

Consolidated Financial Statements and
Report of Independent Certified Public
Accountants

DKT International, Inc. and Affiliates

December 31, 2020

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
DKT International, Inc. and Affiliates

Report on the financial statements

We have audited the accompanying consolidated financial statements of DKT International, Inc. and Affiliates ("DKT"), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of DKT International, Inc. and Affiliates as of December 31, 2020 the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters*Supplementary information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedule of financial position and consolidating schedule of activities are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.



Arlington, Virginia
July 30, 2021

DKT International, Inc. and Affiliates
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2020

ASSETS

Cash and cash equivalents	\$ 72,890,202
Grants and contributions receivable	10,322,151
Trade receivables, net of allowance	49,546,694
Inventory, net of allowance	41,366,225
Prepaid expenses & other current assets	10,734,600
Deferred tax asset	1,426,767
Investments	110,224,527
Other non-current assets	1,361,469
Property and equipment, net	<u>11,717,919</u>
TOTAL ASSETS	<u>\$ 309,590,554</u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable and accrued expenses	\$ 59,508,694
Deferred revenue	4,694,679
Contract liabilities	46,968
Lines of credit and loans payable	<u>14,348,316</u>
TOTAL LIABILITIES	<u>\$ 78,598,657</u>

Net Assets

Without donor restrictions	
Undesignated	191,826,345
Board-designated	<u>21,000,000</u>
TOTAL UNRESTRICTED	212,826,345
With donor restrictions	<u>18,165,552</u>
TOTAL NET ASSETS	<u>230,991,897</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 309,590,554</u>

The accompanying notes are an integral part of this consolidated financial statement.

DKT International, Inc. and Affiliates

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Sales, net of discounts	\$ 167,697,573	\$ -	\$ 167,697,573
Grants and contributions	48,019,307	18,885,319	66,904,626
Investment income, net	15,294,110	-	15,294,110
Service fees from affiliates	-	-	-
Other income	991,836	-	991,836
Net assets released from restriction:			
Satisfaction of program restrictions	27,904,837	(27,904,837)	-
Satisfaction of time restrictions	1,820,775	(1,820,775)	-
 TOTAL REVENUE AND SUPPORT	 261,728,438	 (10,840,293)	 250,888,145
 EXPENSES AND LOSSES			
Program Services:			
Education and reproductive health	226,752,074	-	226,752,074
Total Program Services	226,752,074	-	226,752,074
Supporting Services:			
Management and general	2,788,596	-	2,788,596
Development and fundraising	767,528	-	767,528
Total Supporting Services	3,556,124	-	3,556,124
TOTAL EXPENSES	230,308,198	-	230,308,198
Change in net assets before losses	-	-	-
Foreign currency exchange losses	114,048	-	114,048
TOTAL EXPENSES AND LOSSES	230,422,246	-	230,422,246
Change in net assets before foreign currency translation	31,306,192	(10,840,293)	20,465,899
Foreign currency translation losses	(265,503)	-	(265,503)
CHANGE IN NET ASSETS	31,040,689	(10,840,293)	20,200,396
NET ASSETS, BEGINNING OF YEAR	181,785,656	29,005,845	210,791,501
NET ASSETS, END OF YEAR	\$ 212,826,345	\$ 18,165,552	\$ 230,991,897

The accompanying notes are an integral part of this consolidated financial statement.

DKT International, Inc. and Affiliates

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2020

	<u>Program Services</u>	<u>Supporting Services</u>			
	<u>Education and Reproductive Health</u>	<u>Management and General</u>	<u>Development and Fundraising</u>	<u>Total Supporting Services</u>	<u>2020 Total</u>
Cost of goods sold – products	\$ 101,679,749	\$ -	\$ -	\$ -	\$ 101,679,749
Salaries and fringe benefits	43,953,178	1,927,841	767,528	2,695,369	46,648,547
Advertising and promotion	29,136,114	-	-	-	29,136,114
Professional fees	11,323,746	375,031	-	375,031	11,698,777
Travel and related expenses	7,482,535	31,380	-	31,380	7,513,915
Rent and insurance	6,318,582	199,337	-	199,337	6,517,919
Trainings, meetings and conferences	2,921,487	1,220	-	1,220	2,922,707
Contribution, outreach and grants to partners	1,840,544	150,000	-	150,000	1,990,544
Depreciation and amortization	2,803,945	-	-	-	2,803,945
Office expenses	2,547,717	57,276	-	57,276	2,604,993
Licenses and taxes	2,020,373	-	-	-	2,020,373
Product development	2,451,438	-	-	-	2,451,438
Income tax provision	4,768,656	-	-	-	4,768,656
Telephone, facsimile and utilities	1,457,799	26,457	-	26,457	1,484,256
Interest	1,312,613	3,355	-	3,355	1,315,968
Repairs and maintenance	694,798	-	-	-	694,798
Bank charges	433,248	16,699	-	16,699	449,947
Obsolete inventory expense	1,188,939	-	-	-	1,188,939
Bad debt expense	1,189,713	-	-	-	1,189,713
Other	1,226,900	-	-	-	1,226,900
TOTAL FUNCTIONAL EXPENSES	<u><u>\$ 226,752,074</u></u>	<u><u>\$ 2,788,596</u></u>	<u><u>\$ 767,528</u></u>	<u><u>\$ 3,556,124</u></u>	<u><u>\$ 230,308,198</u></u>

The accompanying notes are an integral part of this consolidated financial statement.

DKT International, Inc. and Affiliates
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 20,200,396
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Change in provision for doubtful trade receivables	1,113,037
Realized gains on sales of investments	(7,881,472)
Unrealized gains on investments	(5,492,323)
Change in allowance for obsolete inventory	572,025
Change in discount for present value of loan payable	527,769
Change in discount for present value of grants and contributions receivable	(70,081)
Depreciation and amortization	2,803,945
Bad debt expense	1,189,713
Gain on sales of property and equipment	(211,714)
Decrease (increase) in assets and increase (decrease) in liabilities:	
Grants and contributions receivable	13,434,760
Trade receivables	(6,381,603)
Inventory	(104,747)
Prepaid expenses and other current assets	1,233,640
Deferred tax asset	609,649
Other non-current assets	(581,067)
Accounts payable and accrued expenses	1,179,595
Deferred revenue	(3,352,332)
Contract liabilities	(101,807)
NET CASH PROVIDED BY OPERATING ACTIVITIES	18,687,383

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of investments	(12,547,241)
Proceeds from sales of investments	24,606,744
Proceeds from sales of property and equipment	364,050
Purchases of property and equipment	(3,027,479)
NET CASH PROVIDED BY INVESTING ACTIVITIES	9,396,074

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from lines of credit and loans payable	6,039,398
Repayments of lines of credit and loans payable	(7,208,125)
NET CASH USED IN FINANCING ACTIVITIES	(1,168,727)
NET INCREASE IN CASH AND CASH EQUIVALENTS	26,914,730

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

CASH AND CASH EQUIVALENTS, END OF YEAR

SUPPLEMENTAL CASH FLOW INFORMATION

Interest paid	\$ 367,325
Income taxes paid	\$ 3,625,216

The accompanying notes are an integral part of this consolidated financial statement.

