



ANNUAL REPORT 2019

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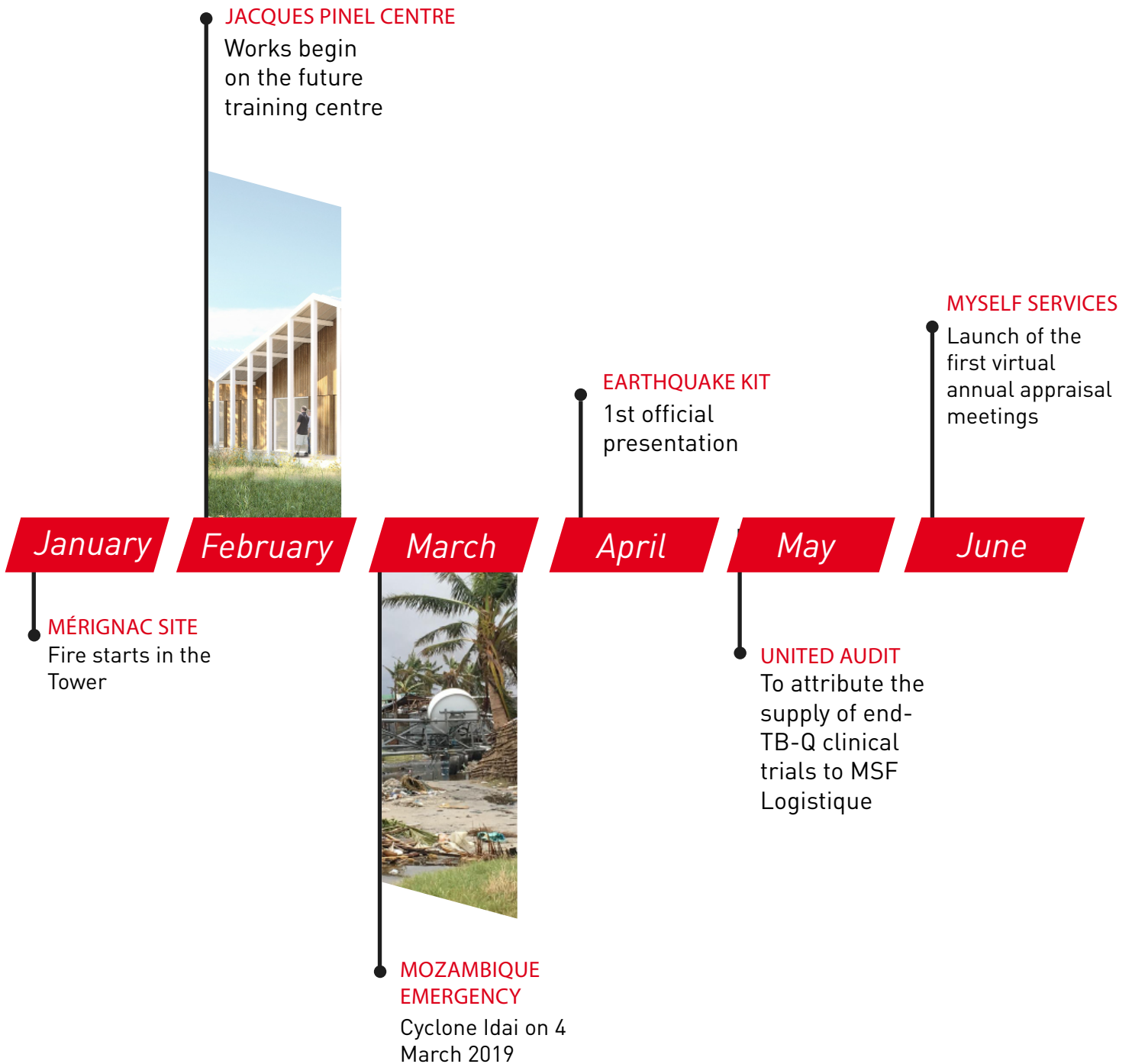
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KEY 2019 EVENTS



**TURKISH
CUSTOMS
BLOCKAGE**

For exports to
Syria



SERIALISATION

Delivery of the
serialisation project
and launch of drugs
decommissioning

BLANQUEFORT

Termination of
lease and sub-
contracting
of activity to
the service
provider Le Roy
Logistique

July

August

September

October

November

December



HERITAGE DAY

More than 500
visitors



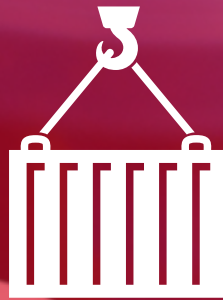
**DEMOCRATIC REPUBLIC
OF CONGO**

Organisation and
transportation
of new Ebola
vaccines

2019 IN FIGURES



172
EMPLOYEES



4,497
TONNES
DISPATCHED



€102
MILLION
TURNOVER



15,371
PRODUCTS
IN THE
CATALOGUE



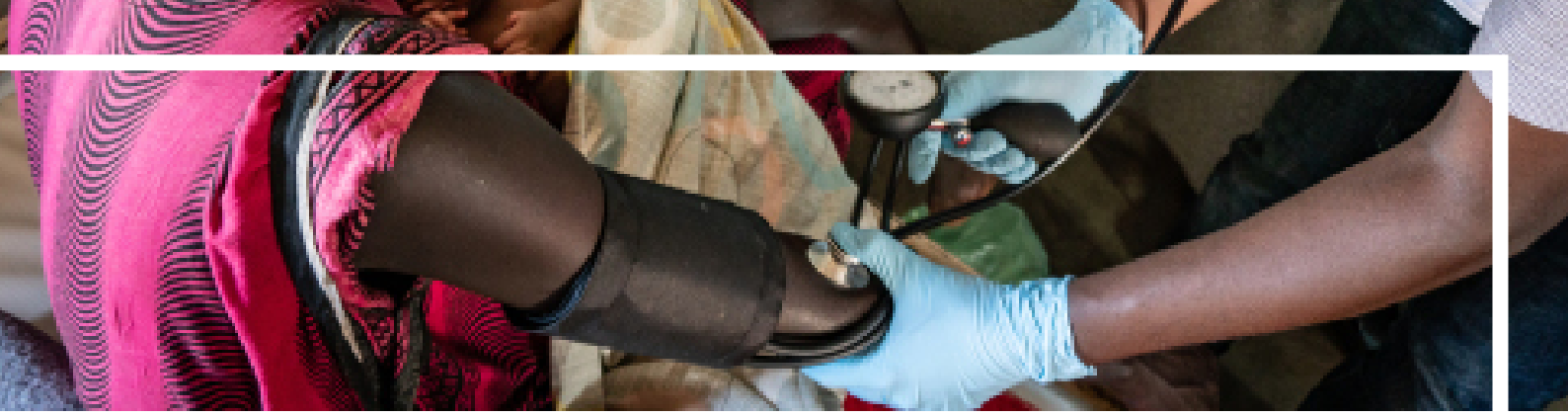
€21
MILLION
STOCK VALUE



4,810
PRODUCTS IN
STOCK



7,273
KITS
ASSEMBLED



THERAPEUTIC
FOOD



-51.9%

2018	2019
3,237,810	1,555,950



VACCINES



3.7%

2018	2019
1,796,731	1,862,768



DRUGS



-8.8%

2018	2019
234,214,869	213,665,037



VEHICLES



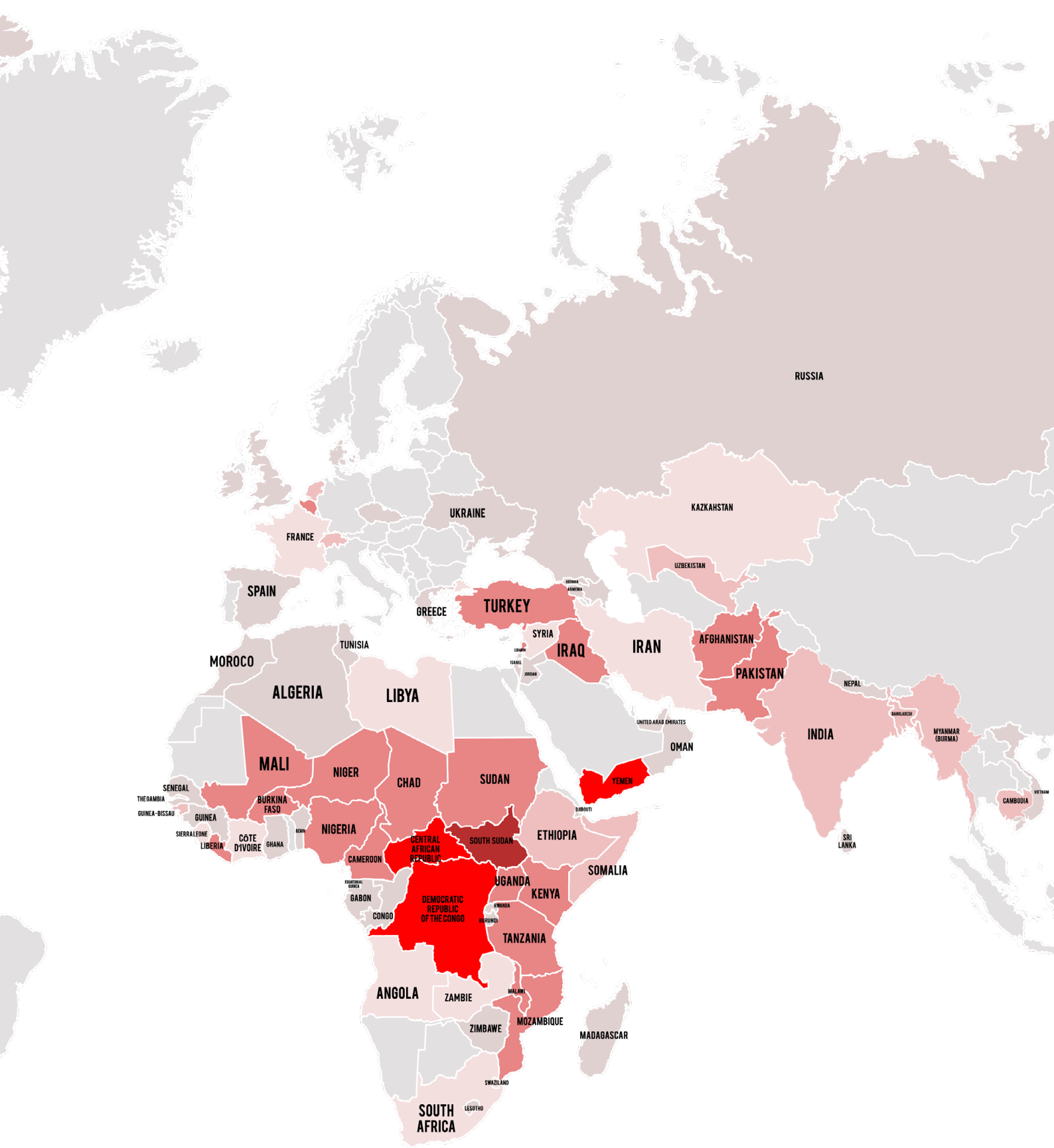
-35.2%

2018	2019
128	83

**Per unit sent to the field*

BREAKDOWN OF ORDERS PER COUNTRY





OUR PRODUCTS

IN €M	2014	2015	2016	2017	2018	2019	CHANGE
Medical	42	55.3	65.6	62.9	67.2	64.7	-4%
Logistics	10	15.9	12.2	10.9	10.9	9.3	-15%
Food	1.7	2.1	2.7	1.4	1.13	0.9	-17%
TOTAL GOODS ACTIVITY	53.7	73.3	80.5	75.1	79.21	75.0	-5%
Freight	9.2	12.7	12.5	10.4	12.0	10.6	-12%
Air Operations Unit	13.1	20.9	21.7	16.6	14.6	16.0	9%
Customer Service	0.1	0	0.1	0.0	0.1	0.1	43
TOTAL SERVICES ACTIVITY	22.4	33.6	34.3	27.0	26.7	26.6	0%
TOTAL TURNOVER	76.1	106.9	114.8	102.1	105.9	101.6	-4%

