-10 000	
Total cash flows	-6 867	-2 039	
Cash and cash equivalents at beginning of period	6 899	8 864	2
Change in cash and cash equivalents	-6 867	-2 039	
Effect of exchange rate changes on cash and cash equivalents	-29	74	
Cash and cash equivalents at end of period	3	6 899	2

Statement of Changes in Net Assets

(In Euros)

		Total net assets
	Accumulated surpluses/deficits from previous period	
31.12.2014	-10 202	-10 202
Net surplus/(deficit) for the period	-11 851	-11 851
31.12.2015	-22 053	-22 053
Net surplus/(deficit) for the period	39 729	39 729
31.12.2016	17 676	17 676

Notes to the financial statements

Note 1: Accounting policies

General information

The financial statements of Teeme Ära SA have been prepared in accordance with the generally accepted accounting principles of Estonia. The generally accepted accounting principles are prescribed by the Accounting Act of Estonia and supplemented by the guidelines issued by the Accounting Standards Board.

The statement of revenue and expenses is prepared using the ASBG 14 in the Annex profit report schema.

The financial statements have been prepared in euros.

Financial assets

Financial assets are cash and cash equivalents, short-term financial investments, receivables from customers and other short and long-term receivables. Financial assets are initially recognised at amortised cost, being the fair value of the consideration given for the financial asset. The amortised cost of short-term receivables normally equals their original invoice amount. Financial assets are derecognized from the balance sheet when the rights to receive cash flows from assets have expired or have been transferred with all risks and rewards of ownership. Purchases and sales of financial assets are consistently measured value date.

Cash

Cash and cash equivalents include cash in hand and bank account balances. Cash flows from operations in the cash flow statement are presented under the indirect method. Cash flows from investing and financing activities are presented under the direct method.

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

Foreign currency transactions are recorded in the official the currency exchange rates of Estonia prevailing at the transaction date. Reimbursement of expenses in foreign currency, which are based on the expense report, are based on currency exchange rates of the commercial banks, if the currency of the expense report is denominated by the European Central Bank.

Gains and losses from the foreign currency transactions are recorded in the statement of revenue and expenses as the revenue and expense of the period.

Receivables and prepayments

Receivables and prepayments are measured at amortised cost (equal to nominal value less any impairment). Receivables are derecognized from the balance sheet when the rights to receive cash flows from assets have expired or have been transferred with all risks and rewards of ownership. Receivables and prepayments are carried at amortized cost (i.e. original invoice amount less repayments and provisions made for impairment of these receivables). The carrying amount of the receivable is reduced by this amount indirectly through an allowance account. In this case, the each customer`s uncollectible claims are assessed separately, based on known information about the customer's solvency. The carrying amount of receivables is reduced by the amount of doubtful receivables and impairment losses are recognised as Administrative expenses in the statement of revenue and expenses. The collection of the receivables that have previously been written down is accounted for as a reversal of the cost of impairment of the receivables.

Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are intangible assets what the company intends to use for a longer period than one year. Intangible assets are recognized in the balance sheet only if the object is controlled by the company, or is likely that the company will gain economic benefits in the future use of economic benefits or the acquisition cost of the intangible asset can be estimated reliably. An intangible asset is initially recognized and also carried in the balance sheet at cost less any accumulated amortization and any accumulated impairment losses.

The software created by the foundation is at the development phase and is recognized as unfinished intangible asset, therefore the asset is not amortized. At each balance sheet date the management of the company evaluates whether there are signs that may indicate to impairment of assets. If there is any indication of the impairment, the asset is written down and losses are recognized as the expense of the reporting period.

Financial liabilities

All financial liabilities (supplier payables, borrowings, accrued expenses and other short and long-term borrowings) are initially recorded at their acquisition cost, which includes all expenses directly related to the acquisition. The amortised cost of current financial liabilities normally equals their nominal value, therefore current financial liabilities are stated in the balance sheet in their redemption value. A financial liability is classified as current when it is due within 12 months after the balance sheet date or when the foundation does not have an unconditional right to defer the payment for longer than 12 months after the balance sheet date. Payables that are due within twelve months after the balance sheet date are recorded as long-term payables. Financial liabilities are removed from the balance sheet when they are invoiced, terminated or expired.