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

DKT International, Inc. is a nonprofit corporation organized in 1984 in the United States for the purpose of designing and implementing family planning projects in developing countries. DKT International, Inc. and its Affiliates (collectively referred to as “DKT”) direct social marketing programs mainly in developing countries but have also expanded to sell products in developed countries. DKT is one of the world’s largest providers of family planning, HIV/AIDS prevention and safe abortion products and services. All activities of DKT are funded primarily from product sales and from grants and contributions.

Basis of Accounting and Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“US GAAP”).

Principles of Consolidation

The consolidated financial statements include the accounts of DKT International, Inc. and its affiliates and related parties as follows:

Country	Full Name	Short Name
Argentina	DKT Argentina S.A.	South America Group
Bolivia	DKT Bolivia S.A.	South America Group
Brazil	DKT DO Brasil Produtos De Uso Pessoal Ltda.	South America Group
Chile	DKT Chile	South America Group
Colombia	DKT Colombia S.A.S.	South America Group
Ecuador	DKT Ecuador S.A.	South America Group
Paraguay	DKT Paraguay	South America Group
Panama	DKT South America Holding Inc.	South America Group
Peru	DKT Peru	South America Group
Uruguay	SYB Salud y Belleza Internacional S.A.	South America Group
Uruguay	DKT Uruguay S.A.	South America Group
Democratic Republic of Congo	DKT DR Congo	DR Congo
Egypt	DKT Egypt	Egypt /Middle East North Africa (MENA) Group
Egypt	DKT Limited Liability Company	Egypt / MENA Group
Jordan	DKT International Inc. (Jordan)	Egypt / MENA Group
Ethiopia	Dink Kistet Letena	Ethiopia
Ghana	DKT International Inc. Ghana	Ghana/Anglophone West Africa Group (AWA Group)
Liberia	DKT International Inc. Liberia	Ghana/AWA Group
Sierra Leone	Sierra Leone	Ghana/AWA Group
India	Janani	India Janani Group
India	Janani Family Care Private Limited	India Janani Group
India	DKT India	India Mumbai Group
India	DKT Healthcare India Private Ltd	India Mumbai Group
Indonesia	Yayasan DKT Indonesia	Indonesia Group

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020

Country	Full Name	Short Name
Indonesia	PT DKT International	Indonesia Group
Indonesia	PT Dharmendra Kumar Tiyaqi Indonesia	Indonesia Group
Mexico	DKT de Mexico S.A. de C.V.	Mexico
Mozambique	DKT Mozambique, Limitada	Mozambique
Myanmar	DKT International Inc. Myanmar Branch	Myanmar Group
Myanmar	Modern Choice Experts Co. Ltd.	Myanmar Group
Nigeria	Deep K. Tyagi Foundation Nigeria	Nigeria
Pakistan	DKT Pakistan (Private) Limited	Pakistan Group
Afghanistan	DKT International Inc.	Pakistan Group
Philippines	DKT Philippines, Inc	Philippines Group
Philippines	DKT Reproductive Health, Inc.	Philippines Group
Philippines	HealthSense, Inc.	Philippines Group
Philippines	DKT Health, Inc.	Philippines Group
Philippines	DKT Regional Operating Headquarters	Philippines Group
Singapore	Asia Reproductive Health International PTE. Ltd	Philippines Group
Tanzania	DKT International Tanzania Limited	Tanzania Group
Tanzania	DKT International Tanzania	Tanzania Group
Iran	DKT International Segal Company	Turkey Group
Turkey	DKT International Istanbul Saglik Urunleri Ithalat Ticaret Ltd. Sirketi	Turkey Group
Cameroon	DKT International Cameroon SUARL	Francophone West and Central Africa Group (FWACA Group)
Cote D'Ivoire	DKT International Cote D'Ivoire SUARL	FWACA
Senegal	DKT International Senegal SUARL	FWACA
Vietnam	Representative Office of DKT International Inc. in Hanoi	Vietnam Group
Vietnam	DKT International - Vietnam Office	Vietnam Group
Kenya	DKT Healthcare International Limited	Kenya & Uganda Group
Uganda	DKT Healthcare International Uganda Limited	Kenya & Uganda Group
United Kingdom	WomanCare Global Trading CIC	United Kingdom Group
France	DKT WomanCare Global Services	United Kingdom Group
United Kingdom	DKT International Foundation UK	United Kingdom Group
United States	FemHealth USA Inc.	United States

Such consolidated reporting most accurately reflects the common charitable activities of DKT International, Inc. and its affiliates. All intercompany accounts between DKT International Inc. and its affiliates have been eliminated in consolidation.

Cash and Cash Equivalents

DKT considers all cash and other highly liquid investments with initial maturities of three months or less to be cash and cash equivalents. Cash and cash equivalents that are specifically held for investment purposes are reported as investments.

Receivables

DKT uses the allowance method to record potentially uncollectible receivables. The allowance for doubtful accounts is determined based upon a periodic review of receivable balances, including the age of the balance and the historical experience with the debtor.

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020

Inventory

Inventory consists primarily of condoms and contraceptives held for distribution or resale and is valued at the lower of cost and net realizable value. Inventory also includes goods in transit free on board (FOB) shipping point. Inventories are primarily maintained on the first-in, first-out method.

Investments

Investments consist of mutual funds, equities, exchange-traded and closed-end funds, money market funds, unit investment trusts and certificates of deposit and are recorded in the accompanying consolidated statement of financial position at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair Value Measurement

In accordance with the accounting standards for fair value measurement for those assets and liabilities that are measured at fair value on a recurring basis, DKT has categorized its applicable financial instruments into a required fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest-level input that is significant to the fair value measurement of the instrument.

Applicable financial assets and liabilities are categorized based on the inputs to the valuation techniques as follows:

- Level 1 - Financial assets and liabilities whose values are based on unadjusted quoted prices in an active market that DKT has the ability to access.
- Level 2 - Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 - Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

Property and Equipment and Related Depreciation and Amortization

Property and equipment are stated at cost. Capitalized items must have a cost basis of greater than \$5,000 and an economic life in excess of one year. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives for property and equipment are as follows:

Vehicles	3-5 years
Office furnishings and equipment	3-5 years
Software	3 years
Building	20 years
Leasehold improvements	Shorter of remaining term of lease or useful life

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020

Expenditures for major additions, renewals and improvements are capitalized; expenditures for repairs and maintenance are expensed when incurred. Upon the retirement or disposal of assets, the cost and accumulated depreciation and amortization are eliminated from the accounts and the resulting gain or loss is reflected in the accompanying consolidated statement of activities.

Impairment of Long-Lived Assets

DKT reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. As of December 31, 2020, DKT has not recognized an impairment loss.

Classification of Net Assets

DKT's net assets are reported as follows:

- Net assets without donor restrictions represent the portion of expendable funds that are available for any purpose in performing the primary objectives of DKT at the discretion of DKT's management and the Board of Directors (the "Board"). From time to time, the Board designates a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion. The Board has designated \$21,000,000 of net assets without donor restrictions to serve as a working capital reserve to secure DKT's long-term financial viability.
- Net assets with donor restrictions represent funds that are specifically restricted by donors for use in various programs and/or for a specific period of time. These donor restrictions can be temporary in nature in that they will be met by actions of DKT or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. As of December 31, 2020, DKT had no net assets with donor restrictions that are required to be maintained in perpetuity.