OUR PARTNERS AND CLIENTS

PARTNER	IN €M						CHANGE
	2014	2015	2016	2017	2018	2019	2019/2018
OCP	25.4	38.2	39.4	37.1	38.2	34.4	-10%
OCG	19.3	26.5	30.7	22.4	25.9	20.8	-20%
OCBa	9.7	16.9	19.9	19.2	20.9	18.4	-12%
TOTAL	54.4	81.6	90.1	78.6	85.0	73.6	-13%
OCB	6.3	7.4	7.5	5.6	6.1	8.1	33%
OCA (including APU)	8.5	12.0	11.9	12.3	9.0	9.0	1%
SUPPLY	2.5	2.3	2.1	2.6	2.0	2.4	20%
Other MSF	0.5	0.5	0.6	0.4	0.3	0.0	-99%
TOTAL MSF PARTNERS	72.3	104.0	112.2	99.5	102.3	93.1	-9%
TOTAL NON-MSF PARTNERS / CLIENTS	3.9	2.9	2.6	2.6	3.6	8.5	136%
TOTAL ALL ENTITIES	76.2	106.9	114.8	102.1	105.9	101.6	-4%

ACTIVITY REPORT

OPERATIONAL CONTEXT

The ten main countries of intervention for MSF Logistique in 2019 were for the most part identical to 2018: Central African Republic, Democratic Republic of Congo, South Sudan, Yemen, Niger, Sudan, Nigeria, Mali, Cameroon and Kenya.

The supply volume to Iraq and Syria fell sharply in 2019, compared to previous years, due to the operational and security context.

Yemen and the DRC alone represented 23% of the total amount of confirmed order lines. In Yemen, the continuing substantial operational volume (MSF provides aid to the populations of 11 governorates) was linked to the deterioration of the already severely impoverished situation of this country since 2015 and the conflict opposing the Houthi movement and the coalition led by Saudi Arabia and the Arab Emirates.

In the DRC, the 'regular' presence of MSF is among its largest operations. 2019 saw an intervention on the 10th Ebola epidemic which emerged in August 2018 in the west of the country.

The supply of protective gear for teams was carried out thanks to intersected coordination and collaboration with the SUKA logistics antenna based in Uganda.

Also in the DRC, the MSF teams have been fighting the world's largest measles epidemic for more than two years.



In terms of classifications, Emergency orders represented 6.4% of order lines (steady decline since 2017), while ASAP orders rose from 14 to 19% and regular orders remained stable at around 75%.

It must be noted that, since 2019, the 'Emergency' classification is no longer linked to the desk making the request (regular desk/ emergency desk) but to the requested preparation lead time.

In Mozambique, MSF Logistique provided logistic support to the Médecins Sans Frontières teams with the dispatch of several dozen tonnes of drugs and equipment in the days following Cyclone Idai. The aim of this intervention was to ensure the continuity of medical activities and treat affected populations in highly remote and inaccessible areas.

MSF also led actions in the aftermath of Cyclone Idai outside of Mozambique, in neighbouring countries that were also hit, i.e. Malawi and Zimbabwe.

In the first half of 2019, for all orders within a crisis context, an emergency coordinator served as interface between operational centres/other partners and MSF Logistique, in order to centralise information and coordinate the various MSF Logistique sectors and services.

It must also be noted that a 1st version of the 4-day earthquake kit, developed by OCP to ensure initial emergency surgical care, was rolled out in MSF Logistique in late March.

ACTIVITY REPORT

Concerning the level of our main activity, the number of confirmed order lines was 10% lower than in 2018.

This drop followed a year (2018) in which activities levelled out after rising constantly for several years.

As a result, 2019 showed a deficit (-€1.3M) against a forecast of breaking even, despite a price adjustment validated by the BoD in 2018 that came into effect on 1st January 2019.

The aim of this new model was to reflect more accurately the economic reality of our activities, by taking better account of the complexity and constraints of processing orders, and also of certain activities, such as returns to stock.

The drop in revenue from activity linked to the MSF sections compared to the forecasts was partially offset by activity with external partners, in particular the WHO.

The latter will be receiving particular attention in 2020 in order to integrate them more effectively and allow them access to some of our operational tools.

This context of consecutive years of deficit and stabilisation must lead us to rethink our organisation in 2020.

In particular, it must be analysed in light of the information provided by our internal procedures (PH/QWL survey - see below) and the strategic and organisational changes made by Médecins Sans Frontières and our external partners.

The results of this analysis will be incorporated into the MSF Logistique strategic plan to be drawn up in the coming years.

In addition to this information, it must be noted that the decision was made in December to appeal the verdict of Bordeaux Administrative Court relative to the tax claim on VAT and payroll tax.

PROJECT STATUS

Studies initiated at the start of the year for the overhaul of our logistics plan led to the launch in 2019 of major projects for our Mérignac and Dubai platforms.

The first concerns the Mérignac platform. It stems from a need to develop a model enabling us to adjust our structural costs.

The second aim of this project is to provide greater agility and flexibility on our stock volume flows, in order to cope with the peaks and falls in demand intrinsically linked to humanitarian logistics.

It will allow us to boost our capacity to absorb changing needs in terms of storage space (rises in particular). This in turn will enable us to respond with greater flexibility and rapidity in this area (by calling on rapidly available additional storage space in the vicinity).

In mid 2019, the decision was made to sub-contract to a logistics provider the activity of a warehouse that was under a lease due to terminate at the end of the year. The first phase of this project was finalised in late December with the handing over of the keys to the building to the service provider who had been selected. The project will carry on in 2020 with the interfacing of our information systems to ensure the fluidity and reliability of exchanges.

Regarding the Dubai platform, the project initiated 2 years ago for the distribution of thirty medical items for Yemen, was endorsed, thus strengthening the regional role of the platform.

The pilot phase revealed the limits of order management between our two platforms, which are still overly manual.

In this context, a project was thus launched to improve and automate our order flows between Mérignac and Dubai. This project was initiated in 2019 and will be rolled out in 2020 to accelerate the development of activity in Dubai.

Directly linked to Dubai, the project to develop our procurement in Asia would enable us to take greater advantage of our presence in the UAE and become less centralised on Europe in terms of procurement, as is the case at present.

The aims are as follows:

- Reduce the risks arising from mono-sourcing for certain items
- Save money by targeting the procurement of specific (high volume) products via the Asian market
- Reduce lead times to the field by using regional platforms or direct delivery by the supplier

While maintaining a high level of quality, the identification of new options would enable us to reduce certain costs, move away from a mono-sourcing situation for certain items, and benefit from a supply plan which is better adapted to current operational activities.

This project is receiving TIC funding (Transformational Investment Capacity - MSF Platform, in support of innovative projects).

Regarding the Procurement/Technical Advice Department, in September it was placed under the shared responsibility of three departments (Human Resources, Supply Chain and Pharmaceutical Establishment), following the departure of several managers and staff.

The fixed-term appointment of a deputy manager for procurement and technical advice will be enacted in early 2020. The specific aims of this appointment are to provide an operational report on the department for recent years and define the guidelines for the future organisation, in keeping with the more general reorganisation of MSF Logistique.

The European Directive on 'Serialisation', which is aimed at fighting falsified medicines, came into effect in early 2019. This directive requires unitary (box by box) traceability of medicinal products, from the production site to the end user. (Decommissioning process)

A project conducted in 2018 enabled the production in mid-October of tools to process the vast majority of our products and determine their status (serialised or not).

The main impact concerns the restocking lead time (lead time to be streamlined as decommissioning progresses).

Serialisation also impacts the occupation of space in our medical reception area, as products for decommissioning are stored for longer periods there, pending processing.

The Standard Lead Time project was also partially implemented in late 2019.

This project had 2 key aims:

- To measure and provide greater visibility for teams of the processing times for international orders.
- To assess and question these lead times (proposal for a segmentation into 10 steps, further to the Deloitte audit).

In practical terms, as soon as an order is placed in the field, the standard delivery time and an estimated date of delivery will be established.

This will enable greater visibility in the field on processing and dispatching lead times and will allow field staff to adapt orders accordingly (in terms of quantity or frequency of orders).

This project will also allow us to measure specific MSF Logistique indicators relative to processing, preparation and dispatch lead times for orders.

Regarding the indicators and reliability of our data, the steering committee of the DataGo project has decided to attach the Data Governance Department to the financial department in order to pursue the roll-out of the general policy for data governance.

On the Human Resources side, the HRIS (Human Resources Information System) project is ongoing, following the delivery in October 2018 of the first phase for time & activity management.

The first virtual annual appraisal meetings were launched in June, via the 'MySelf services, the New MSF Logistique HRIS'.

The collective agreement for daily rates was signed in November and the elections were held in December for the Social & Economic Committee, the merger of the Staff Representatives, Works Committee and Hygiene & Safety bodies.

Regarding the policy for quality of working life, launched in late 2018 and in association with the Psycho-social Risk Prevention (PRP) programme, an action plan was finalised and validated in November.*

It was the fruit of targeted Situation-Problem analysis workshops, organised in response to the results of the satisfaction survey, and will be implemented in 2020.

