FundShare Fund Management B.V.

Annual Report for the year ended December 31, 2020

Index to the annual report

Profile and key figures

Profile

FundShare Fund Management B.V. (the “Company”) is authorised by the financial supervisory authorities in The Netherlands to act as an investment fund manager (*beheerder*) and accordingly received a license under the Dutch act on financial supervision (Wft). The financial supervisory authorities issued the licence on November 3, 2006 on the basis of article 2:65 Wft (AIFMD-license), and from June 17, 2014 also based on article 2:69c Wft (UCITS-license). Additionally, under this license the Company is also allowed to offer the (MiFID II) ancillary service of managing individual portfolios.

Fund management

As per 31 March 2019, the AFM has permitted the Manager to manage Money Market Funds (*geldmarktfondsen*) in relation to the Money Market Funds Regulation (“MMFR”) ex article 4. The MMFR is the new European Union (EU) regulatory framework aimed at ensuring the stability and integrity of MMFs which are established, managed or marketed in the EU.

The Company manages the following alternative investment fund (AIF) and undertakings for the collective investment in transferable securities (UCITS):

- FundShare Umbrella Fund (AIF);
- FundShare UCITS Umbrella Fund (UCITS); and
- InDelta (UCITS) (former Robein, management has been acquired 1 October 2020)

Together hereafter: the “Funds”.

Wealth management

As per 1 October 2020 the Company is also licensed to manage individual accounts (wealth management).

Chamber of commerce and websites

The Company was founded on August 9, 2006, has its statutory seat in Amsterdam, The Netherlands and is registered with the Chamber of Commerce and Industry in Amsterdam under number 34252934.

The main website of the Company is: www.fundshare.nl. The website of the Company which is specific for its InDelta fund and wealth management proposition is: www.InDelta.nl.

Overview of Key figures

Key figures	2020	2019	2018	2017
Gross profit	**2,192,742**	**2,087,502**	**1,018,053**	**3,750,370**
Operating expenses	**1,916,641**	**1,564,533**	**2,587,540**	**2,679,638**
Operating result	**276,101**	**522,969**	**-1,569,487**	**1,070,732**
Net result	**273,975**	**335,327**	**-1,164,972**	**770,546**
Average employees during the financial year (FTE)	8.83	8.87	12.26	23.99
Number of employees	12	9	10	23

Directors' report

The directors of the Company hereby present the financial statements for the financial year ended on December 31, 2020. The "Profile and key figures" on page two are an integral part of the Directors' report.

Financial and Operating Review

Gross profit, expenses and results after tax

Gross profit

The increase in gross profit from EUR 2,087,502 to EUR 2,192,742 results primarily from the acquisition of the InDelta (Robein). InDelta has Assets under Management ("AuM") of around 100 mln EUR and a 0.5% all in fee. The Commercial Services Agreement ("**CSA**") signed with DeGiro B.V. ("DeGiro") in December 2018, is still the main driver of the gross profit. This agreement provides the Company with a fixed monthly fee in return for maintaining Qualifying Money Market Funds ("QMMFs") available for DeGiro clients in most of the EU/EER countries where DeGiro clients are active. The agreement may be terminated by both parties on the last day of any given quarter with 3-months' notice. Management fees increased as well over the course of 2020, although the year end AUM was smaller than 2019 (EUR - 8 mln), due to the outflow preceding the liquidation of the Beaumont Sub-Funds in December.

Operating expenses

The total operating expenses increased with more than EUR 300 thousand compared with 2019, mainly caused by the increase of employee expenses, due to the takeover of InDelta.

Net result

The net result amounts to EUR 273,975 positive (2019: EUR 335,327 positive).

Results of the managed Funds

FundShare Umbrella Fund (AIF)

FundShare Umbrella Fund was launched in 2012. The total assets under management, in this umbrella fund consisting of 6 active sub-funds, per December 31, 2020 amounts to EUR 61 million (2019: EUR 77 million).

FundShare UCITS Umbrella Fund (UCITS)

FundShare UCITS Umbrella Fund was launched in 2014. The total assets under management, in this umbrella fund consisting of 17 active sub-funds, per December 31, 2020 amounts to EUR 207 million (2019: EUR 198 million).

InDelta (UCITS)

InDelta was launched in 2012. The total assets under management, in this umbrella fund consisting of 9 active sub funds, per December 31, 2020 amounts to EUR 98 million. The management of the fund was taken over by the Company from Robein on 1 October 2020.

Financial position at the balance sheet date

Solvency and liquidity

Solvency and liquidity	2020	2019
Shareholder's equity (a.)	1,596,986	1,323,011
Current liabilities (b.)	493,634	746,338
Total liabilities (c.)	603,358	776,338
Current assets (d.)	2,014,549	1,976,259
Total assets (e.)	2,200,344	2,099,349
Debt-to-assets ratio (c.)/(e.)	27%	37%
Current ratio: (d.)/(b.)	4.08	2.65

Solvency is expressed through the debt-to-assets ratio, a leverage ratio: total liabilities divided by total assets. This ratio measures to what extent total assets were financed by (intercompany) creditors and liabilities (debt). The ratio decreased in 2020, mainly due to an increase of the amount of current assets.

Liquidity is expresses through the current ratio. This measures the ability of the Company to repay current liabilities with current assets. The current ratio increased in 2020, mainly due to an increase of the cash and cash equivalents. The current ratio of 4.08 means that at the balance sheet date, the current assets cover 4.08 times the amount of current liabilities.

Cash flows and financing requirements

Cash and cash equivalents increased from EUR 606,790 to EUR 1,287,581.

Capital requirements – resolution scenario and risk calculations

For capital adequacy purposes the minimum own equity capital of the Company (so-called Pillar 1) should be at least the higher of:

- EUR 125,000 with a premium of 0.02% of the excess of assets under management exceeding EUR 250 million, up to a maximum of EUR 10 million; or
- 25% of the fixed costs of the preceding financial year (the 'fixed overhead requirement' or FOR).

Pillar I

As the fixed overhead requirement is the highest, the present minimum required regulatory capital of the Company amounts to EUR 385,595 (2019: EUR 681,564), once these annual accounts are audited this will be increased to EUR 479,000. The eligible available capital at the balance sheet date amounts to EUR 1,323,011. After the audit of these annual accounts this will be expected to increase to EUR 1,661,216. The Company is deemed sufficiently capitalized un the Pillar I capital requirements perspective.

Pillar II

In 2021 the Company will prepare an Internal Capital Adequacy Assessment Process report (ICAAP) and will need to assess whether additional own funds (so-called Pillar 2) need to be taken into consideration. In order to do so the Company will assess a resolution scenario (the FOR serves a baseline) and will perform its individual risk calculations. The highest outcome will be taken.

ICAAP capital

An ICAAP is a comprehensive assessment of all the risks to which an institution is or may be exposed. The highest outcome of Pillar 1 and Pillar 2 represents the capital the institution is required to hold as ICAAP capital.

Personnel and remuneration

The staff headcount has increased from 9 employees in 2019 to 12 employees in 2020, in line with the change in scope of activities due to the acquisition of InDelta. Jan-Jaap Surie was added to the board of directors in September, after approval of the AFM. His previous function was the Head of Portfolio Management within FFM.