Revenue and Support Recognition

DKT reports unconditional gifts of cash and other assets as having donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a stipulated time restriction ends or purpose of a restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Unconditional grants and contributions are recognized as revenue and support when the donor has made an unconditional promise to contribute funds to DKT in future periods. Unconditional grants and contributions are recorded at their net realizable value, if expected to be collected in one year, or at their present value if expected to be collected in more than one year. DKT provides for probable uncollectible amounts through a provision for bad debt and an adjustment to an allowance based on its assessment on the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. As of December 31, 2020, contributions approximating \$16,600,000 has not been recognized in the accompanying consolidated statement of activities because the condition(s) on which they depend have not yet been met.

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020

A portion of DKT's revenue and support is derived from cost-reimbursable contracts and grants with government agencies and other organizations, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue and support when DKT has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the accompanying consolidated statement of financial position. As of December 31, 2020, DKT has been awarded cost-reimbursable grants of \$39,404,375 that have not yet been recognized as revenue. As of December 31, 2020, DKT has yet to collect \$2,042,547, recognized under such cost-reimbursable grants, which is included in grants and contributions receivable in the accompanying consolidated statement of financial position. Additionally, DKT has received advance payments of \$4,694,679 reported in the accompanying consolidated statement of financial position as deferred revenue.

Sales revenue includes a single performance obligation related to the fulfillment of customer orders for the purchase of DKT's products including condoms, other contraceptives, medical equipment and other family planning products. The performance obligation is satisfied at the point in time when title to the product, ownership and risk of loss transfers to the customer, at which time DKT recognizes sales revenue. Sales, net of discounts, reflect transaction prices based on the selling list prices reduced by discounts including costs for trade promotional programs, consumer incentives and allowances, discounts associated with aged or potentially unsaleable products and net of taxes collected on behalf of governmental authorities. A provision for discount is recorded as a reduction of sales in the same period in which the revenue is recognized. Sales revenue received in advance of the fulfillment of customer orders are recorded as contract liabilities.

Other income includes profit from sale of fixed assets, gain from the settlement of lawsuit, claims received from insurance companies, and medical research income for certain services provided to other organizations. Revenue is recognized in the period in which the underlying activities occur.

Translation of Foreign Currencies

Foreign currency transactions and financial statements are translated into U.S. dollars at current exchange rates, except revenue and expenses that are translated at average exchange rates during each reporting period. Exchange gains and losses resulting from foreign currency transactions are included in the accompanying consolidated statement of activities, whereas adjustments resulting from translations of financial statements are reflected as a separate component of net assets.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of functional expenses. Expenses directly attributed to a specific functional area are reported as expenses of those functional areas, while shared costs that benefit multiple functional areas have been allocated among the various functional areas based on estimates determined by management to be equitable. Shared costs are allocated based on labor costs.

Estimates

The preparation of the consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which is effective for fiscal years beginning after December 15, 2021. This standard requires lessees to record lease assets and liabilities

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020

on the statement of financial position for leases with terms of twelve months or more. DKT's management is evaluating the impact this will have on the consolidated financial statements beginning in fiscal year 2022.

NOTE 2 - GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable as of December 31, 2020, were due as follows:

In less than one year	\$ 6,183,749
In one to five years	<u>4,138,402</u>
Total grants and contributions receivable	<u>\$ 10,322,151</u>

Discounts in the amounts of \$27,562 were recorded for multi-year pledges receivable for the year ended December 31, 2020. The discount rate used for the year ended December 31, 2020, was 0.10%. All amounts are deemed fully collectible.

NOTE 3 - TRADE RECEIVABLES

Trade receivables primarily consist of product sales and are reported net of a \$1,474,665 allowance for doubtful accounts as of December 31, 2020.

NOTE 4 - INVENTORY

DKT's inventory consisted of the following as of December 31, 2020:

Condoms	\$ 20,682,339
Other contraceptives	13,454,623
Other items	4,031,894
Medical equipment (MVA business)	4,538,485
Goods in transit	<u>110,416</u>
Total inventory	42,817,757
Less: Allowance for inventory obsolescence	<u>(1,451,532)</u>
Inventory, net	<u>\$ 41,366,225</u>

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020

NOTE 5 - INVESTMENTS

Investments consisted of the following at December 31, 2020:

Mutual funds	\$ 64,028,361
Equities	27,024,081
Exchange-traded and closed-end funds	17,385,524
Money market funds	543,612
Unit investment trusts	497,425
Cash	<u>745,524</u>
 Total investments	 <u><u>\$ 110,224,527</u></u>

Investment income is summarized as follows for the year ended December 31, 2020:

Unrealized gains, net	\$ 5,446,425
Realized gains, net	7,808,098
Interest and dividends	2,018,949
Return on Capital	<u>20,638</u>
 Investment income, net	 <u><u>\$ 15,294,110</u></u>

NOTE 6 - PROPERTY AND EQUIPMENT AND ACCUMULATED DEPRECIATION AND AMORTIZATION

Property and equipment consisted of the following as of December 31, 2020:

Vehicles	\$ 10,627,391
Office furnishings and equipment	6,741,383
Land	3,287,714
Leasehold improvements	1,628,546
Software	1,573,382
Building	<u>888,835</u>
 Total property and equipment	 24,747,251
 Less: Accumulated depreciation and amortization	 <u>(13,029,332)</u>
 Property and equipment, net	 <u><u>\$ 11,717,919</u></u>

Depreciation and amortization expense totaled \$2,803,945 for the year ended December 31, 2020.

NOTE 7 - LINES OF CREDIT AND LOANS PAYABLE

DKT International, Inc.:

On August 23, 2016, DKT International, Inc. obtained an unsecured loan from the Bill & Melinda Gates Foundation (the Foundation), a charitable trust that is a tax-exempt private foundation organized in the state of Washington. The purpose of the loan is to increase access and availability of quality, affordable and modern methods of contraception for those in need in developing countries, in furtherance of the exempt

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020

purposes of the Foundation. Interest on the loan accrues at a rate of 5% per annum and does not begin accruing until the fifth anniversary of the first disbursement. The loan will mature on December 31, 2025. As of December 31, 2020, the fair value of the loan at amortized cost using a discount rate of 5%, was \$8,042,164. This amount is net of the cumulative accretion of \$357,836 and principal payments totaling \$3,000,000 through December 31, 2020. The accretion of the loan using the effective interest method was \$537,442 for the year ended December 31, 2020, and is included in interest expense on the accompanying consolidated statement of functional expenses.

On April 13, 2020, DKT's Small Business Administration ("SBA") loan application under the Paycheck Protection Program (PPP) for the amount of \$473,591 was approved by a financial institution. The loan will mature in April 2022 with a fixed interest rate of 1% per annum. The payments of the principal and interest are deferred during the first six months of the loan, with the first monthly installment due in November 2020, through maturity. The loan amount may be eligible for forgiveness pursuant to the PPP, which established minimum amounts of the loans to be used to cover payroll costs and the remainder used for rent and utility costs over a specified period of time after the loan is made, assuming the number of employees and compensation levels are maintained. During the year, DKT applied for forgiveness subsequent to the 24-week period stipulated by the terms and expects to recognize a contribution at the time the loan is explicitly forgiven in a future fiscal year. As of December 31, 2020, the outstanding balance against this loan was \$476,946 including interest accrued of \$3,355.