Provisions and contingent liabilities

Possible obligations that have arisen as a result of events that occurred before the balance sheet date and whose time of settlement or amount are not certain are recorded in the balance sheet as provisions. Provisions are recognized based on management's estimates regarding the amount and timing of the expected outflows. Other possible or present obligations arising from past events but whose settlement is not probable or the amount of which cannot be measured with sufficient reliability are disclosed as contingent liabilities in the notes to the financial statements.

Government grants

The foundation has adopted the principles of ASBG 14 and ASBG 12 in accounting government grants.

Non-specific purpose government grants are grants that are usable in determined area, but are without definite purpose and not related to any specific project. Income for those grants is recognised at the time when a donation or grant becomes receivable.

Specific purpose donations and government grants are assistance that is usable for purchase of predetermined assets or finance definite projects.

The Foundation has received government grants, which are recognised as income when the grant becomes receivable or any principal conditions related to grant have been fulfilled. Grants received before the revenue recognition criteria are satisfied are recognised as a liability on the balance sheet.

Donations and grants, which by their nature are contributions to foundation net assets are recognized as changes in net assets in the balance sheet and in the statement of changes in net assets.

Revenue

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, taking into account the amount of any discounts and volume rebates granted. Revenue from rendering of services is recorded upon rendering the service.

Related parties

The foundation considers the founders, members, management and their companies or other organizations with material ownership interest or under their material influence as related parties.

Note 2: Cash and cash equivalents

(In Euros)

	31.12.2016	31.12.2015
Cash at bank	3	6 899
Total cash and cash equivalents	3	6 899

Note 3: Receivables and prepayments

(In Euros)

	31.12.2016	Within 12 months	Note
Receivables from related parties	773	773	13
Prepayments	6 288	6 288	
Deferred expenses	455	455	
Other prepaid expenses	5 833	5 833	
Grant receivables	8 990	8 990	6
Total receivables and prepayments	16 051	16 051	

	31.12.2015	Within 12 months	Note
Receivables from related parties	216	216	13
Tax prepayments and receivables	43	43	4
Prepayments	1 639	1 639	
Other prepaid expenses	1 639	1 639	
Grant receivables	9 399	9 399	6
Total receivables and prepayments	11 297	11 297	

Note 4: Tax prepayments and liabilities

(In Euros)

	31.12.2016	31.12.2015	
	Tax liabilities	Tax prepayments	Tax liabilities
Personal income tax	1 865	0	523
Social security tax	3 246	0	969
Contributions to mandatory funded pension	92	0	0
Unemployment insurance tax	116	0	0
Interest	48	0	0
Prepayment account balance	0	43	0
Total tax prepayments and liabilities	5 367	43	1 492

See also note 3 and 6.

Note 5: Intangible assets

(In Euros)

	Unfinished projects and prepayments	Total
31.12.2014		
Cost	27 580	27 580
Accumulated depreciation	0	0
Carrying amount	27 580	27 580
Acquisitions and additions	15 423	15 423
31.12.2015		
Cost	43 003	43 003
Accumulated depreciation	0	0
Carrying amount	43 003	43 003
Acquisitions and additions	55 824	55 824
Other changes	1	1
31.12.2016		
Cost	98 828	98 828

Accumulated depreciation	0	0
Carrying amount	98 828	98 828

The Foundation develops a voting and textual software application launched in 2014. The project is funded by the Open Society Fund of the EMP Grants through the Open Estonia Foundation and private individuals.