Remuneration policies and practices

The Company meets the applicable requirements and guidelines on "Sound remuneration policies". The Company deems the remuneration policy to be consistent with and to promote sound and effective risk management and does not encourage risk-taking, including sustainability risk, which is inconsistent with the risk profiles of the funds under management and do not impair compliance with the Company's duty to act in the best interest of the AIFs. The outlines of this remuneration policy are disclosed on the Company's websites: management.fundshare.nl and www.InDelta.nl.

Main principles

The remuneration policy is based on the following main principles:

- ✓ it aims at promoting a sound and effective risk management;
- ✓ it does not encourage the taking of more risks than is acceptable considering the risk profiles, rules or instruments of incorporation of the UCITS and AIFMD funds it manages;
- ✓ it aims to achieve and maintain a sound capital base;
- ✓ it is in line with the business strategy, objectives, values and long-term interests of the company; and
- ✓ it is designed to avoid conflict of interests.

The remuneration policy is intended to be flexible and it is designed to safeguard a sound capital base, while providing sufficient reward to key personnel. The Company can grant a variable remuneration as part of the remuneration package of its employees in addition to a fixed salary. The Company believes that the current relationship between fixed and variable remuneration is appropriate. The board of the Manager and the Heads of Commercial Activities, Fund Administration, IT and Regulatory Reporting and Operations & Control are considered to be "Identified Staff".

The criteria used for calculating the remuneration are aimed at reflecting the link between payment and performance. The size of a remuneration package is based on the scope of responsibilities and experience of the employee.

The variable remuneration of all the employees is calculated taking the financial achievements of the Company in the previous year and the projection of the regulatory capital requirement for the next year into account. The variable remuneration may be paid partially in financial instruments (units in investment funds managed by the Company) or as share-based payment (shares in the Company) and may be subject to retention and/or deferral over a period which is deemed appropriate in light of the risks of the managed funds.

Annual Review

The management board in its supervisory function has adopted the remuneration policy. The remuneration policy is reviewed on an annual basis by the board and the compliance officer, in order to ensure compliance with (national) laws and regulations and in order to monitor that it operates as intended. The implementation of the remuneration policy is subject to central and independent review performed annually by the compliance department, in order to assess its compliance with policies and procedures laid down by the management board in its supervisory function. The management board of the Company approved the updated remuneration policy after review in March 2021.

Risk management

Financial instruments risk management

The financial instruments recognized as financial assets in the balance sheet include: receivables, securities and cash and cash equivalents. The Company is therefore exposed to credit risks and market risks. Refer below for the description of these risks and their mitigating measures.

Principal risks, uncertainties and risk appetite

The Company is exposed to a number of principal risks and uncertainties arising from its main business activities and financial instruments. The principal risks which the Company seeks to actively manage are compliance and regulatory risks and investment strategy risks. The Company has implemented a risk management policy and has a low-risk appetite. Below please find a description of the mitigating activities undertaken per principal risk.

Strategy and business model risk

This risk refers to the current or prospective risk to earning and capital arising from changes in the business environment and from adverse business decisions, improper implementation of decisions or lack of responsiveness to changes in the business environment.

Mitigating measures:

- **OpCo business development:** The Company through its UCITS and AIFMD umbrella funds, provides for a fast set up and smooth integration of new Sub-Funds. It offers this opportunity to third party asset managers (the Operating Companies) to make use of tailor-made funds where they are delegated the execution of investment policies;
- **InDelta business development**: After the takeover of the InDelta funds (formerly known as Robein) on 1 October 2020 we have a cost efficient, passive index investment solution which we offer to a broad investor base via execution only and Asset Managed accounts. This proposition is now actively marketed and developed to grow the AuM; and
- **M&A activity:** to diversify its revenue base and to leverage its cost base the Company will be actively exploring M&A opportunities in the field of fund management, wealth management and fund administration.

Impact and expected impact of strategy and business model risk

The Company has seen a further transformation in its business model in 2020 with the separation of LPE Group and the acquisition of InDelta. The Company focused more on funds where it has delegated part of the portfolio management function, passive index funds (InDelta) and the Qualifying Money Market Funds (Cash Funds). The Company entered into a Commercial Services Agreement with DeGiro in 2018. Based on this agreement, the Company receives a payment from DeGiro as compensation for maintaining its Cash Funds. This ceteris paribus preserves the capital base of the Company and allows to invest in growth and marketing. The Company has acquired FundShare Fund Administrator B.V. per 1 January 2021, being the fund administration service provider to our Funds and is in discussion with several parties to purchase fund management and wealth management activities. It is the objective of these initiatives to be less dependent on the CSA with DeGiro. The Company is currently significantly dependent on this agreement. The likelihood that this risk will have a significant impact in the next financial year is high considering that the CSA may be terminated by both parties on the last day of any given quarter with 3-months' notice, the next quarter-end being 30 June 2021.

Compliance and regulatory risks

Compliance and regulatory risks concern the risks that a failure to comply with applicable laws, regulations, internal policies, best practices and lack of good conduct may result in supervisory penalties, financial losses or reputational damages. In the worst-case scenario such failure may result in termination of the license.

Mitigating measures:

- **Compliance Function:** FFM has an independent Compliance Officer acting in the second line of defence.
- **Implementation of new laws:** The CFO together with the Compliance Officer, is focused and responsible for identification, interpretation and advising on legislative and regulatory developments and monitors the embedding thereof.
- **Compliance culture:** Through a sound Code of Conduct, compliance training and workshops the importance of compliance is embedded in our operations, this creates a compliant culture.
- **Compliance monitoring program:** By effective execution of the compliance monitoring program, the Compliance Officer provides assurance to the Board that the Company operates within a compliant framework.

Impact and expected impact of compliance and regulatory risk

The financial regulatory environment is currently subject to continuous and extensive developments and this requires a significant effort of the organization to adequately interpret and implement newly adopted laws and regulations within the organization. As a result of the acquisition of the InDelta Asset Management services from Robein, the Company is since also subject to compliance with several regulatory requirements under MiFID II.

With the enhancement of the compliance function and the focus on the monitoring of regulatory changes, the Company expects to be able to keep its organization and processes fully compliant with applicable laws and regulations. Nevertheless, given the continuous increasing regulatory pressure, the Company assesses the potential impact of the compliance and regulatory risk for the year 2021 to be medium.

Investment strategy and investment compliance risk

The quality of execution of investment policy of the Funds is a dominant factor that will determine the performance of the Fund. Consistent negative returns could lead to a significant outflow and reducing Assets under Management (AuM). This will then have an adverse effect on the results and the financial condition of the Company.