FemHealth USA Inc.:

On April 23, 2020, FemHealth's SBA loan application under PPP for the amount of \$315,300 was approved by a financial institution. The loan will mature in April 2022 with a fixed interest rate of 1% per annum. The promissory note called for monthly principal and interest payments amortized over the term of the promissory note with a deferral of payments for the first six months. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note could have been forgiven by the Small Business Administration in whole or in part.

During the year ended December 31, 2020, FemHealth used the loan proceeds for purposes consistent with the PPP and applied for forgiveness subsequent to the 24-week period stipulated by the terms. Subsequent to year-end on April 12, 2021, FemHealth received notice of full forgiveness of the loan by the SBA and will record revenue from extinguishment of debt in 2021.

As of December 31, 2020, the outstanding balance against this loan was \$317,382 including interest accrued of \$2,082.

South America Group:

South America Group has the following lines of credit with two banks, of which three are available as of December 31, 2020.

The first line of credit was obtained on July 3, 2020 and, will mature on July 3, 2022. As of December 31, 2020, the amount available under the line totaled \$5,775,934, bears interest of 6.05% per annum and was secured by Corporate Guarantees. As of December 31, 2020, the outstanding balance against this line of credit totaled \$3,938,534.

The second line of credit was obtained on May 30, 2019, and will mature on May 31, 2021. As of December 31, 2020, the amount available under the line totaled \$38,506, bears interest at 12.82% per annum and was unsecured. As of December 31, 2020, the outstanding balance against this line totaled \$9,845.

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020

The third line of credit was obtained on June 22, 2020, and will mature on June 22, 2022. As of December 31, 2020, the amount available under the line totaled \$111,456, bears interest at 3.48% per annum and was unsecured. As of December 31, 2020, the outstanding balance against this line totaled \$111,456.

Philippines Group:

Philippines Group obtained a bank loan on December 28, 2015, that matures on December 28, 2025, totaling \$1,860,960, the proceeds of which were used to fund the purchase of land and a building for use as its office space. The loan is secured by the related office space, is payable in monthly installments and had an effective interest rate of 4.2% in 2020 subject to re-pricing every 30-180 days. As of December 31, 2020, the outstanding balance against this loan totaled \$1,041,671.

In 2020, Philippines Group obtained loans in January 2020 and December 2020, which would mature on December 2022 and November 2023, respectively, the proceeds of which were used to purchase cars for business use of the territorial managers and employees. The loan is secured by the related vehicle, and is payable in monthly installments. As of December 31, 2020, the outstanding balance against this loan was \$410,317.

As of December 31, 2020, the outstanding balances on DKT's lines of credit and loans were scheduled to be paid as follows:

For the Year Ending December 31,

2021	\$ 1,297,148
2022	5,886,334
2023	1,998,487
2024	1,854,026
2025	2,904,027
Thereafter	-
Total payments	<u>13,940,022</u>
PPP Loans expected to be forgiven in 2021	794,328
Less: Discount for present value of loan payable	<u>(386,034)</u>
Total Lines of Credit and Loans Payable	<u>\$ 14,348,316</u>

Interest expense related to these agreements totaled \$1,315,968 for the year ended December 31, 2020. Of these amounts, \$537,442, is related to the in-kind interest expense on the unsecured loan from the Bill & Melinda Gates Foundation.

NOTE 8 - COMMITMENTS, RISKS AND CONCENTRATIONS

Operating Lease

DKT provides lodging for certain overseas project managers. Certain leases with terms greater than one year require that the total rent be paid upon the execution of the lease. In 38 foreign countries, DKT has rental commitments for lodging, furniture, warehouse space and office space, with terms generally ranging from three to 60 months. Two of the leases have terms of more than five years.

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020

On September 11, 2018, DKT signed a lease agreement for new headquarters office space effective March 15, 2019, which is set to expire on July 31, 2024. The agreement is with the same landlord as its prior headquarters office space. Monthly rent under the new agreement is \$19,728 per month with annual escalations of 2.75%. DKT is also responsible for its proportionate share of real estate taxes and operating and maintenance costs.

Future minimum lease payments under all leases are as follows:

For the Year Ending December 31,

2021	\$ 3,753,404
2022	1,523,448
2023	1,241,935
2024	836,670
2025	457,006
Thereafter	<u>946,900</u>

Total future minimum lease payments	<u>\$ 8,759,363</u>
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Rent expense for the year ended December 31, 2020, totaled \$6,009,042.

Credit Risk

DKT maintains its cash and cash equivalents at a number of financial institutions, where its aggregate balance may exceed, at times, the Federal Deposit Insurance Corporation (FDIC) insured limit of \$250,000 per depositor per institution. As of December 31, 2020, DKT had approximately \$31,712,000, composed of demand deposits, which exceeded the maximum limit insured by the FDIC by approximately \$31,181,000. DKT monitors the creditworthiness of these institutions and has not experienced any historical credit losses on its cash and cash equivalents.

DKT has offices in Asia, South America and Africa and maintains cash accounts in those offices. The future of these programs may be adversely affected by a number of potential factors, such as currency devaluations, terrorist activity or changes in the political climate. As of December 31, 2020, DKT had approximately \$42,386,977 of cash held in foreign institutions.

Major Donors

For the year ended December 31, 2020, approximately 49%, of DKT's grants and contributions were promised or received from three donors. Additionally, as of December 31, 2020, approximately 79% of grants and contributions receivable were due from three donors. Management of DKT has no reason to believe that its relationship with these donors will be discontinued in the foreseeable future.

COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a pandemic, which continues to spread throughout the United States. The spread of COVID-19 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, DKT is unable to determine if it will have a material impact to its operations.

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020

Other

DKT is party to various legal actions and claims arising in the ordinary course of its business. DKT's management believes that its ultimate disposition will not have a material adverse effect on DKT's financial position or change in net assets.

NOTE 9 - AVAILABILITY AND LIQUIDITY

DKT regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to preserve the principal and return on the investment of its funds. DKT's financial assets available within one year of the consolidated statement of financial position date for general expenditures at December 31, 2020 were as follows:

Cash and cash equivalents	\$ 72,890,202
Grants and contributions receivable	10,322,151
Trade receivables, net of allowance	49,546,694
Investments	<u>110,224,527</u>
 Total financial assets	 242,983,574
 Less:	
Amounts unavailable for general expenditures within one year due to donor's restrictions	(18,165,552)
 Donation designated by management for a specific project	(5,400,000)
Amounts unavailable to management without Board approval: Board-designated for working capital reserve	<u>(21,000,000)</u>
 Financial assets available to meet general expenditures within one year	 <u>\$ 198,418,022</u>

DKT has various sources of liquidity at its disposal, including cash and cash equivalents, receivables and investments, which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of DKT throughout the year. This is done through monitoring and reviewing DKT's cash flow needs on a weekly basis. As a result, management is aware of the cyclical nature of DKT's cash flow related to DKT's various funding sources and is, therefore, able to ensure that there is cash available to meet current liquidity needs. As part of its liquidity plan, excess cash is invested in publicly traded investment vehicles, including mutual funds and equity securities. DKT can liquidate its investments anytime and, therefore, the investments are available to meet current cash flow needs. Additionally, DKT has board-designated net assets that could be available for current operations with Board approval, if necessary.