In February, building work began on the Jacques Pinel Training Centre, a venue dedicated to sharing experience and to the development of humanitarian practices and technical tools.

It will be part of the MSF Logistique site in Mérignac, which will thus house the Jacques Pinel centre and the association's procurement & supply centre.

Research & Development and the training of national and international MSF staff are key factors in the success of actions led by the charity's teams in the field.

The opening of the Jacques Pinel centre and its location at the heart of MSF Logistique will enable the development of synergies between various professions and departments, and will meet MSF's strategic focus points.

Its task is to:

- Host briefing meetings and staff training sessions for MSF and other humanitarian organisations.
- Provide a test area, thus enabling innovation and the development of new tools for emergency aid and operational manoeuvres.
- Enable/facilitate interaction between the supply centre teams and MSF operational centres.

LAURENT SURY

Managing Director, MSF Logistique

JACQUES PINEL TRAINING CENTRE



AIR OPERATIONS UNIT SPOTLIGHT

The 'Air Operations Unit' is an international entity that is part of MSF Logistique and serves the five operational sections. On their behalf, it manages charters of aircraft and helicopters operated by MSF field missions.

The bi-annual 2018/2019 action plan comprised a number of chapters and was approved by the Air Operations Unit management committee in 2017. It is being closely monitored as works progress.

The aim of this process is to find the right balance between technical, political and legal progress on one hand, and the operational requirements and professional principles of aviation on the other.

It also allows collective work to be conducted between the various sections to ensure a common approach across the entire MSF movement.

The programme for this second year is in line with the initial plan and the aims already achieved in 2018.

EMERGENCIES

Agreement with the MSF operational centres on standard methods for the roll-out of a rapid and safe air operation in response to emergency situations.

In 2019, the air unit brought its support to emergency operations in:

- Mozambique (Hurricane - 3 helicopters over 3 weeks)
- South Sudan (Flooding - 1 helicopter for 7 weeks)

These and upcoming interventions should enable us to develop our response to emergencies.

LEGAL AFFAIRS

The responsibilities of all the agents involved in an MSF air operation have been clarified. More technical work involving specialised legal experts is still required, however.

STANDARD OPERATIONAL PROCEDURES (SOP)

These procedures were validated for the various air support operations and now include a development and implementation aspect to be pursued in 2020.



17 OPERATIONS WITH AIRCRAFT INCLUDING 12 EXCLUSIVE MSF INTERVENTIONS AND 5 IN



5 OPERATIONS WITH HELICOPTERS INCLUDING 4 EXCLUSIVE MSF INTERVENTIONS AND 1 IN COLLABORATION WITH THE ICRC



20,000 PASSENGERS



991 TONNES OF GOODS



8,600 FLIGHT HOURS

CHAIRMAN'S REPORT

2019 was a tumultuous year for the centre, with many tensions, conflicts and debates, questions as to the direction to be taken, the replacement of the managing director and the departure of 3 managers. A new era is dawning with an upcoming reorganisation for a more collaborative working method which will be the focal point of the new management's road map. Despite internal upheavals, the demands of major operations linked to catastrophes, such as the operation in Mozambique, drove closer collaboration between the staff in Mérignac.



The main countries of intervention for MSF Logistique in 2019 were for the most part identical to 2018: Central African Republic, South Sudan, Niger, Sudan, Nigeria, Mali, Cameroon, Kenya and, of course, the Democratic Republic of Congo and Yemen, the latter two representing 23% of order lines: in the DRC in response to the Ebola epidemic, specifically with coordinated supply of protective gear to the teams, in addition to the response to the one of the world's largest measles epidemics; in Yemen to work with the help of the Dubai platform to support the large volume of operations in all MSF operational centres, with major dispatch challenges in an ongoing context of conflict.

The supply volume to Iraq and Syria fell sharply in 2019, compared to previous years, due to the operational and security context.

As indicated in the activity report, the number of confirmed order lines was 10% lower than in 2018. 2019 showed a deficit of -€1.3M against a forecast that we would break even. This came in spite of a new price adjustment model aimed at reflecting more accurately the economic reality of our activities, by taking better account of the complexity and constraints of processing orders and of certain activities, such as returns to stock. There is most certainly room for improvement and the model will be brought under review.

The drop in the revenues from activity with MSF sections in relation to the forecast was partially offset by activity with external partners, in particular the WHO.

This context of consecutive years of deficit and stabilisation forces us to rethink our organisation in 2020. Our overhead costs and operational & financial models must all be examined. We invite the new management, in association with all MSF Logistique teams, to initiate this examination for a revised strategic plan.

PEOPLE

There was no rise in staff numbers (for the first time), but a slight drop in FTE, for an almost identical level of activity. As I mentioned, labour relations were particularly tense in 2019. Late December 2018 had been marked by significant levels of frustration and strong disagreements between management and staff representatives, with the latter opting for mass resignation in reaction to their inability to accomplish their tasks and make themselves heard.

A survey on Psycho-social Risks & Quality of Working Life by the consulting firm AD Solutions was carried out over the course of the year. This project (the third survey in 10 years by the same consultancy firm) pinpointed some highly specific points of contention and offered some solutions.

The management committee saw major upheavals with the departure of the Supply Chain Director, the Procurement & Techniques Director and the Managing Director.

The new Managing Director, Laurent Sury, took over in January 2020 and a Procurement Director has been appointed for one year. A reorganisation is to be presented by the management committee in 2020, in line with the road map established by the Board of Directors.

WAREHOUSES, TRAINING CENTRE AND ORGANISATION

The activity of the centre was mainly concentrated in three sites: Mérignac, Blanquefort and Dubai.

The review of our logistics plan stems from the need to develop a model which can allow greater agility and flexibility in our storage capacities to cope with the peaks and falls in activity that are intrinsically linked to humanitarian logistics, along with improved cost management at the same time.

Studies are under way into the acquisition of neighbouring land at the Mérignac site, with a view to the potential future expansion of storage capacities, despite a slowdown in our growth.

Building works began in February on the Jacques Pinel Training Centre (JPC).

Building and management of this project is under the responsibility of the MSF movement, but the project is located on the MSF Logistique site in Mérignac. This venue will be dedicated to sharing experience and to the development of humanitarian practices and technical tools.

In Dubai, pilot projects initiated two years ago to enhance efficiency have targeted the distribution of thirty voluminous medical items, among others. The improvement of order flow management between Mérignac and Dubai, initiated in 2019, will be rolled out in 2020 with the TIC project works and will accelerate the development of activity in Dubai.

OCBA has decided to transfer its emergency stock from Brussels to Mérignac, which should come into effect in 2020.

Ownership of the MSF Logistique site and buildings is due for transferral from the Fondation MSF to the Association MSF in 2020 also.



REAL AREAS OF IMPROVEMENT UNDERWAY

The use of pilot management operations has enabled a reduction in delivery lead times.

Two projects were launched to enhance activity monitoring; the Standard Lead Time Project, aimed at measuring international order processing time and providing greater visibility to teams in the field, and the DataGo project, to improve the management and reliability of activity data.

Huge efforts were made in 2019 to favour maritime transport, which is cheaper and more ecological but slower, thus requiring better forecasting. It is, however, not compatible with emergency operations.

This brings me to the Air Operations Unit. This unit manages the chartering of aircraft and helicopters operated by MSF missions in the field. The bi-annual 2018/2019 plan was approved in 2017 by the management committee. The aim of this process is to find the right balance between technical, political and legal progress on one hand, and the operational requirements and professional principles of aviation on the other. It also allows for essential collective work between the various sections to ensure a common approach across the entire MSF movement.

I would like to thank all the MSF Logistique teams yet again for their commitment and continued efforts, which enable MSF to provide care in the most complex contexts. I firmly believe this difficult period will also prove to be constructive and will lead to improved services in a pleasant work atmosphere.

THIERRY ALLAFORT-DUVERGER

President of the Board of Directors of MSF
Logistique



TREASURER'S REPORT

OVERALL ACTIVITY

KEY CHANGES IN THE EXPORT ACTIVITY

Overall, MSF Logistique turnover dropped slightly from €105.9M in 2018 to €101.6M in 2019.

This fall in revenue from 2018 at the centre can be attributed to all activities except the air operations unit:

- Medical goods -3.6% , or -€2.4M
- Logistic goods -14.6%, or -€1.6M
- Food goods -13.4%, or -€0.2M
- International transport -14%, or -€1.4M
- Air operations unit (local charters) +9.3%, or +€1.4M

The overall number of goods orders fell by 7% compared to 2018, from 4,754 in 2018 to 4,431 in 2019, but the average value of orders rose sharply by 23% from 2018 to stabilise at €16,930.

THE IMPACT OF SALE PRICING MEASURES

Starting in January 2019, a series of 5 pricing measures were implemented to better reflect the economic reality of certain products and the cost of complex operational processes. The following summarises these measures:

- a 5% rise on the sales price if the medical product is for a country classed as 'strong international supply constraints' (11 countries listed in 2019, due in particular to their customs regulations)
- a 5% rise on the sale price if the article is classed as 'strong logistics constraints' (narcotics, psychotropic drugs, cold chain, hazardous items)



- a 10% rise on the sale price if the medical product is classed as non-standard and with low delivery turnaround for the reference period

- additional invoicing for all orders of under €500 from other supply centres
- a 15% levy on the value of products returned to stock for the issuing of a credit note to various MSF Logistique partners

All these measures have resulted in an increase of €1.5M on the margin, as defined in the 2019 budget.

OVERHEAD COSTS

In addition, overhead costs have risen slightly by 1% on 2018 and the 2019 budget.

The net result of -€1.3M for 2019 is close to that of 2018 (-€1.2M) due to the pricing measures which offset a slowdown in Export activity (except for the Air Operations Unit) and an increase in fixed costs (in particular over-expenditure on the depreciation of investments for the Blanquefort warehouses and the stock supply).

COMMENTS ON THE 2019 ACCOUNTS

BALANCE SHEET

FIXED ASSETS

Fixed assets (net book value) this year were €1,947k compared to €2,851k last year.

IN €K	31/12/2018	31/12/2019	VARIATION
Intangible fixed assets	1,508	1,078	-430
Tangible fixed assets	1,223	746	-477
Long-term investments	120	123	2
TOTAL FIXED ASSETS	2,851	1,947	-904

The overall variation of -€904k can be explained as follows:

- structural projects with significant investment had been launched for the 2015-2017 period and are currently fully amortised in the 31 December 2019 results. Projects commissioned in 2018 and 2019 do not have an equivalent level of depreciation and amortisation.
- MSF Logistique terminated its lease on two warehouses in Blanquefort in 2019 (9 May 2019 for Blanquefort 1 and 31 December 2019 for Blanquefort 2) and thus proceeded with the transfer or withdrawal of these warehouses from fixed assets. The impact at this level is valued at €280k.