Mitigating measures

- **Independent risk management function:** FFM has set up a risk management function which is hierarchically and functionally independent of the portfolio management function. The risk management function ensures that on an ongoing basis that the actual risk profile disclosed to investors by the prospectus is consistent with the (quantitative and qualitative) risk limits and asset eligibility criteria;
- **Risk limits system**: The Company has implemented a system of risk limits approved by the Investment Committee, concerning the measures used to monitor and manage potential relevant risk factors of the (Sub) Funds and are consistent with (Sub) Funds risk profile;
- **Daily breach monitoring:** On a daily basis the compliance with the approved risk limits is monitored (continual checking) by the risk management function as a second line of defence. Immediate remedial actions for breaches of limits are undertaken, notifying (reporting to) the board and portfolio management (responsible for investment decisions) to remediate; and
- **Monthly Liquidity report:** FFM has developed a monthly liquidity report to monitor the liquidity of the investments per product, Sub-Fund, Umbrella and on a total level. The report gives insight on how fast and at which costs an investment can be liquidated in normal and in distressed situations. This report is discussed in the RCC and IC.

Impact and expected impact of investment strategy and investment compliance risk
In 2020 our auditor issued a clean unqualified opinion with respect the audit of the investment compliance of our two UCITS funds. Due to the effective daily intra-day monitoring of investment breaches and asset eligibility criteria together close communication with portfolio management (or the delegated operating company) breaches are immediately identified and remediated. The Company

assesses the potential impact of the investment strategy and investment compliance risk for the year 2021 to be low.

Liquidity risk

Refer to the risk that the Company is unable to meet its short-term financial obligations.

Mitigating measures:

- The Company makes sure it maintains at least 25% of prior years fixed overheads (FOR) equal to three months of fixed overheads; and
- The Company has forecasted its cash position until end of 2022 which shows enough liquidity to ensure that expenses for winding down can be paid during a winding down period.

Impact and expected impact of liquidity risk

The Company has not experienced any liquidity problems in 2020. The Company per year-end maintains a relatively large cash position, 2.69 times the FOR amount in 2021. The likelihood that liquidity risk will have a significant impact in 2021 is deemed remote.

Solvency risk

Solvency risk for the Company refers to the risk of the Company not being to absorb losses due to decreasing in revenues, generated by all types of risk with the available capital.

Mitigating measures:

- The Company monitors its key risks on an ongoing basis and makes sure that these risks are properly mitigated; and
- The Company shall perform an ICAAP in 2021.

Impact and expected impact of liquidity risk

Solvency can be expressed through the debt-to-assets ratio, this ratio measures to what extent total assets were financed by creditors and/or liabilities (debt). The ratio as per year end 2020 is 27% (see page 4 “Solvency and Liquidity”) which means the Company is well capitalised. The likelihood that solvency risk will have a significant impact in 2021 is deemed remote.

COVID-19 coronavirus pandemic risk

The COVID-19 pandemic has been affecting major economic and financial markets, and virtually all industries and governments are facing challenges associated with the economic conditions resulting from efforts to address it.

The Coronavirus outbreak has triggered the following (principal) risks:

- **Operational continuity risk**: Disruptions to business operations can result from quarantines of employees due to social distancing measures and government-imposed closures;
- **Technology risk**: Technology infrastructure may be stressed or show weak spots as more employees work remotely for extended periods of time and demands on the systems increase;
- **Market risk (equity prices)**: The Coronavirus outbreak has caused a global financial markets crash (falling stock prices) due to a massive sell off in March 2020, which has had a negative impact of around 20% on the Net Asset Value (NAV)/Assets under Management (AUM) of the equity funds we manage; and
- **Earnings risk**: Our revenues (management fees) decrease if AUM decreases.

Risk impact

- Absenteeism of key employees could make it harder to maintain business operations control breakdowns, errors and other risks that could lead to regulatory exposure.

- The lower AUM of the Sub-Funds translate to less revenues to be generated by the Company. As a consequence, the financial condition of the Company can deteriorate and negatively affect the minimum required regulatory capital level.

Mitigating measures
The Company has taken all the necessary steps to ensure that it can continue to provide its activities and services to its Funds and investors.

- As the Coronavirus outbreak expanded from a global health emergency to being classified as a global pandemic, the Manager has immediately shifted all key employees to working remotely in response to the advice by the Dutch government on social distancing measures and lock-down, in order to ensure continuity of core operations;
- Through having arranged stable remote access to cloud based mailboxes, database and tooling, portfolio management department in conjunction with risk department can ensure that all financial and operational risks are adequately measured, monitored and managed on a daily basis;
- The Company uses the benefits of technology, as all funds are managed and distributed online. On the other hand, this means that there is crucial dependence on technology managed and maintained by third parties. The Manager has ensured stable operations and business continuity by arranging dedicated (remote-access) IT support from an independent IT provider; and
- The Company keeps a strong buffer of own funds above the minimum required regulatory capital level which can absorb losses from risk exposures (including such as the Coronavirus outbreak) on a going concern basis.

Impact and expected impact of COVID-19 coronavirus pandemic

The widespread national lockdowns to mitigate the spread of the virus has affected the way our employees worked in 2020 as they have been working remotely from home most of 2020 until present. Because our systems and processes are highly automated the impact on the operational business continuity has been limited. Also from a commercial perspective, the effect of the pandemic on the Company's (online) business has been limited. As stated there have not been significant operational disruptions and the AuM of the funds recovered during 2020. We can conclude that so far the virus has not negatively impacted the Company's financial performance for the year nor its liquidity position.

Currently the some factors are still uncertain, such as the speed of the economic recovery, the pace of withdrawal of support measures and the degree of effectiveness of the Covid-19 vaccines. The full, long-term effect of the coronavirus outbreak on our business, our Funds, operating results and financial condition and risk mitigation remains to be seen.

Regulatory environment

UCITS license

The Company obtained a license in 2014 from the AFM to manage undertakings for the collective investment in transferable securities (UCITS). The external audits of the two UCITS funds performed by Mazars that took place in 2020 was unqualified.

Money Market Funds (MMRF) license

As per 31 March 2019, the AFM has permitted the Manager to manage Money Market Funds (*geldmarktfondsen*) in relation to the Money Market Funds Regulation ("MMFR") ex article 4. The MMFR is the new European Union (EU) regulatory framework aimed at ensuring the stability and integrity of MMFs which are established, managed or marketed in the EU.

Individual portfolio management

As per 1 October 2020 the Company acquired customer contracts providing individual portfolio management services exclusively connected to the InDelta UCITS umbrella. The Company is allowed to offer these so-called MiFID top-up services under their UCITS license.

AIFM license

The AFM have licensed the Manager on 3 November 2006 on the grounds of article 2:67 Wft and on 17 June 2014 on grounds of article 2:69c.

Subsequent events after the balance sheet date

Inhouse fund administration

The Company has acquired 100% of its fund administrator FundShare Administrator Activities B.V. per 1 January 2021.

Liquidation of sub-funds

The following sub-funds have been liquidated after year-end: FundShare Beaumont Equity Fund, and the FundShare Post Helder Aandelen Fonds. The FundShare Beaumont Equity Fund was already empty since December 2020, just like the FundShare Beaumont Fixed Income Fund. The Equity Fund had an open corporate action in January 2021, which delayed the liquidation. Large outflow in the Beaumont funds, which triggered a redemption gate led to a liquidation decision, due to the low remaining AuM. The Operating Company of the FundShare Post Helder Aandelen Fonds gave back the portfolio management delegation for the sub-fund. The board of directors decided to liquidate the sub-fund, due to the low AUM in this sub-fund.