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020

NOTE 10 - NET ASSETS

Net Assets Without Donor Restrictions

DKT's net assets without donor restrictions are composed of undesignated amounts and board-designated amounts for a working capital reserve. As of December 31, 2020, DKT's net assets without donor restrictions were as follows:

Undesignated	\$ 191,826,345
Board-designated	<u>21,000,000</u>
Total net assets without donor restrictions	<u><u>\$ 212,826,345</u></u>

The board-designated net assets for a working capital reserve were instituted to provide funding for various strategic initiatives of DKT. Included within undesignated net assets, is \$5,400,000 that management has designated for a project with specific purpose.

Net Assets With Donor Restrictions

As of December 31, 2020, net assets with donor restrictions were restricted for the following purposes or periods:

Subject to expenditure for specified purpose:

Education and reproductive health	
DR Congo	\$ 6,890,189
Safe Choice Global	3,320,808
FemHealth	2,516,667
FP 2020 Global*	2,271,032
Latin America Group	970,325
SRH Commercial Distribution	555,412
Myanmar Group	450,421
FWACA Group	415,763
Mumbai Group	323,096
Ethiopia	27,797
Others	<u>66,206</u>
Total subject to expenditure for specified purpose	<u>17,807,716</u>

Subject to occurrence of specified events/passage of time:

Restricted for 2021	<u>357,836</u>
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Total net assets with donor restrictions	<u><u>\$ 18,165,552</u></u>
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*The Family Planning (FP) 2020 Global funding is restricted for South America Group, DR Congo, Egypt Group, Ethiopia, India Janani Group, India Mumbai Group, Mozambique, Myanmar Group, Nigeria, Pakistan, Philippines Group, Tanzania Group, West & Central Africa Group and Kenya & Uganda Group.

NOTE 11 - RETIREMENT PLAN

DKT maintains a tax-sheltered annuity plan according to the terms of Internal Revenue Code ("IRC") Section 403(b). All eligible U.S. employees may contribute a portion of their annual compensation to the

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020

plan in accordance with plan provisions. These contributions are made on a tax-deferred basis under a salary-reduction agreement. In addition, DKT contributes up to a maximum of 10% of each participant's salary to the plan. DKT's contribution to this plan totaled \$199,779 for the year ended December 31, 2020. Certain management-level international employees are given an equivalent percentage of compensation to use for funding their retirement.

NOTE 12 - RELATED PARTY

During the year ended December 31, 2020, DKT received \$8,900,000 in contributions from a board member. There were no amounts due from this related party at December 31, 2020.

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020

NOTE 13 - FAIR VALUE MEASUREMENT

The following table summarizes DKT's investments measured at fair value on a recurring basis as of December 31, 2020, aggregated by the fair value hierarchy level with which those measurements were made:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds:				
Large blend	\$ 22,534,091	\$ 22,534,091	\$ -	\$ -
Large growth	23,182,190	23,182,190	-	-
Large value	6,161,927	6,161,927	-	-
Emerging markets	2,249,932	2,249,932	-	-
Medium blend	5,451,206	5,451,206	-	-
Small blend	482,847	482,847	-	-
Small value	3,966,168	3,966,168	-	-
Total mutual funds	64,028,361	64,028,361	-	-
Equities:				
Communication	1,150,586	1,150,586	-	-
Consumer discretionary	2,931,560	2,931,560	-	-
Consumer staples	350,716	350,716	-	-
Energy	138,855	138,855	-	-
Financial	9,804,457	9,804,457	-	-
Healthcare	2,326,185	2,326,185	-	-
Industrial goods	5,036,697	5,036,697	-	-
Information technology	4,266,015	4,266,015	-	-
Materials	258,251	258,251	-	-
Total equities	26,263,322	26,263,322	-	-
Exchange-traded and closed-end funds	17,385,524	17,385,524	-	-
Total investments held at fair value	\$ 107,677,207	\$ 107,677,207	\$ -	\$ -
Cash	745,524			
Money market funds	1,304,371			
Unit investment trusts ^(a)	497,425			
Total investments	\$ 110,224,527			

^(a) This investment is measured at net asset value or its equivalent as a practical expedient and has not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020

to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

DKT used the following methods and significant assumptions to estimate fair value for assets recorded at fair value:

Mutual funds, equities, exchange-traded and closed-end funds - Measured using quoted market prices for identical assets in active markets.

NOTE 14 - INCOME TAX STATUS

DKT International Inc follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the consolidated financial statements if the position is more-likely-than-not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

DKT International Inc is exempt from federal income tax under provisions of Section 509 (a) as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") of 1986, as amended. The organization is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. Several of DKT's affiliates are organized as taxable entities in their respective countries. DKT has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. Income tax expense for the affiliates is calculated using the tax rates and tax law applicable to the fiscal periods to which the tax relates, based on taxable profit for the year. DKT International has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Several of DKT's affiliates are for-profit entities that are subject to income tax in their country of operation. Income tax expense for the affiliates is calculated using the tax rates and tax law applicable to the fiscal periods to which the tax relates, based on taxable profit for the year. Income tax expense for the year ended December 31, 2020, for such affiliates totaled \$4,768,656. The net deferred tax asset recognized by such affiliates for the year ended December 31, 2020, totaled \$1,411,289.

NOTE 15 - SUBSEQUENT EVENTS

In preparing these consolidated financial statements, DKT has evaluated events and transactions for potential recognition or disclosure through July 30, 2021, the date the consolidated financial statements were available to be issued. DKT is not aware of any subsequent events which would require recognition or disclosure in the consolidated financial statements.

SUPPLEMENTAL SCHEDULES

DKT International, Inc. and Affiliates
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
Year ended December 31, 2020