CURRENT ASSETS

The gross inventory amount decreased by almost 3.2 % from €23.8M on 31 December 2018 to €23M on 31 December 2019.

IN €K	31/12/2018	31/12/2019	VARIATION	VARIATION
Medical inventory	16,225	15,991	-234	-1.4%
Logistics inventory	7,527	6,998	-529	-7.0%
TOTAL	23,752	22,989	-763	-3.2%

The decline in inventory from one year to the next is due to an overall drop in activity, except for the Air Operations Unit.

Provisions for depreciation of inventory (obsolescence, expiration, waste) increased to €1,979k on 31 December 2019 from €1,420k on 31 December 2018. As a proportion of gross inventory value, the inventory provision rate went from 6% in 2018 to 8.6% in 2019.

IN €K	GROSS VALUE ON	PROVISION FOR DEPRECIATION	NET VALUE ON	GROSS VALUE ON	PROVISION FOR DEPRECIATION	NET VALUE ON
Medical inventory	16,225	-948	15,277	15,991	-1,667	14,325
Logistics inventory	7,527	-473	7,054	6,998	-312	6,686

The rise in cost of €559k is due to:

- unsold products in MSF grouped purchase inventories, for use in the fight against multi-resistant tuberculosis. The variation impact of inventory supply at this level is at €443k, of which €396k is attributed solely to Imipénem (129,130 units). As a reminder, this inventory supply charge is reflected in the accounts of MSF partners engaged in the framework of this specific agreement.
- various unused medical and logistic products for €116k, including primarily the oral gel Miconazole.

Trade receivables rose from €11,674k in 2018 to €12,170k in 2019. This overall variation of +€496k stems mainly from the high level of activity with other partners outside MSF. For a certain number of these partners, invoice payment terms are longer than within MSF.

Cash levels also rose slightly to €4,253k this year, against €3,687k last year. This corresponds to the balance sheets of the Banque Populaire Aquitaine Centre Atlantique, increased by instructions from the MSF movement to pay before the 31 December 2019 deadline.

LIABILITIES

The debts of the MSF group rose in 2019 compared to 2018, going from €19,684k in 2018 to €20,583k in 2019, which represents a rise of more than 5%. This is due to the increase of the current account with MSF France and the need for cash funding non-compensated by invoicing on Export activities.

Trade payables fell sharply to €9,635k in 2019, compared to €11,617k in 2018, i.e. a variation of -€1,982k. This is explained by the variation in Medical activity, which was higher in 2018 compared to end 2019, and the decline in transport activity at the end of the year.

For other balance sheet items, the variation in balance between 31 December 2019 and 31 December 2018 is less than €300k, and therefore does not require any particular commentary.

PROFIT AND LOSS ACCOUNT

RESULT BY ACTIVITY

IN €K	2018	2019	VARIATION
Medical	67,168	64,761	- 2,407
Logistics	10,905	9,314	-1,591
Food	1,127	943	-184
International goods transport	12,014	10,572	-1,442
Local charters with Air Operations Unit	14,607	15,964	+1,357
Other services	61	86	+25
TOTAL	105,883	101,640	-4,243

The margin percentage for activity revenue was stable in 2019 compared to 2018. The rise in margin due to the above-mentioned pricing measures offset other effects, in particular the development of the margin-free activity of the Air Unit.

Overhead costs

Staff costs in France have decreased by 6% with -€673k. On one hand, the FTE fell from 178 in 2018 to 172 in 2019, and on the other hand, French governmental reforms lowered social costs by -10%.

Costs for temporary workers and trainees fell to €433k from €535k in 2018.

Rental costs in 2019 dropped by €110k on 2018, due mainly to the reduction in rental costs for the Blanquefort 1 warehouse.

There was an **operating** loss of €872k against a loss of €1,509k last year.

The **financial result** shows a negative balance of €79k against a positive balance of €63k in 2018.

The **exceptional result** shows a negative balance of €363k, due mainly to the net value of divested tangible assets for Blanquefort. In 2018, the exceptional result showed a positive balance of €257k.

The **net result** shows a loss of €1,314k, against a 2018 loss of €1,189k. As a reminder, the budget for 2019 was approved on the basis of a balanced net result.

FORECAST FOR 2020

The 2020 budget approved by the Board of Directors presents Export revenues of €111.5m and a slightly positive net result of +€102k. This expected return to equilibrium should put an end to four consecutive years of deficit, from 2016 to 2019. As a reminder, the organisation's equity fell from €8.8M on 31 December 2015 to €2.1M on 31 December 2019 (subject to voting on the text of resolution n°5).

IMPORTANT EVENTS AFTER THE CLOSE OF THE FINANCIAL YEAR 2019

The Covid-19 crisis will have a serious impact for the year on the level of activity for the Centre and in terms of means employed to pursue activity during the lockdown period in France from 17 March to 10 May 2020. Requests from various MSF sections to secure the supply of personal protective gear, oxygen equipment and certain treatments generate complex purchasing procedures in a strained international context and heavy reliance on the Asian market. The Dubai platform has played a major role in the management of this crisis.

With regard to budget, the impact on 2020 is forecast at €11.5M of Export re-invoicing (including Air Operations Unit).

Furthermore, MSF Logistique obtained a €20M-loan from MSF USA in dollars. This loan must be reimbursed by 30 June 2024, which implies the development of an alternative treasury solution before this deadline.

Lastly, the level of business activity at the end of March 2019 was at €24.6M. This is 10% lower than the same period in 2019 and 2% lower than budgetary forecasts in late March.

ADDITIONAL INFORMATION

CHANGE OF ADMINISTRATORS IN THE NON-PROFIT ORGANISATION

During 2019, Mr. Eric Thomas resigned as administrator and was replaced by Patricia Fernandez Wyss (Logistics & Supply Chain Director for the Spanish section). Mr. Philippe Cachet was appointed as administrator.

FRANÇOIS MOUNIS

Treasurer of the MSF Logistique
association

PATRICE PELÉ

Financial Director
of the MSF Logistique

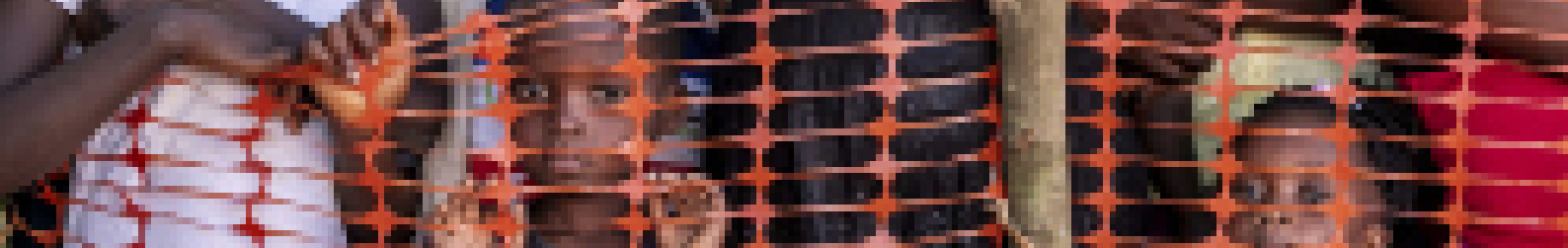
FINANCIAL REPORT



INCOME STATEMENT

I/ INCOME STATEMENT FOR MSF LOGISTIQUE IN 2019 (IN EUROS)

EXPENSES	31/12/2018	31/12/2019	VARIATION	INCOME	31/12/2018	31/12/2019	VARIATION
Medicine and medical equipment	54,745,463	52,226,463	-5%	Private donations	-	-	-
Food	952,257	726,381	-24%	Donations from private bodies	-	-	-
Logistics and sanitation equipment	5,392,404	4,519,650	-16%	Levies	-	-	-
Plant and equipment	2,115,123	2,145,283	1%	Bequests	-	-	-
Consumable materials and supplies	840,011	823,166	-2%	Private donations	-	-	-
Documentation	31,144	4,548	-85%	MSF France group	30,123,066	27,337,909	-9%
Procurement transport	1,471,291	1,460,082	-1%	Other MSF	45,881,056	39,731,814	-13%
Goods procurement	65,547,692	61,905,574	-6%	External	3,257,966	8,034,915	147%
Variation in stocks of goods	955,181	762,769	-20%	Goods sales	79,262,089	75,104,638	-5%
Freight purchases	25,433,457	25,480,242	0%	MSF France group	8,293,916	7,081,229	-15%
Purchases of stocked goods	91,936,330	88,148,584	-4%	Other MSF	17,954,367	18,937,398	5%
				External	372,957	516,334	38%
				Freight sales	26,621,240	26,534,961	0%
				TOTAL TURNOVER	105,883,329	101,639,598	-4%
Medicine and medical equipment	-	-	-	Diaries	-	-	-
Food	-	-	-	Greeting cards	-	-	-
Logistics and sanitation equipment	-	-	-	Books	-	-	-
Plant and equipment	88,939	63,559	-29%	Guidelines	-	-	-
Consumable materials and supplies	354,150	379,607	7%	Others	-	-	-
Integrated studies and research	-	-	-	Partnerships	-	-	-
Purchases for resale	-	-	-	Product sales	-	-	-
Variations in consumables & other supplies	-	-	-	MSF France group	346,027	401,473	16%
Purchase of equipment & other supplies	443,088	443,166	0%	Other MSF	195,480	302,511	55%
				External	29,428	33,508	14%
				Service provisions	570,935	737,492	29%