Outlook

Personnel

At the end of 2020 we're working with a team of 12 people. In October 2020 through the acquisition of InDelta (former Robein) three experienced new employees were welcomed. We believe that this base is stable for 2021.

Investments and Financing

In addition, we're focussing on investments to further grow our InDelta client base and improve our FundShare Umbrella funds proposition towards wealth managers. The Company is completely financed with equity and it is expected to remain that way for the foreseeable future. The aforementioned investments will be financed with equity.

Fund Infrastructure

In November 2020 DeGiro informed us that they will terminate its broker and custodian services for the InDelta and FundShare funds (except the Cash Funds). Due to this termination we have been looking for a new broker / custodian solution. The choice for a new broker / custodian has led to further explore a change in depositary as well. This new setup is expected to be ready on 1 September 2021.

Inflow to investment funds

For 2021, we believe the revenues from the Umbrella funds will be similar to those experienced in 2020. The positive markets have led to a positive start for all sub-funds. How the markets will develop in the rest of the year is very uncertain, including any prediction on our sub-fund returns.

<u>FundShare Cash Funds</u>

After a good start in the beginning of the year 2021, we expect for the remainder of the year inflow in our Qualifying Money Market Funds (Cash Funds) from new clients of flatexDeGiro. The uncertainty is in the development of an alternative cash solution within flatexDeGiro, as they have a bank license, which could replace (parts of) our Qualifying Money Market Funds solution. Besides this uncertainty we see the number of flatexDeGiro clients growing in a rapid pace. And our cash funds are a unique solution as Qualifying Money Market Funds for 7 currencies, which is working perfectly for the last years and meets all the regulatory requirements.

<u>Other FundShare Sub-Funds</u>

The positive return in the beginning of 2021 will have a positive impact on the results of the equity, fixed income and Mix sub-funds for the remainder of 2021. Partly this was offset by the liquidation of the Post Helder Aandelen Fonds._The regulatory rules are increasing the costs of compliance for wealth managers, which makes our fund solution an attractive alternative. We expect to start at least one new sub-fund in 2021. Due to the change of the fund infrastructure, we can start with new sub-funds after 1 September. On the other hand we expect to lose a few OpCo sub-funds. One OpCo has indicated that they will move their sub-funds to their own fund license.

InDelta Funds

After the takeover of the InDelta funds (formerly known as Robein) on 1 October 2020 we have a cost efficient, passive index investment solution which we offer to a broad investor base via execution only and Asset Managed accounts. This proposition is now actively marketed and developed to grow the AUM.

M&A activity

To diversify its revenue base and to leverage its cost base the Company will be actively exploring M&A opportunities in the field of fund management, wealth management and fund administration.

Based on the above, the management is confident about the near future. Finally, we express our appreciation for the efforts made by all the people who are involved in our activities.

Amsterdam, April 30, 2021

FundShare Fund Management B.V.

A.M. Rose	M.S. Huisman	J.J. Surie
CEO	CFO	CIO

Financial statements 2020

Balance sheet as of December 31, 2020

(Amounts in EUR, after appropriation of result)

Assets	Notes	12/31/2020		12/31/2019	
Fixed assets	**4**				
Intangible fixed assets	4.1				
Customer related assets		156,504		0	
			156,504		**0**
Tangible fixed assets	4.2				
Other operating fixed assets		29,292		123,090	
			29,292		**123,090**
Current assets	**5**				
Receivables					
Trade debtors	5.1	545,788		149,294	
Receivables from group companies	5.2	0		1,167,365	
Other receivables	5.3	59,028		1,433	
Prepayments and accrued income	5.4	39,454		6,521	
			644,270		**1,324,613**
Securities	5.5		82,698		44,856
Cash and cash equivalents	5.6		1,287,581		606,790
Total Assets			**2,200,345**		**2,099,349**

Equity & Liabilities		12/31/2020		12/31/2019	
Shareholders' equity	**6**				
Share capital paid up and called up	6.2	18,000		18,000	
Share premium	6.3	2,422,983		2,422,983	
Other reserves	6.4	-843,997		-1,117,972	
			1,596,986		**1,323,011**
Provisions	**7**				
Provision for deferred remuneration	7.1	109,724		30,000	
			109,724		**30,000**
Short-term liabilities	**8**				
Trade creditors	8.1	243,790		212,562	
Amounts due to group companies		0		7,254	
Taxes and social security contributions	8.2	27,591		43,112	
Other liabilities	8.3	92,310		64,183	
Accrued liabilities and deferred income	8.4	129,944		419,226	
			493,635		**746,338**
Total Equity & Liabilities			**2,200,345**		**2,099,349**

The accompanying notes are an integral part of these financial statements.

Profit and loss account for the year ended December 31, 2020

Over the period January 1- December 31 (Amounts in EUR).

Profit and loss account	Notes	2020	2019
Gross profit	**10**	**2,192,742**	**2,087,502**
Employee expenses	11.1	1,151,426	1,165,622
Amortisation customer related assets	11.2	4,013	0
Depreciation other operating fixed assets	11.3	13,362	16,136
General and administrative expenses	11.4	747,840	382,775
Total operating expenses		**1,916,641**	**1,564,533**
Operating result		**276,101**	**522,969**
Changes in value of fixed assets and investments in securities	11.5	17,264	-90,577
Interest expenses and similar charges	11.6	5,008	646
Other financial results		201	146
Result before taxation		**288,558**	**431,892**
Corporate Income Tax gains (loss)	12	-14,583	-96,565
Net result		**273,975**	**335,327**

The accompanying notes are an integral part of these financial statements.

1 General

1.1 Activities

The Company, with its registered office in Amsterdam, The Netherlands is registered at the Chamber of Commerce and Industry in Amsterdam under number 34252934. The activities of the Company consist of the management of three investment funds (the “Funds”).

- FundShare Umbrella Fund;
- FundShare UCITS Umbrella Fund; and
- InDelta (the management of this fund was acquired 1 October 2020).

1.2 Financial supervision

The Company is regulated by and falls under the supervision of The Netherlands Authority for the Financial Markets (“AFM”) and De Nederlandsche Bank (“DNB”). The Company is a fund manager with a license to manage both UCITS- and AIF funds and Money Market Funds. The Company is also licensed to manage individual portfolios.

1.3 Group companies

In addition to the Company the following relevant entities were part of a group until 23 April 2020:

- LPE Capital B.V. (parent company and head of the Group);
- DEGIRO B.V. (Investment firm) (90.56%) and its three safekeeping entities;
    - Stichting DEGIRO (special purpose safekeeping entity founded and controlled by DEGIRO B.V.);
    - Stichting DEGIRO II (special purpose safekeeping entity founded and controlled by DEGIRO B.V.):
    - Stichting DEGIRO IIb (special purpose safekeeping entity founded and controlled by DEGIRO B.V.):
- FundShare Administrator B.V. (previous fund administrator) (100%).
- FundShare Administrator Activities (current fund administrator) (100%)

1.4 Branch offices (foreign operations)

The Company closed the branch in Sofia, Bulgaria in August 2020.