	DKT International, Inc.	South America Group	DR Congo	Egypt Group	Ethiopia	Ghana/ AWA Group	India Janani Group	India Mubai Group	Indonesia Group	Mexico	Mozambique	Myanmar Group	Nigeria
ASSETS													
Cash and cash equivalents	\$ 28,974,105	\$ 1,324,372	\$ 78,792	\$ 465,856	\$ 1,484,075	\$ 1,755,241	\$ 193,379	\$ 4,177,031	\$ 2,938,455	\$ 547,561	\$ 469,487	\$ 527,870	\$ 1,910,258
Grants and contributions receivable	8,822,151	-	-	-	-	-	-	-	-	-	-	-	-
Trade receivables, net of allowance	1,544	5,676,144	586,627	220,934	15,453	1,580,491	1,669,069	424,729	13,424,408	5,586,693	7,149	3,601	5,216,293
Due from affiliates	48,898,248	-	-	-	-	-	-	-	-	-	-	-	44,652
Inventory, net of allowance	65,614	5,558,781	2,093,679	548,146	2,321,168	2,539,538	376,153	1,273,381	2,382,816	4,694,320	755,833	1,223,968	3,698,644
Prepaid expenses	170,260	1,160,537	119,437	464,070	662,324	294,840	661,538	498,190	2,185,829	890,035	472,890	151,721	133,990
Deferred tax asset	-	255,544	-	18,837	-	-	-	693,823	174,875	65,463	-	-	-
Investments	110,208,041	-	-	-	-	-	-	-	-	2,514	-	-	-
Investment in affiliates	52,102,991	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	1,121,105	113,677	-	82,229	-	-	-	-	-	-	2,915	-	-
Property and equipment, net	150,885	590,970	542,192	124,935	476,810	810,673	591,201	92,398	208,935	84,136	182,077	50,885	1,375,355
TOTAL ASSETS	\$ 250,514,944	\$ 14,680,025	\$ 3,420,727	\$ 1,925,007	\$ 4,959,830	\$ 6,980,783	\$ 3,491,340	\$ 7,159,552	\$ 21,315,318	\$ 11,870,722	\$ 1,890,351	\$ 1,958,045	\$ 12,379,192
LIABILITIES AND NET ASSETS													
Liabilities													
Accounts payable and accrued expenses	\$ 5,413,326	\$ 4,971,685	\$ 1,274,229	\$ 597,867	\$ 3,805,602	\$ 1,504,052	\$ 2,104,177	\$ 1,242,776	\$ 6,980,241	\$ 7,945,554	\$ 35,838	\$ 165,365	\$ 5,540,502
Deferred Revenue	3,288,579	-	-	-	-	-	-	-	-	-	-	-	-
Contract liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to affiliates	494,652	6,750,000	-	4,824,058	-	-	-	-	2,006,059	2,852,089	-	1,017,811	-
Lines of credit and loans payable	8,519,110	4,059,836	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	17,715,667	15,781,521	1,274,229	5,421,925	3,805,602	1,504,052	2,104,177	1,242,776	8,986,300	10,797,643	35,838	1,183,176	5,540,502
Net assets													
Without donor restrictions													
Undesignated (deficit)	196,150,392	(1,101,496)	2,146,498	(3,496,918)	1,154,228	5,476,731	1,387,163	5,916,776	12,329,018	1,073,079	1,854,513	774,869	6,838,690
Board-designated	21,000,000	-	-	-	-	-	-	-	-	-	-	-	-
Total without donor restrictions	217,150,392	(1,101,496)	2,146,498	(3,496,918)	1,154,228	5,476,731	1,387,163	5,916,776	12,329,018	1,073,079	1,854,513	774,869	6,838,690
With donor restrictions	15,648,885	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET ASSETS	232,799,277	(1,101,496)	2,146,498	(3,496,918)	1,154,228	5,476,731	1,387,163	5,916,776	12,329,018	1,073,079	1,854,513	774,869	6,838,690
TOTAL LIABILITIES AND NET ASSETS	\$ 250,514,944	\$ 14,680,025	\$ 3,420,727	\$ 1,925,007	\$ 4,959,830	\$ 6,980,783	\$ 3,491,340	\$ 7,159,552	\$ 21,315,318	\$ 11,870,722	\$ 1,890,351	\$ 1,958,045	\$ 12,379,192

DKT International, Inc. and Affiliates

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION - CONTINUED

Year ended December 31, 2020

	Pakistan	Philippines Group	Singapore	Tanzania Group	Turkey Group	West Africa Group	Vietnam Group	Kenya & Uganda Group	United Kingdom Group	United States	Subtotal	Eliminating Entries	Combined Total
ASSETS													
Cash and cash equivalents	\$ 3,420,870	\$ 13,311,311	\$ 922,063	\$ 1,536,393	\$ 676,085	\$ 787,055	\$ 974,050	\$ 1,251,275	\$ 3,635,498	\$ 1,529,120	\$ 72,890,202	\$ -	\$ 72,890,202
Grants and contributions receivable	-	-	-	-	-	-	-	-	-	1,500,000	10,322,151	-	10,322,151
Trade receivables, net of allowance	616,085	5,240,604	-	156,041	1,635,739	2,027,377	427,185	1,292,399	3,602,970	433,286	49,844,821	(298,127)	49,546,694
Due from affiliates	-	1,915	2,830,009	-	-	-	449,114	-	-	-	52,223,938	(52,223,938)	-
Inventory, net of allowance	3,920,527	5,428,588	-	949,495	679,046	1,291,945	278,642	893,239	2,064,488	67,563	43,105,574	(1,739,349)	41,366,225
Prepaid expenses	311,269	957,337	18,830	84,957	87,472	290,237	296,198	196,809	573,468	52,362	10,734,600	-	10,734,600
Deferred tax asset	-	114,477	-	28,990	-	-	-	74,758	-	-	1,426,767	-	1,426,767
Investments	-	-	-	-	13,972	-	-	-	-	-	110,224,527	-	110,224,527
Investment in affiliates	-	-	-	-	-	-	-	-	-	-	52,102,991	(52,102,991)	-
Other assets	-	20,264	-	-	-	-	-	-	-	21,279	1,361,469	-	1,361,469
Property and equipment, net	1,692,772	3,320,586	1,295	165,976	121,182	737,094	29,290	84,654	34,317	249,301	11,717,919	-	11,717,919
TOTAL ASSETS	\$ 9,961,523	\$ 28,395,082	\$ 3,772,197	\$ 2,921,852	\$ 3,213,496	\$ 5,133,708	\$ 2,454,479	\$ 3,793,134	\$ 9,910,741	\$ 3,852,911	\$ 415,954,959	\$ (106,364,405)	\$ 309,590,554
LIABILITIES AND NET ASSETS													
Liabilities													
Accounts payable and accrued expenses	\$ 1,735,190	\$ 3,144,620	\$ 2,299,493	\$ 205,934	\$ 859,010	\$ 2,172,127	\$ 476,931	\$ 945,736	\$ 6,007,950	\$ 371,878	\$ 59,800,083	\$ (291,389)	\$ 59,508,694
Deferred Revenue	1,406,100	-	-	-	-	-	-	-	-	-	4,694,679	-	4,694,679
Contract liabilities	-	-	-	-	-	-	-	-	-	46,968	46,968	-	46,968
Due to affiliates	-	3,430,674	500,000	1,806,823	2,691,626	21,547,515	653,789	455,736	3,196,327	-	52,227,159	(52,227,159)	-
Lines of credit and loans payable	-	1,451,988	-	-	-	-	-	-	-	317,382	14,348,316	-	14,348,316
TOTAL LIABILITIES	3,141,290	8,027,282	2,799,493	2,012,757	3,550,636	23,719,642	1,130,720	1,401,472	9,204,277	736,228	131,117,205	(52,518,548)	78,598,657
Net assets													
Without donor restrictions													
Undesignated (deficit)	6,820,233	20,367,800	972,704	909,095	(337,140)	(18,585,934)	1,323,759	2,391,662	706,464	600,016	245,672,202	(53,845,857)	191,826,345
Board-designated	-	-	-	-	-	-	-	-	-	-	21,000,000	-	21,000,000
Total without donor restrictions	6,820,233	20,367,800	972,704	909,095	(337,140)	(18,585,934)	1,323,759	2,391,662	706,464	600,016	266,672,202	(53,845,857)	212,826,345
With donor restrictions	-	-	-	-	-	-	-	-	-	2,516,667	18,165,552	-	18,165,552
TOTAL NET ASSETS	6,820,233	20,367,800	972,704	909,095	(337,140)	(18,585,934)	1,323,759	2,391,662	706,464	3,116,683	284,837,754	(53,845,857)	230,991,897
TOTAL LIABILITIES AND NET ASSETS	\$ 9,961,523	\$ 28,395,082	\$ 3,772,197	\$ 2,921,852	\$ 3,213,496	\$ 5,133,708	\$ 2,454,479	\$ 3,793,134	\$ 9,910,741	\$ 3,852,911	\$ 415,954,959	\$ (106,364,405)	\$ 309,590,554