EXPENSES	31/12/2018	31/12/2019	VARIATION	INCOME	31/12/2018	31/12/2019	VARIATION
Provision of misc. services	1,242,395	1,161,157	-7%	EU financing	-	-	-
Rent and leases	1,080,263	969,832	-10%	HCR financing	-	-	-
Equipment hire	116,928	85,914	-27%	Other financing	-	-	-
Maintenance, upkeep and repair	1,185,712	1,001,410	-16%	Institutional subsidies	-	-	-
Insurance	64,909	64,740	0%	Local authority grants	1,000	2,375	138%
Documentation	49,753	45,164	-9%	Production of fixed assets	-	-	-
Fees	136,144	161,669	19%	Current production	-	-	-
Information / publications	14,509	2,457	-83%	Income from related activities	-	-	-
Transport	136,316	121,629	-11%	Other income from ongoing operations	1,546,005	1,098,784	-29%
Travel and mission expenses	161,375	118,784	-26%	Reversal of depreciation/ provisions and transfer of operating costs	1,267,448	2,280,878	80%
Hospitality costs	50,521	36,604	-28%	Currency earnings	145,986	32,912	-77%
Post and telecommunication costs	111,752	116,480	4%	Other operating income	2,960,439	3,414,949	15%
Bank and related costs	16,322	20,425	25%				
Operational subsidies	-	-	-				
External services	4,366,900	3,906,265	-11%				
External procurement and services	4,809,988	4,349,431	-10%				
Taxes and similar charges	1,102,865	1,025,532	-7%				
Salaries	7,147,616	6,819,229	-5%				
Social costs	3,319,582	2,975,400	-10%				
Staff costs France	10,467,197	9,794,629	-6%				
Re-charged salaries and costs	-	-	-				
Other staff costs	-	-	-				
Staff costs	10,467,197	9,794,629	-6%				
Amortisation/provisions. 2,350,210	2,350,210	3,017,992	28%				
Currency losses	257,360	328,287	28%				
OPERATING COSTS	110,923,950	106,664,455	-4%	OPERATING INCOME	109,414,703	105,792,039	-3%
Bank	173,994	156,297	-10%	Debt income	-	-	-
Currency losses	899	52	-94%	Investment income	-	-	-
Amortisation/provisions. 281,312	18,129	9,894	-45%	Currency earnings	38,124	25,093	-34%
				Interest rate income	217,497	43,934	-80%
				Discounts	-	-	-
				Reversal on amortisation/ provisions -financial	-	18,129	-
FINANCIAL COSTS	193,023	166,242	-14%	FINANCIAL INCOME	255,621	87,156	-66%
Exceptional costs	10,493	471,024	4,389%	Exceptional income	9,424	154,971	1,544%
Exceptional accruals	-	-	-	Exceptional accruals	-	-	-
Amortisation/provisions. - except.	-	85,000	-	Reversal on amort./prov. and except. cost transfer.	258,321	37,947	-85%
				Reversal on subsidies/investment	-	-	-
EXCEPTIONAL COSTS	10,493	556,024	5199%	EXCEPTIONAL INCOME	267,745	192,918	-28%
TOTAL EXPENSES	111,127,466	107,386,721	-3%	TOTAL INCOME	109,938,069	106,072,113	-4%
Unused allocated funds for the fiscal year	-	-		Consumption of unused allocated funds from previous fiscal years	-	-	-
POSITIVE RESULT	-	-		NEGATIVE RESULT	1,189,397	107,386,721	-3%
OVERALL TOTAL	111,127,466	107,386,721	-3%	OVERALL TOTAL	111,127,466	107,386,721	-3%

II/ DETAILED INCOME STATEMENT ON 31/12/2019

EXPENSE DETAILS

A - DEPRECIATION AND PROVISIONS

DESCRIPTION	AMOUNT
Fixed assets depreciation	1,031,805
Inventory depreciation allowance	1,979,036
Client receivables depreciation allowance	-
Provisions for risks and charges	7,150
	3,017,992

B - FINANCIAL EXPENSES

DESCRIPTION	AMOUNT
Interest on MSFF current account	156,297
Exchange losses on currency accounts	328,338
Provisions for financial liabilities	9,894
	494,529

C - EXCEPTIONAL EXPENSES

DESCRIPTION	AMOUNT
Bad debts	-
Penalties, fines	109
Net book value of surrendered tangible assets	316,051
Expenses relating to previous fiscal assets	-
Incl. settlement 2017 charges for Blanquefort 2 lease	-
Incl. supplier invoices - operational	-
Incl. supplier invoices - trading	-
Incl. settlement of pension contributions	-
Incl. misc.	-
Miscellaneous exceptional expenses	154,863
incl. client credit notes issued - insurance indemnity repayment	153,271
Incl. penalties on rental renewal licence DUBAI	-
Incl. variations in supply, URSSAF settlements, etc.	1,591
incl. misc. adjustments, rounding off, etc.	-
Provisions for risks and exceptional charges	85,000
Incl. payments linked to contract termination	65,000
Incl. payments linked to Blanquefort 2 works	20,000
	556,024

INCOME DETAIL

A - TURNOVER

CLIENTS	AMOUNT 2018	% OF	AMOUNT 2019	% OF TURNOVER 2019
MSF France Group	38,416,982	36%	34,419,138	34%
MSF France	38,189,096		34,264,824	
Epicentre	227,886		154,314	
Fondation Médecins sans Frontières	-		-	
MSF sections	63,835,424	60%	58,668,968	58%
M.S.F. SWITZERLAND	25,938,519		20,791,379	
M.S.F. SPAIN	20,871,004		18,424,602	
M.S.F. HOLLAND - LOGISTICS DEPT.	8,966,197		9,021,852	
M.S.F. BELGIUM	6,075,604		8,057,917	
MSF SUPPLY	1,983,045		2,369,036	
M.S.F. AUSTRALIA	-		2,290	
M.S.F. JAPAN	1,054		1,892	
External clients	3,630,923	4%	8,551,492	8%
WHO/OMS	37,340		2,736,383	
UNIVERSITE BORDEAUX ISPED	42,329		1,445,149	
MEDECINS DU MONDE	247,504		1,016,334	
ACTION CONTRE LE FAIM	984,217		756,046	
INTERNATIONAL COMMITTEE OF THE RED CROSS	1,083,458		632,954	
PARTNER IN HEALTH	574,111		603,550	
PREMIERE URGENCE INTERNATIONALE	169,247		303,232	
ELIZABETH GLASER PEDIATRIC AIDS F	-		286,847	
MEDECINS DU MONDE - Spain	149,159		143,109	
CROIX ROUGE FRANCAISE	-		139,332	
DR OLAF VALVERDE MORD	-		104,141	
DANISH RED CROSS	-		91,517	
DR BELEN PEDRIQUE	-		64,790	
UNDP - UN DEVELOPMENT PROGRAMME	-		59,596	
WORLD HEALTH ORGANISATION	117,357		53,448	
DNI LEISH LV LMC	-		25,401	
EUGENE BELL FOUNDATION	-		21,746	
FONDATION MERIEUX	-		6,915	
GUEBSCENE ASSO DES BAFIA DE FRANCE	-		2,733	
CANADIAN RED CROSS	-		2,162	
MISC.	-		1,646	
MSF CZECH REPUBLIC	-		247	
ADERA	-311		-	
ATT DR SEVERINE MONNERAT	95,531		-	
DR OLAF VALVERDE MORDT MSC	78,077		-	
MEDICO INTERNATIONAL	51,195		-	
SPARSHA NEPAL	1,259		-	
	450		54,216	
Others (including supplier returns - non conformity)				
TOTAL TURNOVER	105,883,329	100%	101,639,598	100%

B - FINANCIAL INCOME

DESCRIPTION	AMOUNT
764500 Interest on deposit account Banque Populaire	25,093
765000 Negotiated discounts	-
766100 Exchange gain on supplier payments	32,912
766200 Exchange gain on foreign currency reserves	43,934
786100 Accruals reversal on financial risks	18,129
	120,067

C - EXCEPTIONAL INCOME

DESCRIPTION	AMOUNT
771200 Other exceptional income	153,271
incl. insurance payments	153,271
incl. sale of containers for scrap	-
incl. rounding off	-
772000 Income from previous fiscal years	-
incl. rendering of 2017 costs Blanquefort 1 warehouse	-
incl. bonus and insurance adjustments	-
775200 Proceeds from disposals of tangible assets	1,700
787500 Accruals reversal for risks and charges	37,947
	192,918



FINANCIAL REPORT



BALANCE SHEET

I/ ASSETS ON 31/12/2019 (IN EUROS)

ASSETS	GROSS 2019	AMORT / PROV	NET 2019	NET 2018	% VS LAST YEAR
Concessions / Licences / Patents	3,751,283	2,820,756	930,527	1,086,728	-14%
Current intangible assets	147,648	-	147,648	421,218	-65%
Advances and part-payments					
Intangible assets	3,898,931	2,820,756	1,078,176	1,507,945	-29%
Plants and equipment	2,312,474	1,779,963	532,510	941,813	-43%
Equipment / Fittings / IT	1,051,203	846,335	204,869	269,465	-24%
Transport equipment	67,027	58,475	8,552	11,403	-25%
Tangible assets	3,430,704	2,684,773	745,931	1,222,681	-39%
Associated receivables	-	-	-	-	-
Guarantees and deposits	122,746	-	122,746	120,254	2%
Capital assets	122,746	-	122,746	120,254	2%
Total fixed assets	7,452,382	5,505,529	1,946,853	2,850,880	-32%
Goods inventory	22,989,184	1,979,036	21,010,148	22,331,755	-6%
Receivables other MSF sections	10,564,719	-	10,564,719	11,153,486	-5%
Receivables other clients	1,607,985	2,992	1,604,993	520,596	208%
Advances paid on orders	229,334	-	229,334	179,131	28%
Other receivables	231,252	-	231,252	82,550	180%
Cash balance	4,252,949	-	4,252,949	3,686,695	15%
Prepaid expenses	399,463	-	399,463	1,848,483	-78%
Currency conversion difference	9,894	-	9,894	18,129	-45%
Total current assets	40,284,780	1,982,028	38,302,752	39,820,826	-4%
TOTAL ASSETS	47,737,162	7,487,557	40,249,605	42,671,705	-6%

II/ LIABILITIES ON 31/12/2019 (IN EUROS)

LIABILITIES	31/12/2018	31/12/2019	% VS LAST YEAR
Association funds	630,195	630,195	0%
Amount carried forward	4,019,638	2,830,242	-30%
Earnings this year	-1,189,397	-1,314,608	11%
Subsidies	-	-	-
Total equity	3,460,436	2,145,828	-38%
Total provisions for liabilities / charges	56,076	102,044	82%
Deposits & guarantees received	4,288	-	-100%
MSF FRANCE Group debts	19,684,474	20,582,932	5%
Other MSF sections debts	657,911	472,453	-28%
Advances and down payments received on orders	5,190,959	5,190,959	0%
Suppliers and related accounts	11,617,319	9,635,137	-17%
Tax and social debts	1,977,490	2,073,142	5%
Other debts	13,157	7,293	-45%
Prepaid income	-	28,292	-
Currency conversion difference - liabilities	9,595	11,524	20%
Total debts	39,155,193	38,001,733	-3%
TOTAL LIABILITIES	42,671,705	40,249,605	-6%