1.5 Going concern assumption

The Company has a Commercial Services Agreement (CSA) with DeGiro (see note 11.5). Based on this agreement the Company receives a monthly service fee from DeGiro as compensation for maintaining Cash Funds for its clients. This agreement can be terminated every quarter-end with a notice period of 3 months.

1.5.1 Going Concern Assessment

There is uncertainty with respect to the continuation of the Commercial Services Agreement (CSA) with DeGiro for the foreseeable future:

- In a worst-case scenario, which we consider highly unlikely, the CSA would be terminated in the second quarter of 2021 (before or on 30 June 2021), if for example DeGiro can arrange flatex multicurrency bank accounts as an alternative to alternative to all our Qualified Money Market Funds. This is very doubtful in the case of GBP due to the temporary Brexit regime and there are similar difficulties with regard to CHF as well. There are also still countries in which DeGiro on-boards clients directly into the FundShare EUR Cash Fund. Finally, it would be extremely costly for flatex DeGiro to create the ability to offer deposit accounts for the Scandinavian currencies.

- In recent conversation with DeGiro, they stated that they will need all (7) Qualified Money Market Funds till end of 2021. Their expectation is that they will need fewer (not specified which) of the Qualified Money Market Funds during 2022. As a result, DeGiro has already initiated a re-negotiation of the CSA agreement. FFM is amenable to re-negotiate terms on the basis it can get an extended agreement even at a lower fee as certainty over time is valuable to FFM.
- Reasoning from this perspective, our base-case scenario is that we expect that the Commercial Services Agreement with DeGiro will be renegotiated in the second quarter of 2021 and terminated in 2022.

Management's plans to address the uncertainty

The above-described assessment, which based on a realistic but worst-case scenario, is deemed to be counterbalanced by the following positive events and conditions:

(i) The scenario we consider probable with respect to the termination of the CSA would be a termination in second half of 2022. We believe that after the integration of DeGiro by flatex, the priorities will shift from away from arranging multicurrency bank accounts as an alternative to our Qualified Money Market Funds. The cost and time to replace this approved and working solution doesn't seem to have the highest priority from a flatex DeGiro board perspective. This means in this case that the current CSA payments (EUR 450 thousand per quarter) is expected to be received well into 2022;

(ii) A renegotiation on the CSA could lower the fees on the short term, but we expect that it will extend the agreement for multiple years;

(iii) Even in the worst-case scenario, the remaining revenues from the CSA would still be able to cover all forecasted 2021 operating expenses;

(iv) To substantiate the above statement we have prepared a detailed earnings and cash flow forecast, resulting from existing and anticipated operations, the current economic environment, performance and capital position together with related risk exposures. On the basis of this forecast management is of the opinion, that even though the Company will show a negative net result in 2022 (in the worst-case CSA scenario), it will have sufficient cash and liquid asset resources available in the foreseeable future (at least until May 2020) to satisfy working capital requirements and is able to pay its debts as and when they fall due;

(v) The forecasted capital position for the foreseeable future (at least until May 2022) will exceed the minimum required capital levels based upon the fixed overhead requirement; and

(vi) The Company is actively exploring potential new business opportunities, like we did with Robein (funds) or wealth managers, on top of expanding the "OpCo" business and InDelta proposition to substitute for the expected loss of revenues and corresponding cash flows.

After having assessed the business forecast, the principal risk exposures to the business model and company strategy - including the risk of losing revenues from DeGiro per 1 July 2021 in the going concern period - we are still satisfied that the Company can maintain sufficient liquid resources and will remain solvent in order to enable it to continue in operation for at least the foreseeable future. Management therefore considers it appropriate to adopt the going concern basis of accounting in preparing the financial statements. As with all business forecasts, the management statement cannot guarantee that the going concern basis will remain appropriate given the inherent uncertainty about future events.

1.6 Significant accounting estimates and judgements

The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. Actual results may vary from these estimates. The estimates and the underlying assumptions are constantly assessed. If necessary, to provide the transparency required under article 362 paragraph 1 Book 2 of the Dutch Civil Code, the nature of these estimates and judgements, are disclosed in the notes to the relevant financial statement item. Revisions of estimates are recognized in the period in which the estimate is revised and in future periods for which the revision has consequences.

1.6.1 COVID 19 impact on financial statement estimates and judgements

The main financial risk concerning the impact of the COVID-19 outbreak, would be a significant decline in AuM due to market turbulence. The size of AuM directly affects our revenues. Although the funds we manage showed a decline in March 2020 due the COVID-19 imposed market correction. AuM for the rest of the year 2020 increased anticipating COVID-19 vaccines. The financial situation of the Company therefore remained sound and COVID 19 outbreak has no impact on management estimates used in preparation of these financial statements.

2 General accounting principles regarding the valuation of assets and liabilities

2.1 General

2.1.1 Basis of preparation

The financial statements have been prepared in accordance with the statutory provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Guidelines for annual reporting in the Netherlands as issued by the Dutch Accounting Standards Board. The accounting policies applied are based on the historical cost convention, unless stated otherwise.

2.1.2 Financial reporting period

These financial statements have been prepared for the reporting period from January 1st till December 31st.

2.2 Foreign currencies

2.2.1 Functional currency

The amounts in the financial statements are stated in consideration of the currency in the economic environment in which the Company performs its business activities (the functional currency). The annual financial statements are presented in euro (EUR). This is both the Company's functional and presentation currency.

2.2.2 Transactions in foreign currencies

Transactions denominated in foreign currency are translated to EUR at the exchange rate applicable on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate applicable on the balance sheet date. Non-monetary assets and liabilities in foreign currencies that are stated at historical cost are translated into EUR at the applicable exchange rates on the transaction date. Translation gains and losses on monetary assets and liabilities are taken to the profit and loss account.

2.2.3 Foreign operations

The assets and liabilities of foreign operations are translated to EUR at exchange rates applicable on the balance sheet date. Income and expenses of foreign operations are translated into EUR at the exchange rate applicable on the transaction date.

2.3 Recognition and derecognition of assets and liabilities

An asset is included in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is recognised in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

If a transaction results in a transfer of future economic benefits and or when all risks relating to assets or liabilities transfer to a third party, the asset or liability is no longer included in the balance sheet (derecognition). Assets and liabilities are not included in the balance sheet if economic benefits are not probable and/or cannot be measured with sufficient reliability.

2.4 Financial instruments

A financial instrument is a contract that simultaneously gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

In this connection, financial assets particularly comprise cash and cash equivalents, equity instruments held in other entities (e.g. investments in participating interests), trade accounts receivable, receivables from Group companies and investments in securities and/or participation rights. Financial liabilities generally represent a contractual obligation to deliver cash or other financial assets. These include in particular, trade creditors, payables to (former) Group companies and other liabilities.

Within the Company, purchases and sales of (derivative) financial instruments are generally recorded as of the trade date, i.e. the date that the Company commits to purchase or sell the financial instrument. Financial assets and financial liabilities are generally reported separately (i.e. without being netted).

2.4.1 Financial instrument risk management

As the Company qualifies as a small-sized company, the Company has no obligation to disclose separately its financial instruments risks if these are included in the directors' report.

2.4.2 Measurement of fair value

Fair value (market value) is the amount for which an asset can be exchanged or a liability can be settled between knowledgeable willing parties in an arm's length transaction.