Note 6: Government grants, donations and other assistance

(In Euros)

Assets at cost

	31.12.2014	Received	Revenue	31.12.2015
Grants for acquisition of non-current assets				
Open Estonian Foundation	5 496	3 938	-9 434	0
Grants from members	0	3 532	-3 532	0
Total grants for acquisition of assets	5 496	7 470	-12 966	0
Grants for operations				
Environmental Investment Centre	9 766	74 714	-67 480	17 000
Ministry of Foreign Affairs of Estonia	0	11 521	-11 521	0
Private entities	4 500	0	-4 500	0
National Foundation of Civil Society	0	1 282	-1 282	0
Estonian Ministry of Environmental Affairs	0	200 000	-141 050	58 950
Grants from members	0	20 235	-20 235	0
Total grants for operations	14 266	307 752	-246 068	75 950
Total grants	19 762	315 222	-259 034	75 950
	31.12.2015	Received	Revenue	31.12.2016
Grants for acquisition of non-current assets				
Grants from members	0	55 824	-55 824	0
Total grants for acquisition of assets	0	55 824	-55 824	0
Grants for operations				
Environmental Investment Centre	17 000	6 994	-23 994	0
Ministry of Foreign Affairs of Estonia	0	150 000	-73 507	76 493
Estonian Ministry of Environmental Affairs	58 950	0	-58 950	0
Government Office	0	80 000	-80 000	0
Grants from members	0	9 789	-9 789	0
Producer Responsibility Organisation	0	4 000	-4 000	0
Enterprise Estonia	0	8 990	-8 990	0
Total grants for operations	75 950	259 773	-259 230	76 493
Total grants	75 950	315 597	-315 054	76 493

In 2016, the foundation has made eligible expenses to the projects with funding from the Enterprise Estonia Foundation in the amount of 13111 EUR. The amount financed by expenditure of EUR 8990 is received in 2017 and is recognized as a receivable in the balance sheet and as income for financing operating expenses in the statement of revenue and expenses (see also Note 3).

In 2015, the foundation reflected financing of eligible expenses made to the project with funding from the Environmental Investment Centre in the amount of EUR 3 999 as a receivable in the balance sheet and as income for financing operating expenses in the statement of revenue and expenses. The amount was received in 2016. See also note 8.

Note 7: Payables and prepayments

(In Euros)

	31.12.2016	Within 12 months	Note
Trade payables	12 961	12 961	
Employee payables	1 237	1 237	
Tax payables	5 367	5 367	4
Other payables	1 148	1 148	
Other accrued expenses	1 148	1 148	
Total payables and prepayments	20 713	20 713	

	31.12.2015	Within 12 months	Note
Trade payables	1 601	1 601	
Employee payables	1 231	1 231	
Tax payables	1 492	1 492	4
Other payables	2 978	2 978	
Other accrued expenses	2 978	2 978	
Total payables and prepayments	7 302	7 302	

Note 8: Grants, donations and other assistance

(In Euros)

	2016	2015	Note
Non-specific-purpose donations and other assistance	12 210	5 800	
Government grants recorded as revenue	315 054	259 034	6
Total grants, donations and other assistance	327 264	264 834	

Note 9: Revenue from commercial activities

(In Euros)

	2016	2015
Income from advertising services	12 259	5 671
Total other income	12 259	5 671

Note 10: Direct expenses of projects funded with grants and transfers
(In Euros)

	2016	2015	Note
Training expenses	2 128	0	
Communication and campaign expenses	89 718	79 331	
IT expenses	79 605	44 129	
Conference and training costs	12 075	36 419	
Transportation and travel expenses	15 672	16 391	
Project management remuneration costs	42 255	41 879	12
Project management expenses	5 680	9 397	
Other project related expenses	7 963	9 033	
Total direct expenses of projects funded with government grants	255 096	236 579	

Note 11: Administrative expenses

(In Euros)

	2016	2015
Leases	1 816	345
Miscellaneous office expenses	442	2 141
Training expenses	1 482	345
Postal and shipping expenses	8 652	5 671
Organizational expenses	1 733	4 000
Marketing expenses	2 629	9 594
Transportation and accommodation expenses	9 480	0
Other	8 734	8 668
Total miscellaneous operating expenses	34 968	30 764

Note 12: Labour expenses

(In Euros)

	2016	2015	Note
Wage and salary expense	39 445	43 100	
Social security taxes	13 184	14 434	
Total labour expense	52 629	57 534	
Thereof disclosed as direct expenses of projects financed by government grants	42 255	41 879	10

	2016	2015	Note
Average number of employees in full time equivalent units	2	2	

In 2016, from the total labor cost, 10734 euros was recognized as a direct labor cost in the statement of revenue and expenses and 42255 euros in direct expenses of projects funded with government grants.