DKT International, Inc. and Affiliates
CONSOLIDATING SCHEDULE OF ACTIVITIES
Year ended December 31, 2020

	DKT International, Inc.	South America Group	DR Congo	Egypt Group	Ethiopia	Ghana/ AWA Group	India Janani Group	India Mubai Group	Indonesia Group	Mexico	Mozambique	Myanmar Group	Nigeria
REVENUE AND SUPPORT													
Sales, net of discounts	\$ -	\$ 19,623,579	\$ 2,979,867	\$ 1,498,777	\$ 5,284,709	\$ 5,150,836	\$ 4,489,760	\$ 6,950,484	\$ 25,407,491	\$ 15,425,850	\$ 671,570	\$ 1,767,435	\$ 11,463,448
Grants and contributions	53,771,618	-	3,712,493	-	3,819,601	309,051	1,629	-	-	-	303,519	324,135	-
Grants from affiliates	750,000	-	8,764,199	249,219	1,925,107	5,328,824	2,368,329	3,014,456	-	-	2,770,338	1,121,444	4,932,710
Investment income (loss)	14,805,678	(42,607)	9,275	1,430	-	115,893	17,359	62,514	174,095	-	19,087	15,973	37
Earnings from affiliates	-	-	-	-	-	-	-	-	-	-	-	-	-
Service fees from affiliates	5,240,900	-	-	-	-	-	-	-	-	-	-	-	-
Other income	117,953	219,012	5,520	27,394	140,189	15,882	216	261	-	18,481	3,520	5	4,764
TOTAL REVENUE AND SUPPORT	74,686,149	19,799,984	15,471,354	1,776,820	11,169,606	10,920,486	6,877,293	10,027,715	25,581,586	15,444,331	3,768,034	3,228,992	16,400,959
EXPENSES AND LOSSES													
Cost of goods sold – products	-	9,325,125	3,231,972	745,483	7,197,790	3,907,761	1,498,496	3,583,063	13,350,002	6,457,019	805,287	1,155,448	13,610,235
Salaries and fringe benefits	7,302,645	4,153,474	3,228,273	959,178	2,376,408	1,443,473	3,319,273	2,916,016	2,088,734	3,032,032	1,473,315	516,523	1,384,677
Advertising and promotion	1,774	2,806,154	1,324,716	206,025	1,093,298	1,113,347	136,988	977,759	3,188,727	2,148,521	308,025	726,708	1,216,805
Professional fees	2,539,764	1,380,168	1,087,399	152,734	212,219	303,646	253,525	58,147	361,969	532,496	63,241	81,258	152,024
Travel and related expenses	60,947	77,113	1,786,846	81,891	457,014	604,562	570,599	716,840	257,212	273,241	245,429	96,329	363,008
Rent and Insurance	201,216	758,311	403,000	112,079	322,681	345,314	310,582	140,162	223,093	1,267,826	158,503	114,341	263,590
Trainings, meetings and conferences	11,065	25,264	1,181,499	1,537	284,547	539,079	83,640	3,338	53,195	36,413	14,931	13,139	22,737
Contributions, outreach and grants to partners	493,500	-	40,781	-	209,952	-	1,184,775	-	-	20,913	-	-	-
Depreciation and amortization	-	143,565	246,611	53,293	210,281	262,157	107,619	23,883	84,461	16,595	153,745	15,265	316,306
Office expenses	64,798	158,631	529,594	64,854	251,356	244,761	50,354	89,881	48,114	165,547	138,317	10,978	334,051
Licenses and taxes	441,821	174,679	560,798	-	-	-	38	248,567	8,980	45,823	130,585	4,067	34,313
Product development	-	282,742	608,349	15,400	50,259	102,843	53,785	18,626	76,554	271,931	45,021	287,577	46,895
Income tax (benefit) provision	-	(65,844)	-	-	-	-	-	47,897	1,197,551	-	-	-	-
Telephone, facsimile and utilities	45,965	59,996	331,193	16,459	20,471	282,028	62,051	52,136	55,590	40,060	37,997	9,661	65,129
Interest	540,797	282,183	1	-	-	-	1,448	49	167,406	172,089	3,739	-	-
Repairs and maintenance	-	3,795	155,193	-	8,519	81,814	79,108	13,213	13,684	13,089	5,161	10,627	224,353
Bank charges	16,898	64,998	95,553	4,159	416	53,955	59	3,791	5,402	10,523	9,164	8,627	59,155
Obsolete inventory expense	-	76,028	84,826	29,063	373,180	78,135	1,625	60,773	-	95,111	-	202,449	-
Bad debt	-	7,179	-	5,299	-	-	-	24,314	32,858	-	-	-	928,319
Other	35,043	527,293	24,227	4,230	-	281,414	2,703	49,291	-	120,460	-	-	7,798
Program expenses	46,416,609	-	-	-	-	-	-	-	-	-	-	-	-
Service fees to affiliates	-	-	-	-	292,179	-	-	-	2,302,115	-	-	-	-
TOTAL EXPENSES	58,172,842	20,240,854	14,920,831	2,451,684	13,360,570	9,644,289	7,716,668	9,027,746	23,515,647	14,719,689	3,592,460	3,252,997	19,029,395
Foreign currency exchange losses (gains)	(40,019)	1,717,680	108,728	(68,096)	32,301	(40,390)	16,745	(3,132)	(158,122)	259,335	38,455	(318,831)	(102,827)
TOTAL EXPENSES AND LOSSES	58,132,823	21,958,534	15,029,559	2,383,588	13,392,871	9,603,899	7,733,413	9,024,614	23,357,525	14,979,024	3,630,915	2,934,166	18,926,568
Change in net assets before foreign currency translation, equally converted to loan and additional paid in capital	16,553,326	(2,158,550)	441,795	(606,768)	(2,223,265)	1,316,587	(856,120)	1,003,101	2,224,061	465,307	137,119	294,826	(2,525,609)
Foreign currency translation gain (loss)	-	473,183	-	(45,322)	80,002	(113,335)	112,636	(88,768)	360,876	6,154	(328,288)	124,898	(536,194)
Loan converted to equity	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional capital issued	-	340,892	-	-	-	-	96,469	-	-	-	358,242	-	-
CHANGE IN NET ASSETS	16,553,326	(1,344,475)	441,795	(652,090)	(2,143,263)	1,203,252	(647,015)	914,333	2,584,937	471,461	167,073	419,724	(3,061,803)
NET ASSETS (DEFICIT), BEGINNING OF YEAR	216,245,951	242,979	1,704,703	(2,844,828)	3,297,491	4,273,479	2,034,178	5,002,443	9,744,081	601,618	1,687,440	355,145	9,900,493
NET ASSETS (DEFICIT), END OF YEAR	\$ 232,799,277	\$ (1,101,496)	\$ 2,146,498	\$ (3,496,918)	\$ 1,154,228	\$ 5,476,731	\$ 1,387,163	\$ 5,916,776	\$ 12,329,018	\$ 1,073,079	\$ 1,854,513	\$ 774,869	\$ 6,838,690