2.4.3 Initial recognition and subsequent measurement

Financial instruments are initially stated at fair value (i.e. the transaction price), including discount or premium and directly attributable transaction costs. However, if financial instruments are subsequently measured at fair value through profit and loss, then directly attributable transaction costs are separately recognized in the profit and loss account.

2.4.4 Investments in securities

Securities consist of short-term positions (available for sale) in unlisted securities. Investments in unlisted equity securities are stated at fair value. The fair value of unlisted units in investment funds is determined by reference to the underlying net asset value (NAV) of each of the individual funds.

Changes in the market values of securities are reported in the profit and loss account under "Changes in value of fixed assets and securities".

2.5 Fixed Assets

2.5.1 Intangible fixed assets

Identifiable intangible assets (customer related assets) acquired in a business combination are recognized at cost on the date of acquisition. After initial recognition, the assets are measured at cost less accumulated amortisation and any accumulated impairment losses. The rate of amortization of intangible fixed assets is calculated based on the period over which we expect to derive economic benefits from such assets.

Impairment testing is required when there is an indication of impairment. The impairment test is performed at the balance sheet date. An impairment loss is recognised if an asset carrying amount exceeds the greater of its value-in-use, which is based on the net present value of future cash flows.

2.5.2 Other tangible fixed assets

Other tangible fixed assets consist primarily of leasehold improvements, computer equipment and office furniture, and are valued at acquisition cost and depreciated at various rates over the asset's estimated useful life on a straight-line basis. The expected useful life is:

Tangible asset category	Depreciation term
Leasehold improvement	5 years
Furniture	5 years
Computers and software	5 years

A tangible fixed asset is derecognised in the event of disposal or if no future economic benefits are expected from its disposal or use. Any gains or losses arising from its balance sheet derecognition (calculated as the difference between the net proceeds on disposal and the book value of the asset) are taken through profit or loss for the year in which the asset is derecognised.

2.6 Current assets

2.6.1 Receivables

2.6.1.1 Receivables from group companies

The intra group balances outstanding are recorded at their nominal value (and if applicable) less a provision for doubtful items at year-end.

2.6.1.2 Trade and other receivables

At initial recognition trade and other receivables are measured at fair value. After initial recognition receivables are valued at amortized cost (and if applicable) less a provision for doubtful items at year-end. The amortized cost value equals the nominal value, if no directly attributable transaction costs or premium/discounts are applicable.

2.6.1.3 Deferred tax assets

Deferred tax assets are determined using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses and credits carried forward. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. The calculation of the deferred tax asset is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law. Deferred tax assets are stated at nominal value.

2.6.2 Cash and cash equivalents

Cash and cash equivalents comprise cash in bank accounts with a maturity of less than twelve months. Cash and cash equivalents are measured at nominal value.

2.7 Provisions

2.7.1 General

Provisions are made for legal or constructive obligations that exist at the balance sheet date, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be estimated reliably. Provisions are measured at the best estimate of the amount that is necessary to settle the obligation as per the balance sheet date. The provisions are carried at the nominal value of the expenditure that is expected to be required to settle the obligation.

2.7.2 Provision for deferred tax liabilities

Provisions for deferred tax liabilities are determined using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The calculation of the deferred tax liability is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law. The deferred tax liabilities are measured at nominal value.

2.7.3 Provision for deferred remuneration

The provision for deferred remuneration refers to conditional performance-based remuneration awards where the actual payment is deferred for a period of, in principle, three years and depends on the performance (net asset value) of certain investment funds managed by the Company. The change in value of the remuneration awards directly related to the performance of the investment funds is expressed in the calculation of the provision.

2.8 Current liabilities

Payables are classified as current liabilities if payment is due within one year, if not, they are presented as non-current liabilities. Payables are initially recognized at fair value and subsequently measured at amortized cost. The amortized cost value equals the nominal value, if there are no directly attributable transaction costs or premium/discounts applicable.

3 General accounting principles for determination of the result

Income and expense items are recognised in the period to which they relate, having due regard to the above accounting principles. Revenues are recognised if it is probable that their economic benefits will flow to the Company and the revenues can be reliably measured.

3.1 Revenues

3.1.1 Management and other fees

Management and other fees represent management fees, operating fees and performance fees (if any).

3.2 Employee expenses

Salaries and wages, social security charges and other salary related expenses are recognized over the period in which the employees provide their services to the Company.

3.3 Changes in the value of fixed assets and value of investments in securities

Revaluation of fixed assets can consist of appreciations, write-downs, or general value adjustments. Changes in the value of (un)listed securities includes all realized gains and losses on disposal of investments and all unrealized changes in the market value of investments in (un)listed securities.

3.4 Taxes

3.4.1 Corporate income tax (CIT)

Corporate income tax is calculated on the basis of the standard tax rates in the countries where the results were achieved, taking into account applicable tax facilities in these countries. Corporate income tax comprises the current and deferred income tax relating to the reporting period. Current tax comprises the expected tax payable or receivable on the taxable profit or loss for the financial year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the tax payable in respect of previous years. If the carrying values of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base), this results in temporary differences. A provision for deferred tax liabilities is recognized for taxable temporary differences.

3.4.2 Value added tax (VAT)

The Company is exempted from VAT with respect to revenues generated from the management of investment funds and the execution of investment transactions and the granting of loans. Due to this exemption a significant portion of invoiced VAT is not recoverable. Expenses therefore include non-recoverable VAT.

3.4.3 Fiscal unity (until 23 April 2020)

Under the Dutch corporate income tax act, Dutch companies (and Dutch permanent establishments of foreign subsidiaries) can form a consolidated group for tax purposes, a so-called ‘fiscal unity’. The Company is part of a fiscal unity for corporate income tax (CIT) and value added tax (VAT) purposes together with its parent company, LPE Capital and other fiscal unity members within the Group. Each of the companies within the fiscal unity recognizes the pro rata portion of corporate income tax that the relevant company would owe as an independent taxpayer, taking into account the applicable tax facilities. All companies in this fiscal unity are jointly and severally liable for the tax obligations of the fiscal unity. As from 24 April 2020 the Company is considered a standalone tax payer towards the tax authorities.

Notes to the balance sheet

4 Fixed assets

4.1 Intangible fixed assets

Movement schedule intangible fixed assets	2020	2019
Opening balance 1 January	**0**	**0**
Investments (additions)	160,517	
Amortisation (10%)	(4,013)	
Closing balance 31 December	**156,504**	**0**

Transaction costs have been capitalized as part of the purchase price.

4.2 Tangible fixed assets

Movement schedule other operating fixed assets	2020	2019
Opening balance 1 January	**123,089**	**203,265**
Investments (additions)	17,669	0
Disposals	-89,983	0
Revaluation	2,444	0
Depreciation (20%)	-23,926	-80,176
Closing balance 31 December	**29,292**	**123,089**

Other operating fixed assets	2020	2019
Investment value (cost)	50,260	730,834
Accumulated depreciation	-20,968	-607,744
Carrying amount (book value)	**29,292**	**123,089**

5 Current assets

5.1 Trade debtors

Trade debtors	2020	2019
Trade debtors	545,788	149,294
Total	**545,788**	**149,294**

Trade debtors relate mainly to management fees and operating fees receivable from the Funds. A provision for doubtful items has been accounted for amounting to EUR 9,500.