In 2015, from the total labor cost, 15655 euros was recognized as a direct labor cost in the statement on revenues and expenses and 41879 euros in direct expenses of projects funded with government grants.

Note 13: Related parties

(In Euros)

Number of members by the end of the financial year		
	31.12.2016	31.12.2015
Number of private person members	6	6

Related party balances according to groups

	31.12.2016 Receivables	31.12.2015 Receivables
Members of the executive and higher management and individuals with a significant participation and companies under their control or significant influence	773	216

2016	Loans received	Repayment of loans received
Founders and members	28 850	28 850

2015	Purchases	Loans received	Repayment of loans received
Founders and members	0	2 327	-12 327
Members of the executive and higher management and individuals with a significant participation and companies under their control or significant influence	7 091	0	0

Remuneration and other significant benefits granted for members of management and supervisory boards		
	2016	2015
Remuneration	18 516	18 141

In 2016 there were no purchases or sales from related parties.

In 2015, project management services were purchased from Ingver Marketing in the amount of 6800 EUR as well as plane tickets from Ziil Consultations in the amount of 291 euros.

Grants received from founders:

2016: 65 613 euros

2015: 23 767 euros

In 2016 and 2015, no allowance has been recorded for receivables from related parties. Additional information is disclosed in note 3.

Loans received are non-interest bearing.

Based on the management board member contracts of the foundation, the members of management board are not entitled to potential benefits on termination of their contracts.

Note 14: Going concern

As at 31 December 2016, the foundation's current liabilities exceed the foundation's current assets in the amount of 81,152 Euros. Foundation's financial statements are based on the assumption of being a going concern, as the management believes that, as of December 31, 2016, negative working capital would not cause economic difficulties and insolvency to the foundation. In 2017 additional financing has been obtained and binding agreements for financing in the amount of 350 thousand euros have been concluded, which allows for the fulfilment of short-term liabilities. In addition, daily work is done to find additional resources.



INDEPENDENT AUDITOR'S REVIEW REPORT

(Translation of the Estonian original)*

To the Supervisory Board of Teeme Ära Foundation

We have reviewed the accompanying financial statements of Teeme Ära Foundation (the Foundation), which comprise the balance sheet as of 31 December 2016 and the statement of revenue and expenses, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Board's Responsibility for the Financial Statements

Management Board is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Estonia, and for such internal control as the Management Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) (Estonia) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE (Estonia) 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE (Estonia) 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of the Foundation as of 31 December 2016, and its financial performance and cash flows for the year then ended in accordance with accounting principles generally accepted in Estonia.

Other matter

We draw attention to circumstance that as at 31 December 2016 current liabilities of the Foundation exceed current assets by EUR 81 852. Going concern of the Foundation is directly relied on project based government grants and financing by Supervisory Board of the Foundation. Management Board has disclosed the Foundation's plan for further actions in Note 14 of the financial statements to continue as a going concern. Our opinion is not qualified in respect of this matter.

AS PricewaterhouseCoopers

A handwritten signature in blue ink that reads 'Lauri Past'.

Lauri Past
Auditor's Certificate No.567

A handwritten signature in blue ink that reads 'Janno Hermanson'.

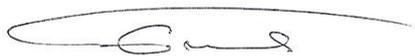
Janno Hermanson
Auditor's Certificate No.570

30 June 2017

** This version of our report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.*

MANAGEMENT CONFIRMATION

The signing Teeme Ära Foundation 2016 annual report on the 30th of June 2017.

A handwritten signature in black ink, appearing to read 'Eva Truuverk', with a long horizontal flourish extending to the right.

Member of the management board
Eva Truuverk