III/ DETAIL OF THE ASSETS

FIXED ASSETS AND DEPRECIATION

ITEMS	FIXED ASSETS			
	GROSS VALUE AT START OF FISCAL YEAR	INCREASED PRCHS.	+ TRANSFER REVERSAL + TRANSFER	GROSS VALUE AT END OF FISCAL YEAR
Concessions, licences, patents	3,224,054	174,657	15,114	3,751,283
Current intangible assets	421,218	107,565	13,448	147,648
Advances / Intangible assets	-	-	-	-
Intangible assets	3,645,271	282,222	28,562	3,898,931
Technical equipment	929,946	118,724	16,380	1,032,291
Technical installations	623,683	-	326,825	296,859
Building fittings	93,863	2,796	2,819	93,839
Lightweight warehouse	8,749	-	-	8,749
Fittings and improvements	994,691	6,822	120,777	880,736
Transport equipment	64,251	-	-	64,251
Office equipment	134,253	-	-	134,253
Computer equipment	872,728	44,222	-	916,950
Promotional equipment	2,776	-	-	2,776
Current assets	-	-	-	-
Tangible assets	3,724,941	172,564	466,801	3,430,704
Guarantees and deposits	120,254	2,492	-	122,746
Financial assets	120,254	2,492	-	122,746
TOTALS	7,490,467	457,278	495,363	7,452,382

ITEMS	DEPRECIATION				BOOK VALUE AT END OF FISCAL YEAR
	ACCUMULATED AT START OF FISCAL YEAR	ALLOWANCES FOR THE PERIOD	REDUCTIONS REVERSAL + TRANSFER	ACCUMULATED AT END OF FISCAL YEAR	
Concessions, licences, patents	2,137,326	694,955	11,525	2,820,756	930,527
Current intangible assets	-	-	-	-	147,648
Advances / Intangible assets	-	-	-	-	-
Intangible assets	2,137,326	694,955	11,525	2,820,756	1,078,176
Technical equipment	769,371	73,015	11,650	830,736	201,555
Technical installations	254,514	56,524	97,118	213,919	82,939
Building fittings	50,458	8,411	590	58,279	35,560
Lightweight warehouse	8,749	-	-	8,749	-
Fittings and improvements	626,028	87,232	44,980	668,280	212,456
Transport equipment	52,848	2,851	-	55,699	8,552
Office equipment	88,650	8,864	-	97,514	36,739
Computer equipment	648,867	99,954	-	748,821	168,129
Promotional equipment	2,776	-	-	2,776	-
Current assets	-	-	-	-	-
Tangible assets	2,502,261	336,850	154,338	2,684,773	745,931
Guarantees and deposits	-	-	-	-	122,746
Financial assets	-	-	-	-	122,746
TOTALS	4,639,587	1,031,805	165,863	5,505,529	1,946,853

CHANGE IN PROVISIONS

NATURE OF PROVISIONS	AMOUNT AT START OF FISCAL YEAR	ALLOWANCES FOR THE PERIOD	AMOUNT RELEASED FOR THE PERIOD	AMOUNT AT END OF FISCAL YEAR
Provision for goods inventory depreciation	1,420,197	1,979,036	1,420,197	1,979,036
Provision for medicines depreciation	947,660	1,666,571	947,660	1,666,571
Provision for depreciation of logistics and medical equipment	472,537	312,465	472,537	312,465
Provisions for depreciation of client receivables	2,992	-	-	2,992
Provisions for liabilities and charges	56,076	102,044	56,076	102,044
Provisions pour liabilities	56,076	102,044	56,076	102,044
Provisions for charges	-	-	-	-
TOTAL	1,479,265	2,081,080	1,476,273	2,084,072
Operating provision	1,423,189	1,986,186	1,420,197	1,989,178
Financial provision	18,129	9,894	18,129	9,894
Exceptional provision	37,947	85,000	37,947	85,000
TOTAL	1,479,265	2,081,080	1,476,273	2,084,072

FINANCIAL ASSETS

DESCRIPTION	AMOUNT
Lease collateral security for Blanquefort N°1 warehouse	37,065
Lease collateral security for Blanquefort N°2 warehouse	68,561
Lease collateral security for JAFZA DUBAI	17,121
	122,746

CURRENCY CONVERSION DIFFERENCE

	ASSETS	LIABILITIES
On supplier invoices	9,894	11,524
TOTAL	9,894	11,524

CURRENT ASSETS

A - INVENTORY

DESCRIPTION	GROSS	PROVISIONS	NET
Medical	15,991,143	1,666,571	14,324,572
*Logistics	6,998,041	312,465	6,685,576
TOTAL	22,989,184	1,979,036	21,010,148

* including 47 vehicle inventory to the amount of €1,050,347

B - RECEIVABLES MSF SEC-

DESCRIPTION	AMOUNT ON 31/12/2018	AMOUNT ON 31/12/2019	% VS LAST YEAR
MSF France	1,361,881	405,687	-70%
Epicentre	32,598	49,618	52%
MSF France group - invoices pending	232,139	779,871	236%
MSF France group - credit notes pending	-	-	-
MSF Group subtotal	1,635,246	1,235,177	-24%
MSF Switzerland	2,649,415	2,440,734	-8%
MSF Holland	2,440,108	1,058,677	-57%
MSF Spain	1,731,607	1,751,740	1%
MSF Belgium	1,320,879	1,628,297	23%
MSF Supply	340,598	349,522	3%
MSF International Office	77,416	35,794	-54%
Other MSF sections - invoices pending	958,081	2,064,778	116%
Other MSF sections - prepayments on misc. costs	135	135	0%
Other MSF sections subtotal	9,518,240	9,329,677	-2%
TOTAL	11,153,486	10,564,854	-5.3%

C - OTHER CLIENT RECEIVABLES

CLIENTS	AMOUNT ON 31/12/2018	AMOUNT ON 31/12/2019	% VS LAST YEAR
3AS RACING	5,273	-	-100%
ACTION CONTRE LE FAIM	161,739	330,613	104%
BOUEIX	34,054	1,420,197	4070%
CHMP - HUMANITARIAN CENTRE	2,992	2,992	0%
CHMP - HUMANITARIAN CENTRE- provision for bad debts	-2,992	-2,992	0%
INTERNATIONAL COMMITTEE OF THE RED CROSS	11,230	49,710	343%
CROIX ROUGE FRANCAISE	-	192	-
DANISH RED CROSS	-	91,517	-
DR BELEN PEDRIQUE	-	17,751	-
DR OLAF VALVERDE	-	4,829	-
DR SEVERINE MONNERAT	9,614	14,637	52%
EUGENE BELL FOUNDATION	-	21,746	-
MEDECINS DU MONDE	89,059	1,476,273	1558%
MEDECINS DU MONDE - Spain	18,508	85,239	361%
MEDICO INTERNATIONAL	5,616	146	-97%
PARTNER IN HEALTH	63,219	185,789	194%
PREMIERE URGENCE INTERNATIONALE	12,664	118,177	833%
SPARSHA NEPAL	341	-	-100%
STICHTING IDA	202	202	0%
UNIVERSITE BORDEAUX ISPED	42,329	128,204	203%
WHO/OMS	37,953	345,598	811%
WORLD HEALTH ORGANISATION	24,366	17,091	-30%
Other misc. clients	1,286	7,605	491%
Other clients - invoices pending	3,143	55,416	1663%
TOTAL	520,596	4,370,931	740%

DESCRIPTION	AMOUNT ON 31/12/2018	AMOUNT ON 31/12/2019	% VS LAST YEAR
Logistics suppliers	111,626	59,654	-47%
Medical suppliers	60,165	90,612	51%
Freight suppliers	7,339	78,705	972%
Operating suppliers	-	363	-
TOTAL	179,131	229,334	28%

E - OTHER RECEIVABLES

DESCRIPTION	AMOUNT ON 31/12/2018	AMOUNT ON 31/12/2019	% VS LAST YEAR
Suppliers - including pending credit notes	57,525	162,098	182%
Suppliers - including received credit notes	2,975	20,620	593%
Meal vouchers	4,497	3,098	-31%
Staff, mission advances	1,016	1,181	16%
Sundry accounts receivable	-	-	-
Staff, salary advances	1,375	875	-36%
Staff, stop-payments	1,000	31	-97%
Staff, loans, salaries, 13th month bonus	-	-	-
Staff - payments due	-	761	-
Accruals - insurance indemnities	-	-	-
Accruals - SS and provident contract indemnities	7,837	10,962	40%
Accruals - OPCALIA reimbursements -training	6,326	31,627	400%
Accruals- remuneration BPACA bank accounts	-	-	-
Accruals - recruitment subsidy	-	-	-
TOTAL	82,550	231,252	180%

F - CASH BALANCE

DESCRIPTION	AMOUNT ON 31/12/2018	AMOUNT ON 31/12/2019	% VS LAST YEAR
Accounts opened with Banque Populaire	2,722,520	3,254,876	20%
Accounts opened with Crédit Agricole	887,357	921,167	4%
Accounts opened with BNP Dubai - UAE	64,354	70,102	9%
Social security funds	8,113	5,194	-36%
Accruals- remuneration Banque Populaire accounts	4,351	1,609	-63%
TOTAL	3,686,695	4,252,949	15%

G - PREPAID EXPENSES

DESCRIPTION	AMOUNT ON 31/12/2018	AMOUNT ON 31/12/2019	% VS LAST YEAR
On supplier invoices - trading	1,603,886	280,265	-83%
On supplier invoices - operational	244,598	119,198	-51%
TOTAL	1,848,483	399,463	-78%

IV/ DETAIL OF LIABILITIES

ASSOCIATIVE FUNDS

DESCRIPTION	AMOUNT ON 31/12/2018	AMOUNT ON 31/12/2019	% VS LAST YEAR
Capital grant MSF France 1987	332,528	332,528	-
Freight and storage allocation	46,671	46,671	-
Plant and equipment inventory allocation	285,857	285,857	-
Capital grant MSF France 1988	39,720	39,720	-
Variation in assets 1989/1988	39,720	39,720	-
Capital grant MSF France 1989	257,946	249,863	-
Variation in intangible assets	8,083	-	-
Variation in tangible assets	37,327	37,327	-
Variation in goods inventory	212,536	212,536	-
TOTAL	630,195	622,111	

EQUITY

DESCRIPTION	AMOUNT ON 31/12/2018	AMOUNT ON 31/12/2019	% VS LAST YEAR
Earnings carried forward on 01/01/2017	4,019,638	2,830,242	-30%
Earnings this year	-1,189,397	-1,314,608	11%
BALANCE CARRIED FORWARD ON 31/12/2017	2,830,241	1,515,634	-46%

DEBTS

A - BORROWING AND RELATED DEBTS

DESCRIPTION	AMOUNT ON 31/12/2018	AMOUNT ON 31/12/2019	% VS LAST YEAR
Security deposit received on St Jean d'Illac warehouse	4,288	-	-100%
TOTAL	4,288	-	-100%