5.2 Receivables from group companies

Receivables from group companies	2020	2019
LPE Capital B.V.	0	574,344
DeGiro B.V.	0	537,601
LPE Software B.V.	0	36,631
GMO Limited	0	18,789
Total	**0**	**1,167,365**

As from 24 April 2020 the Company is no longer part of the LPE Group. These former group companies are currently classified as related parties. The loan receivables in current account from related parties (prior Group companies) are non-interest bearing. There are no arrangements in place regarding timing and magnitude of repayments or with respect to the security of these payments. All loan receivables from related parties have been settled in 2020.

5.3 Other receivables

Other receivables	2020	2019
Receivable from former parent company	38,014	0
Loans and advances to directors	21,014	0
Deferred tax assets	0	1,116
Other	0	317
Total	**59,028**	**1,433**

The loans granted to two directors are interest bearing and mature end of 2022. The deferred tax assets relate to the Bulgarian branch.

5.4 Prepayments and accrued income

Prepayments and accrued income	2020	2019
Prepaid expenses	27,863	6,521
Accrued income	11,591	0
Total	**39,454**	**6,521**

The prepayments and accrued income amounts are due within one year.

5.5 Securities

Securities	2020	2019
Unlisted equity instruments	82,698	44,856
Total	**82,698**	**44,856**

The investments in unlisted equity instruments concerns investments in units of an investment fund (UCITS) and a side pocket of a deregistered alternative investment fund managed by the Company. The units are priced at the validated net asset value (NAV) at the balance sheet date.

5.5.1 Breakdown per category

Category breakdown	2020	2019
At free disposal	30,735	14,856
Linked to provision for deferred remuneration	51,963	30,000
Total	**82,698**	**44,856**

The securities linked to the provision for deferred remuneration are not at free disposal of the Company (refer to note 8.1).

5.6 Cash and cash equivalents

The cash and cash equivalents are specified as follows:

Cash and cash equivalents	2020	2019
Cash at bank	1,287,581	606,790
Total	**1,287,581**	**606,790**

Cash and cash equivalents are available for the Company's immediate use in day-to-day operations, besides the restrictions as reflected below.

5.6.1 Restrictions

Restricted cash entails cash held in a specific designated bank account which is earmarked for a specific purpose or on a contractual basis or at management's discretion and therefore not available for immediate and/or general use by the Company. An amount of EUR 13,814 (2019: EUR 68,215) in current accounts is held in a designated bank account, in connection with a bank guarantee to secure the Company's office lease obligations.

6 Shareholder's equity

The shareholder's equity is specified as follows:

Shareholders' equity	2020	2019
Share capital paid up and called up	18,000	18,000
Share premium reserve	2,422,983	2,422,983
Other reserves	-843,997	-1,117,972
Total	**1,596,986**	**1,323,011**

6.1 Initial capital requirement and fixed overhead requirement

The Company as both a UCITS and AIF manager has to comply with an initial capital requirement of EUR 125,000 with a premium of 0.02% of the excess of AUM over EUR 250 million and a fixed overhead requirement. The minimum required regulatory capital is equal to the higher of the initial capital of EUR 125,000 plus the aforementioned premium and the fixed overhead requirement (FOR). The applicable minimum required regulatory capital in 2020 of the Company amounts to EUR 386 thousand (2019: EUR 682 thousand).

6.2 Share capital

The authorised share capital amounts to EUR 90,000, divided in 9,000,000 ordinary shares, with a nominal value of EUR 0,01 each. 1,800,000 shares are issued and paid-up.

6.3 Share premium

During 2020 there are no mutations in the share premium reserve.

6.4 Other reserves

The movement in the other reserves is specified as follows:

Movement schedule other reserves	2020	2019
Opening balance 1 January	**-1,117,972**	**-1,453,299**
Result current year	292,259	335,327
Closing balance 31 December	**-825,713**	**-1,117,972**

7 Provisions

7.1 Provision for deferred remuneration

Provision for deferred remuneration	2020	2019
Opening balance 1 January	**30,000**	**0**
Conditional bonus award	83,500	30,000
Release	-9,859	
Changes in value	6,083	0
Closing balance 31 December	**109,724**	**30,000**

This provision entails conditional bonus awards which are subsequently linked to the changes in value of units in investment funds managed by the Company.

A deferral period of three years minimum is applicable, whereby pro rata spreading is applied over the deferral period. The deferred and conditional bonus awards are fully funded through earmarked investments in units of funds managed by the Company, invested just after at the granting date (see note 6.5.1). Income tax payments on the deferred bonus amounts are due when the net deferred bonus amounts are actually paid to employees.

8 Current liabilities

8.1 Trade creditors

Trade creditors	2020	2019
Trade creditors	243,790	212,562
Total	**243,790**	**212,562**

A balance of EUR 12,500 is payable to the related party FundShare Administrator Activities BV.

8.2 Taxes and social security premiums

The taxes and social security premiums are specified as follows:

Taxes and social security contributions	2020	2019
Payroll taxes and social security premiums	71	36,864
Value added tax	9,867	1,701
Corporate income tax	17,653	4,547
Total	**27,591**	**43,112**

8.3 Other liabilities

Other liabilities	2020	2019
Other liabilities	92,310	64,183
Total	**92,310**	**64,183**

The other liabilities mainly relate to accrued holiday allowance and accrued vacation days.

8.4 Accrued expenses and deferred income

Accrued liabilities and deferred income	2020	2019
Accruals and other payables	129,951	419,224
Total	**129,951**	**419,224**

Accrual and other payables mainly relate to accrued audit fees, accrued holiday allowance, accrued holiday entitlement and the 2020 passporting expenses for cross-border UCITS fund distribution.

The accrued expenses and deferred income will be paid within one year.

9 Off balance sheet assets and liabilities

The off-balance sheet assets and liabilities are valued at nominal value, if applicable unless stated otherwise.

9.1 Contingent liability in a fiscal unity

The Company was part of a fiscal unity for corporate income tax and value added tax purposes with her parent company LPE Capital B.V. until 23 April 2020. All group companies within this fiscal unity have been jointly and severally liable for the tax obligations of the fiscal unity as a whole.

9.2 Office lease obligations and bank guarantee

The Company has entered into a rental contract for office space with a yearly obligation of EUR 55,260 and a remaining duration of 0.42 year.

The office lease obligations are secured by a bank guarantee, please refer to note 5.6.1.

Notes to the profit and loss account

10 Gross profit

Gross profit	2020	2019
Management fees	494,844	356,662
Performance fees	0	11,446
Operating and commercial service fees	1,882,675	1,800,109
Total income	**2,377,519**	**2,168,217**
Service fee administrator	88,700	8,324
Service fee depositary	93,495	72,391
Other fund service fees	2,582	0
Total expenses	**184,777**	**80,715**
Gross profit	**2,192,742**	**2,087,502**

10.1 Management fees

The Company has entered into separate agreements per Fund together with the depositary. The Funds offer investors the opportunity to participate. Under these agreements, the Company for portfolio and risk management services, is entitled to receive management fees on an annual basis calculated on a monthly basis over the net asset value of these Funds. The management fees of FundShare UCITS Umbrella and FundShare Umbrella Fund can be shared with so called operating companies. These are licensed asset managers to which portfolio management has been delegated. The operating companies receive a part of the management fee for this task.