DKT International, Inc. and Affiliates
CONSOLIDATING SCHEDULE OF ACTIVITIES - CONTINUED
Year ended December 31, 2020

	Pakistan	Philippines Group	Singapore	Tanzania Group	Turkey Group	West Africa Group	Vietnam Group	Kenya & Uganda Group	United Kingdom Group	United States	Subtotal	Eliminating Entries	Combined Total
REVENUE AND SUPPORT													
Sales, net of discounts	\$ 2,332,898	\$ 28,950,314	\$ 11,566,725	\$ 1,121,034	\$ 3,623,399	\$ 3,518,241	\$ 3,971,998	\$ 1,564,131	\$ 19,348,288	\$ 4,448,399	\$ 181,159,233	\$ (13,461,660)	\$ 167,697,573
Grants and contributions	1,411,666	-	-	17,546	-	207,678	-	-	-	3,025,690	66,904,626	-	66,904,626
Grants from affiliates	6,826,333	173,027	-	2,631,172	-	1,959,122	1,098,331	3,482,514	975,000	950,000	49,320,125	(49,320,125)	-
Investment income (loss)	66,534	10,592	1	-	73,516	-	17,412	(54,118)	1,439	-	15,294,110	-	15,294,110
Earnings from affiliates	-	-	-	-	-	-	-	-	-	-	-	-	-
Service fees from affiliates	-	-	-	-	-	-	-	-	-	-	5,240,900	(5,240,900)	-
Other income	-	194,360	-	50,208	79	277,699	29	2,648	7,201	16,391	1,101,812	(109,976)	991,836
TOTAL REVENUE AND SUPPORT	10,637,431	29,328,293	11,566,726	3,819,960	3,696,994	5,962,740	5,087,770	4,995,175	20,331,928	8,440,480	319,020,806	(68,132,661)	250,888,145
EXPENSES AND LOSSES													
Cost of goods sold – products	1,652,690	12,786,984	7,714,337	1,103,429	1,931,481	2,477,963	2,940,743	1,872,893	14,683,759	1,370,103	113,402,063	(11,722,311)	101,679,752
Salaries and fringe benefits	1,461,095	1,824,145	-	496,767	76	3,177,659	566,996	737,390	1,821,209	2,369,187	46,648,545	-	46,648,545
Advertising and promotion	2,707,733	4,253,078	-	254,573	1,231,304	3,067,139	489,709	747,709	205,237	930,785	29,136,114	-	29,136,114
Professional fees	120,861	292,448	45,722	133,858	518,475	702,830	136,528	51,320	1,451,011	1,067,143	11,698,786	-	11,698,786
Travel and related expenses	375,043	427,575	-	114,646	-	724,909	22,241	119,214	109,779	29,477	7,513,915	-	7,513,915
Rent and Insurance	220,096	446,343	-	96,461	-	189,269	75,285	92,023	369,091	408,652	6,517,918	-	6,517,918
Trainings, meetings and conferences	142,309	303,060	-	53,304	-	1,673	256	90,868	34,111	26,742	2,922,707	-	2,922,707
Contributions, outreach and grants to partners	-	-	-	-	-	-	4,447	-	-	36,176	1,990,544	-	1,990,544
Depreciation and amortization	112,505	230,436	676	148,971	-	431,414	8,725	50,316	8,245	178,877	2,803,946	-	2,803,946
Office expenses	15,433	61,904	29	83,322	-	53,034	25,961	70,757	43,342	99,972	2,604,990	-	2,604,990
Licenses and taxes	331	162,630	840	16,048	-	120,408	43,834	-	21,035	5,576	2,020,373	-	2,020,373
Product development	97,032	3,124	-	-	-	-	-	-	491,301	-	2,451,439	-	2,451,439
Income tax (benefit) provision	47,193	2,775,052	184,181	1,479	32,506	49,794	-	285,783	213,063	-	4,768,655	-	4,768,655
Telephone, facsimile and utilities	25,815	25,032	-	27,095	-	257,089	1,760	-	13,250	55,477	1,484,254	-	1,484,254
Interest	-	108,159	-	18,209	3,879	-	15,929	-	-	2,082	1,315,970	-	1,315,970
Repairs and maintenance	9,887	9,996	-	6,005	-	50,247	-	-	133	9,974	694,798	-	694,798
Bank charges	8,027	4,315	8,934	3,501	-	28,882	1,665	8,925	40,461	12,536	449,946	-	449,946
Obsolete inventory expense	425	16,895	-	63,510	11,329	-	-	-	95,588	-	1,188,937	-	1,188,937
Bad debt	-	54,175	-	22,886	-	105,405	-	55	-	9,222	1,189,712	-	1,189,712
Other	9,789	77,770	829	2,996	-	75,752	3,342	-	3,960	-	1,226,897	-	1,226,897
Program expenses	-	-	-	-	-	-	-	-	2,900,000	-	49,316,609	(49,316,609)	-
Service fees to affiliates	-	-	2,646,580	-	-	-	-	-	-	110,001	5,350,875	(5,350,875)	-
TOTAL EXPENSES	7,006,264	23,863,121	10,602,128	2,647,060	3,729,050	11,513,467	4,337,421	4,127,253	22,504,575	6,721,982	296,697,993	(66,389,795)	230,308,198
Foreign currency exchange losses (gains)	55,994	(80,960)	1,894	(358,968)	472,041	(1,398,456)	4,481	(74,119)	50,314	-	114,048	-	114,048
TOTAL EXPENSES AND LOSSES	7,062,258	23,782,161	10,604,022	2,288,092	4,201,091	10,115,011	4,341,902	4,053,134	22,554,889	6,721,982	296,812,041	(66,389,795)	230,422,246
Change in net assets before foreign currency translation, equally converted to loan and additional paid in capital	3,575,173	5,546,132	962,704	1,531,868	(504,097)	(4,152,271)	745,868	942,041	(2,222,961)	1,718,498	22,208,765	(1,742,866)	20,465,899
Foreign currency translation gain (loss)	(66,521)	898,072	-	17,873	313,891	(1,793,193)	7,203	(122,618)	32,502	-	(666,949)	401,446	(265,503)
Loan converted to equity	-	-	-	796,652	-	-	-	-	-	-	796,652	(796,652)	-
Additional capital issued	-	770,021	10,000	-	-	(128,706)	-	-	-	-	1,446,918	(1,446,918)	-
CHANGE IN NET ASSETS	3,508,652	7,214,225	972,704	2,346,393	(190,206)	(6,074,170)	753,071	819,423	(2,190,459)	1,718,498	23,785,386	(3,584,990)	20,200,396
NET ASSETS (DEFICIT), BEGINNING OF YEAR	3,311,581	13,153,575	-	(1,437,298)	(146,934)	(12,511,764)	570,688	1,572,239	2,896,923	1,398,185	261,052,368	(50,260,867)	210,791,501
NET ASSETS (DEFICIT), END OF YEAR	\$ 6,820,233	\$ 20,367,800	\$ 972,704	\$ 909,095	\$ (337,140)	\$ (18,585,934)	\$ 1,323,759	\$ 2,391,662	\$ 706,464	\$ 3,116,683	\$ 284,837,754	\$ (53,845,857)	\$ 230,991,897