B - MSF GROUP DEBTS

DESCRIPTION	AMOUNT ON 31/12/2018	AMOUNT ON 31/12/2019	% VS LAST YEAR
Current account MSF France	18,525,385	19,065,189	3%
Supplier MSF France	796,256	1,335,507	68%
Supplier - Foundation	-	48,779	-
Unbilled invoices MSFF Group	322,802	133,457	>100%
EPICENTRE supplier	-	-	-
Credit note pending MSFF Group	40,031	-	-100%
TOTAL	19,684,474	20,582,932	5%

C - MSF SECTION DEBTS

DESCRIPTION	AMOUNT ON 31/12/2018	AMOUNT ON 31/12/2019	% VS LAST YEAR
MSF Supply	203,047	33,402	-84%
MSF Holland (AZG)	9,961	164,275	1549%
MSF Japan	11,688	-	-100%
MSF Belgium	6,325	16,178	156%
MSF Australia	-	-	-100%
International Technical Coordination	-	11,156	-
Unbilled invoices other MSF sections	303,926	128,266	-58%
Credit note pending other MSF sections	122,666	119,175	-3%
TOTAL	657,613	472,453	-28%

D - ADVANCES AND DOWN PAYMENTS RECEIVED ON OR-

DESCRIPTION	AMOUNT ON 31/12/2018	AMOUNT ON 31/12/2019	% VS LAST YEAR
MSF Switzerland - EMERGENCY INVENTORY	4,286,807	4,286,807	0%
MSF Spain - EMERGENCY INVENTORY	562,587	562,587	0%
MDM - EMERGENCY INVENTORY	341,565	341,565	0%
TOTAL	5,190,959	5,190,959	0%

E - TRADE CREDITORS AND ACCOUNTS PAYABLE

DESCRIPTION	AMOUNT ON 31/12/2018	AMOUNT ON 31/12/2019	% VS LAST YEAR
Logistics suppliers	744,332	607,587	-18%
Medical suppliers	4,762,595	4,124,825	-13%
Transport suppliers	2,129,357	1,389,848	-35%
Operational suppliers - Overheads	440,946	410,863	-7%
Suppliers, unbilled invoices	3,540,090	3,102,014	-12%
TOTAL	11,617,319	9,635,137	-17%

F - TAXES AND SOCIAL CHARGES

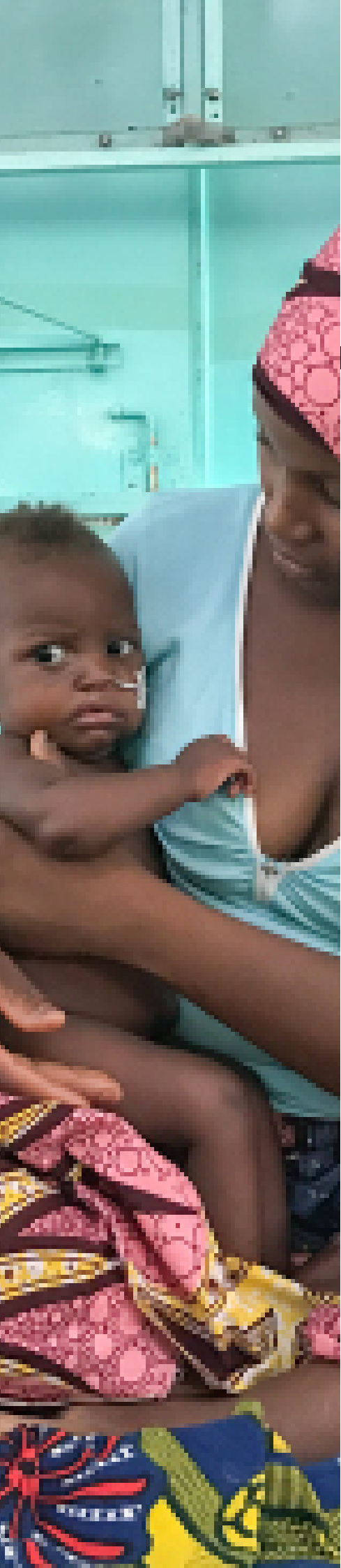
DESCRIPTION	AMOUNT ON 31/12/2018	AMOUNT ON 31/12/2019	% VS LAST YEAR
Urssaf / Assedic	493,570	471,463	-4%
Staff: annual leave provision	549,799	564,848	3%
Staff: social charges / leave payable	307,887	316,315	3%
Staff: time savings account provision	107,853	140,889	-102%
Payroll tax	103,237	92,464	-10%
Agefiph, opcareg, fongecif, etc.	141,440	62,341	-56%
Staff: insecurity provision for fixed-term contracts	30,446	7,985	-74%
Staff: social charges for fixed-term contract insecurity	17,050	14,258	-16%
A3M - Malakoff Médéric retirement pensions	133,819	-	-100%
Provision for times savings account to be paid	27,647	41,368	50%
Staff: social charges on time savings account	60,398	78,898	31%
Staff - outstanding wages and expenses	1,716	2,794	63%
Occupational health	2,628	-	-100%
Staff: provision 13th month	-	-	-
Staff: social charges / 13th month	-	-	-
Légal et Général providence	-	89,940	-
KLESIA - Pensions	-	144,170	-
PAYE	-	45,409	-
TOTAL	1,977,490	2,073,142	5%

G - OTHER DEBTS

DESCRIPTION	AMOUNT ON 31/12/2018	AMOUNT ON 31/12/2019	% VS LAST YEAR
Trésor Public - VAT adjustment for goods released for consumption	9,606	6,545	-32%
	2,615	748	-71%
External clients: credit notes pending, overpayment	469	-	-100%
Provision for hotel bills pending	467	-	-
Other misc. debts	-	-	-
TOTAL	13,157	7,293	-45%

H - INCOME COLLECTED IN ADVANCE

DESCRIPTION	AMOUNT ON 31/12/2018	AMOUNT ON 31/12/2019	% VS LAST YEAR
Client invoices established in advance	0	28,292	/
TOTAL	0	28,292	/



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2019 APPENDICES TO THE ACCOUNTS

ACCOUNTING PRINCIPLES, RULES AND METHODS

Generally accepted accounting conventions were applied in accordance with the establishment's management rules and the rules regulating the presentation of annual accounts for associations as defined in CRC regulations 99-01 and 99-03 relative to redrafting the general accounting plan.

Generally accepted accounting conventions were applied, following the precautionary principle, according to the following basic assumptions:

- a going concern,
- consistent accounting methods from one fiscal year to another,
- independence of fiscal years,

and in accordance with general rules for preparing and presenting annual accounts and financial statements for associations.

MSF Logistique's activities are fully integrated into combined accounts of Groupe Médecins Sans Frontières France and into the combined accounts of the international MSF movement.

The main methods are as follows:

A - INTANGIBLE ASSETS

Intangible assets are valued at their acquisition cost (purchase price plus incidental costs). Intangible assets essentially comprise software and software licences. They are depreciated over a period of 1 to 5 years using the straight-line method.

B - TANGIBLE ASSETS

Tangible assets located in France are recorded on the balance sheet at their purchase price. They are depreciated over a period of 3 to 15 years using the straight-line method.

C - FINANCIAL ASSETS

The gross value of financial assets comprises the purchase price less incidental costs. Where this is higher than the book value, a depreciation allowance is made that comprises the amount of the difference.

D - STOCKS OF GOODS

Stocks of goods are intended for sale to MSF France missions, other

MSF sections and other NGOs. They comprise stocks of medical and logistics equipment and all-terrain vehicles. They are valued using the weighted average cost price method, comprising the inventory purchase price and incidental costs.

The inventory depreciation rule is as follows according to the inventory category:

- Stocked items with expiry dates that have reached the final stage of their usable life are depreciated according to their time before the expiry date is reached. Depreciation rates are 0%, 25%, 50%, 75% and 100%.
- Items recorded in the 'destruction' warehouse are depreciated by 100%.
- Items that have not seen any inventory movement over the past 3 years as of the end of the fiscal year are depreciated in tranches from 0%, 10%, 25%, 50%, 75% and 100% according to the length of time since any stock rotation occurred.

E - RECEIVABLES

Receivables are divided into four sub-groups:

*Receivables - MSF Group

- *Receivables - other MSF sections
- *Trade receivables and related accounts
- *Other receivables

Receivables are recorded at their nominal value.

All receivables date from within the past 12 months.

Write-down adjustments are made where the amounts are disputed.

Receivables not denominated in euros have been readjusted in accordance with the official exchange rates on 31.12.2019.

F - CASH BALANCE

Currency holdings (dollar and yen account) were assessed in accordance with the official exchange rates on 31.12.2019.

G - PREPAID EXPENDITURE

This primarily comprises inventory purchases invoiced in 2019, but delivered in 2020 to the amount of €263,180. The total amount of

prepaid expenditure is €399,463. Revenues collected in advance amount to €28,292.

H - REVALUATION DISCREPANCIES

Asset and liability revaluation discrepancies concern the revaluation at official rates on 31.12.2019 of debts and receivables nominated in other currencies.

I - EARNINGS THIS YEAR

Earnings for the fiscal year 2019 show a net loss of €1,314,608, resulting in a retained amount of €1,515,634.

J - PROVISIONS FOR CONTINGENCIES

As of 1 January 2002, MSF Logistique follows standard rules for the constitution and assessment of provisions for contingencies (CRC 2000-06).

An amount of €102,044 has been recorded as a liability on the balance sheet. It comprises a provision of €102,044 for exceptional liability.

K - DEBTS

Debts are divided into four sub-groups:

- * Debts: MSF Group (current accounts and supplier debts)
- * Debts other MSF sections
- * Supplier debts
- * Tax and social debts
- * Other debts

All the debts are below one year. The debts in currencies other than the euro were adjusted to the official rates on 31.12.2019.

L - FEES FOR ACCOUNTS & AUDIT

The amount of fees with ERNST & YOUNG accrued for 2019 is €29,376 incl. taxes.

M - OPERATIONS LINKED WITH EXCHANGE RATES

The losses due to exchange rate variations stand at €328,338 and the gains at €43,934.

N - NUMBER OF EMPLOYEES

The average headcount at MSF Logistique on 31 December 2019 is of 172 employees, including all types of contract.

O - PERSONAL TRAINING RIGHTS

The account of personal training rights (CPF) has existed since January 1st 2015 and it replaces the right for individual training (DIF). All the rights received until 31 December 2014 will be retained by the employees and can be used until 1 January 2021.

P - FIVE HIGHEST SALARIES PAID DURING 2019

The five highest gross salaries paid in 2019 came to an amount of €338,889.

This figure includes basic salary and, where relevant, paid leave and severance packages.

Q - BOARD OF DIRECTORS

Members of the Board of Directors of Médecins Sans Frontières Logistique receive no remuneration for their role as director.

R - OFF-BALANCE SHEET COMMITMENTS

Estimated retirement gratuities on 31.12.2019 represent €480,330.

The assumptions underpinning the valuation of these commitments are as follows:

- retirement age: 62 years
 - inflation rate: 0.77 %
 - discount rate: 1.10 %
 - average staff turnover rate: 5.00 %
- Retirement gratuities are not taken into account in MSF Logistique accounts.

S - CONSOLIDATION OF MEDECINS SANS FRONTIERES ACCOUNTS

Accounts for Médecins Sans Frontières Logistique are consolidated at Médecins Sans Frontières France level and are further consolidated by the

International Office of the MSF movement.

T - HEALTH CRISIS 2020

Early 2020 was marked by the emergence of an unprecedented health crisis due to the COVID-19 pandemic. From a localised context, this spread worldwide at the end of the 1st quarter 2020, resulting in significant economic impacts.

MSF Logistique implemented measures to safeguard the health and safety of its employees.

The COVID-19 health crisis is an event occurring after 31/12/2019 with no direct link to the existing situation at the close of the financial year and thus does not impact the final result on 31/12/2019.

At this stage, the financial impacts of this crisis or those linked to this event cannot be evaluated.

Conventions réglementées

visées à l'article L-612.5 du Code de Commerce

Nous vous informons que les conventions suivantes sont intervenues au cours de l'exercice 2019 :

1. Avec l'association Médecins Sans Frontières

Personnes concernées

MM. Thierry Allafort-Durverger, Jean Branellec, Xavier Lassalle, Michel Allard

a) Nature et objet

Compte courant.

Modalités

Votre association bénéficie d'une avance de trésorerie permanente de l'association Médecins Sans Frontières qui s'élève à

19 065 189,03€ au 31 décembre 2019.

b) Nature et objet

Facturation de frais de transport, matériel médical, achats et locations de véhicules, médicaments et nourriture.

Modalités

Votre association a facturé, au titre de l'exercice 2019, 34 264 824€ à l'association Médecins Sans Frontières, concernant des frais de transport, du matériel médical, achats et locations de véhicules, des médicaments ainsi que de la nourriture.

c) Nature et objet

Refacturation de frais financiers.

Modalités

Votre association a été facturée par l'association Médecins Sans Frontières, la somme de € 156 297 au titre d'intérêts financiers calculés sur l'encours du compte courant entre les deux entités.

d) Nature et objet

Refacturation de frais divers.

Modalités

Votre association a été facturée par l'association Médecins Sans Frontières, la somme de € 701 619, principalement au titre de coûts de transport et de vente de guides et de frais de personnel pour les bureaux de Dubaï.

e) Nature et objet

Facturation de coûts de personnel et de frais divers

Modalités

Votre association a comptabilisé, au titre de l'exercice 2019, € 874 389 de produits relatifs aux refacturations de frais de personnel et de frais divers dans le cadre de la gestion globale du site de Mérignac et de prestations diverses

2. Avec la Fondation Médecins Sans Frontières

Personnes concernées

Thierry Allafort-Duverger

Nature et objet

Facturation de loyer

Modalités

Votre association a versé à la Fondation Médecins Sans Frontières, au titre de l'exercice 2019, € 498 779 de loyers et taxes foncières relatifs à la location des entrepôts et bureaux de Mérignac.]

REPRESENTATION LETTER

ERNST & YOUNG Audit
A l'attention de Joël Fusil et Isabelle Tracq-Sengeissen
Tour First
3 Place de Saison
La Défense 3
92 400 COURBEVOIE

A Mérignac, le 02 juillet 2020,

Exercice clos le 31/12/2019

Cette lettre vous est adressée en application de vos normes d'exercice professionnel, dans le cadre de vos contrôles relatifs à l'audit des comptes annuels l'Association Médecins Sans Frontières Logistique afférent à l'exercice clos le 31 décembre 2019 (ci-après "les Etats Financiers"). Ces Etats Financiers font apparaître à cette date des capitaux propres de 2 145 828 euros y compris un déficit de 1 314 608 euros.

En tant que responsables de l'établissement des Etats Financiers et du contrôle interne afférent à leur préparation, nous vous confirmons ci-après, en toute bonne foi et au mieux de notre connaissance, les informations et affirmations qui vous ont été fournies dans le cadre de votre mission :

1. Les Etats Financiers arrêtés par le président ont été établis de manière régulière et sincère, pour donner une image fidèle de la situation financière et du résultat de la société conformément aux règles et principes comptables français.
2. Des contrôles destinés à prévenir et détecter les erreurs et les fraudes ont été conçus et mis en œuvre.
3. Nous avons pris connaissance de l'état, joint en annexe, des anomalies relevées lors de l'audit et non corrigées. Nous considérons que ces anomalies, seules ou cumulées, ne sont pas significatives au regard des Etats Financiers pris dans leur ensemble.
4. Nous n'avons pas connaissance de faiblesses significatives du contrôle interne ou de déficiences majeures.
5. A ce jour, nous n'avons connaissance d'aucun événement, autre que ceux déjà pris en compte, notamment au titre du Covid-19, survenu entre la date de clôture de l'exercice et la date d'arrêté des Etats Financiers et du rapport du trésorier, qui nécessiterait un traitement comptable ou une mention dans l'annexe ou dans le rapport de gestion.

Les événements survenus depuis la date d'arrêté des Etats Financiers et du rapport du trésorier, en particulier ceux liés au Covid-19 feront l'objet d'une communication sur l'exposition de la société aux

incidences de cette épidémie à l'assemblée générale d'approbation des comptes.

6. Nous avons mis à votre disposition :

- tous les documents comptables, les contrats ayant ou pouvant avoir une incidence significative sur les Etats Financiers, les procès-verbaux des assemblées générales et des réunions des organes sociaux tenues au cours de l'exercice et jusqu'à la date de cette lettre, ainsi que
- les rapports, avis ou positions émanant d'organismes de contrôle ou de tutelle dont le contenu pourrait avoir une incidence significative sur les Etats Financiers.

7. Nous vous avons fourni toutes les informations supplémentaires que vous nous avez demandées et laissé libre accès aux personnes au sein de l'entité que vous avez souhaité rencontrer pour les besoins de l'audit.

8. Nous vous avons fait part de notre appréciation sur le risque que les Etats Financiers puissent comporter des anomalies significatives résultant de fraudes.

Nous n'avons pas connaissance de :

- a. fraudes suspectées ou avérées, et impliquant la direction, des employés ayant un rôle clé dans le dispositif de contrôle interne ou d'autres personnes dès lors que la fraude est susceptible d'entraîner des anomalies significatives dans les Etats Financiers.
 - b. allégations de fraude susceptibles d'avoir un impact sur les Etats Financiers, provenant par des employés, d'anciens employés, des analystes, des régulateurs ou d'autres personnes.
9. Nous avons appliqué, au mieux de notre connaissance, les textes légaux et réglementaires. Des procédures ont été conçues et mises en œuvre dans la société, visant à garantir le respect de ces textes légaux et réglementaires.

Nous n'avons pas connaissance de cas de non-respect susceptible de conduire à des anomalies significatives dans les Etats Financiers

10. Toutes les opérations de l'exercice et toutes les conséquences financières de tout accord/contrat ont été enregistrées et correctement traduites dans les Etats Financiers, y compris le cas échéant dans l'état des éléments hors-bilan.

11. Les principales hypothèses retenues pour l'établissement des estimations comptables nous paraissent raisonnables, tiennent compte de toutes les informations dont nous disposons et reflètent nos intentions et la capacité de la société, à la date d'arrêt des Etats Financiers par le président, à mener à bien les actions envisagées.

12. Tous les passifs dont nous avons connaissance inclus dans les Etats Financiers.

13. L'information que nous vous avons fournie sur l'identité des parties liées ainsi que sur les relations et transactions avec celles-ci est exhaustive et l'information donnée dans l'annexe des Etats Financiers est conforme aux règles et principes comptables français. Les transactions avec les parties liées non

LS
PP

mentionnées dans l'annexe ne présentent pas une importance significative ou ont été conclues aux conditions normales du marché.

14. Toutes les informations entrant dans le champ d'application des conventions réglementées vous ont été communiquées conformément au Code de commerce.
15. Nous vous avons signalé tous les incidents de cyber sécurité susceptibles d'avoir un impact significatif sur les Etats Financiers.

Le Directeur Général

A complex, circular handwritten signature in black ink, consisting of multiple overlapping loops and a central vertical stroke.

Le Directeur Financier

A handwritten signature in black ink, featuring a horizontal line at the top, a vertical stroke in the middle, and several sweeping, curved lines extending to the right.

RESOLUTIONS

MÉDECINS SANS FRONTIÈRES LOGISTIQUE TEXT OF RESOLUTIONS VOTED ON BY MEMBERS AT THE GENERAL ASSEMBLY OF 02 JULY 2020

RESOLUTION N° 1

After having heard the reading of the President's report on the year ended 31 December 2019, the General Assembly approves this report.

RESOLUTION N° 2

After having heard the reading of the activity report on the year ended 31 December 2019, the General Assembly approves this report.

RESOLUTION N° 3

After having heard the reading of the Treasurer's financial report on the year ended 31 December 2019, the General Assembly approves this report.

RESOLUTION N° 4

After having heard the reading of the Auditor's report on the annual accounts, the General Assembly approves the annual accounts for the year ended 31 December 2019.

RESOLUTION N° 5

After having heard the reading of the Auditor's report on the annual accounts for the year ended 31 December 2019, the General Assembly resolves to allocate the result for the fiscal year ended 31 December 2019, a net loss to the amount of €1,314,608 as follows:

	AMOUNT (€)
Association funds	630,194.51
Retained earnings carried over from previous years	2,830,242
Credit carried over	-1,314,608
TOTAL EQUITY	2,145,828

RESOLUTION N° 6

After having heard the reading of the Auditor's special report, the General Assembly approves the regulated agreements for the year ended 31 December 2019.

02 July 2020,

The President:

Thierry ALLAFORT-DUVERGER

The

Secretary:

The

Treasurer:

The Administrators

Liesbeth AELBRECHT - Jean BRANELLEC - Myriam HENKENS, *proxy given to François Mounis* - Patricia FERNANDEZ WYSS - Xavier LASSALLE - Philippe CACHET