10.2 Operating and commercial service fees

10.2.1 Operating company service fees

In case the execution of the investment policy of sub-funds of the Funds is delegated to a licensed operating company, these service fees are offset against the recognized management fees.

10.2.2 Performance fees

The Company realised no High Watermark Performance Fees in 2020 (2019: EUR 11,446).

10.2.3 Commercial service fee

The Company entered on 1st of December 2018 into a commercial service agreement with DeGiro B.V. in which has been agreed that FFM will continue to provide the following services:

- Setting up and maintaining Qualified Money Market Funds (Cash Funds) at the request of DeGiro; and
- Delegating asset management activities to operating companies for sub-funds of the FundShare UCITS Umbrella Fund and FundShare Umbrella Fund.

The Company recognized a commercial service fee of EUR 1,800,000 in 2020 (2019: EUR 1,800,000).

10.3 Fund administration and depositary fees

The administration and depositary fees are charged by fund service providers in connection with the funds managed by the Company.

11 Operating expenses

11.1 Employee expenses

Employee expenses	2020	2019
Salaries	943,036	858,969
Social security contributions	81,645	71,756
Other employee expenses	42,253	25,777
Wage tax reduction*	-	-13,744
(Re)charged employee expenses by group companies	84,492	222,864
Total	**1,151,426**	**1,165,622**

*This reduction in the wage tax paid refers to a facility provided by the Research and Development Promotion Act (WBSO).

11.1.1 Remuneration

For the performance period 2020 the Company has awarded performance related bonuses. The total fixed and variable remuneration for the directors and other employees (identified staff) is shown in the table below:

Details remuneration	2020	2019
Fixed remuneration	777,658	751,084
Variable remuneration	165,378	107,885
Which is paid in cash for an amount of	94,378	65,385
Which is deferred for an amount of	*71,000*	*42,500*
Total	**943,036**	**858,969**

Allocation remuneration	2020	2019
Directors	534,339	448,916
Other employees	408,697	410,053
Total	**943,036**	**858,969**

11.2 Amortisation customer related assets

The rate of amortization of intangible fixed assets is calculated based on the period over which we expect to derive economic benefits from such assets which is ten years. The amortisation for this year has been calculated from 1 October 2020 until 31 December 2020.

11.3 Depreciation tangible fixed assets

Depreciation expenses	2020	2019
Depreciation leasehold improvements	1,965	11,791
Depreciation furniture	6,405	18,842
Depreciation computers & software	15,556	49,543
(Re)charged depreciation expenses by group companies	-10,564	-64,040
Total	**13,362**	**16,136**

11.4 General and administrative expenses

General and administrative expenses	2020	2019
Rents and services	48,968	69,123
Market data and exchange connectivity fees	82,894	65,791
ICT infrastructure	69,558	9,654
Financial supervision	51,536	43,812
Audit and consultancy fees	290,227	154,538
Office expenses and insurance	32,317	16,810
Payment services	-4,791	20,346
Marketing	167,298	
Exchange rate differences (profit)	415	3,467
Other expenses	9,418	-766
Total	**747,840**	**382,775**

* The Company has appointed Mazars Accountants N.V. as its Independent Auditor. The total Independent Auditor’s remuneration for various audits accounted for in 2020 amounted to EUR 69,277 (including VAT) (2019: EUR 56,291 including VAT). The Independent Auditor has been engaged in 2020 to perform the audit of these annual accounts of the Company EUR 27,960 incl. VAT (2019: EUR 27,225 including VAT) and the investment funds (AIF and UCITS) under its management, including an UCITS investment restrictions audit. The Independent Auditor did not provide any non-audit services to the Company.

11.5 Changes in value of fixed assets and from investments in securities

Changes in value of fixed assets and investments in securities	2020	2019
Changes in value of other operating fixed assets	516	0
Changes in value of investments in securities	16,748	-90,577
Total	**17,264**	**-90,577**

11.6 Interest expenses and similar charges

Interest expenses and similar charges	2020	2019
Interest expenses and similar charges	5,008	646
Total	**5,008**	**646**

12 Corporate Income Tax

The components of the Corporate Income Tax gains (expenses) are as follows:

Corporate income tax gains or expenses	2020	2019
Result before taxes	**291,914**	**431,892**
Permanent differences	0	2,762
Taxable profit (loss)	**291,914**	**434,654**
Carry forward tax losses	0	0
Carry back	0	0
Horizontal compensation tax losses fiscal union	-181,573	
Taxable amount	**110,341**	**434,654**
Current income tax gains (charge)	-17,770	-96,404
The components of income tax gains are as follows:		
Current income tax gain (charge)	-17,770	-96,404
Deferred tax adjustment prior years	-1,116	0
Corporate income tax corrections	4,303	-161
Total	**-14,583**	**-96,565**

The applicable statutory nominal corporate income tax rates in The Netherlands are 25% (2019: 25%) for profits above the amount of EUR 200,000 and 16.50 % for profits below the amount of EUR 200,000 (2019: 20%). The statutory tax rate applicable in Bulgaria is 10%.

12.1 Average number of employees

During 2020 an average number of 8.83 employees (including directors) were employed based on a full-time employment (2019: 8.87). The breakdown of the average employees is as follows:

FTE overview	2020	2019
Working in The Netherlands	8.33	7.87
Working outside The Netherlands	0.50	1.00
Total	**8.83**	**8.87**

12.2 Remuneration of directors

The remuneration of the directors of the Company (fixed and variable) amounted to EUR 534,339 in 2020 (2019: EUR 448,916), refer to note 11.1.1.

13 Transactions with related parties

During the year there were no transactions (other than intra-group) with related parties that were not at arm's length and which should be disclosed in the financial statements. The Company has been part of the LPE Group until 24 April 2020.

14 Proposal for result appropriation 2020

The General Meeting will be asked to approve the following appropriation of the 2020 result after taxation (net result):

- The net result of EUR 273,975 will be added to the other reserves. In anticipation of the General Meeting, the appropriation of the result has been included in the financial statements.

15 Subsequent events

Inhouse fund administration

The Company has acquired 100% of the shares of its fund administrator and related party FundShare Administrator Activities B.V. per 5 January 2021.

Liquidation of sub-funds

The following sub-funds have been liquidated after year-end: FundShare Beaumont Equity Fund, and the FundShare Post Helder Aandelen Fonds. The FundShare Beaumont Equity Fund was already empty since December 2020, just like the FundShare Beaumont Fixed Income Fund. The Equity Fund had an open corporate action in January 2021, which delayed the liquidation. Large outflow in the Beaumont funds, which triggered a redemption gate led to a liquidation decision, due to the low remaining AuM. The Operating Company of the FundShare Post Helder Aandelen Fonds gave back the portfolio management delegation for the sub-fund. The board of directors decided to liquidate the sub-fund, due to the low AUM in this sub-fund.

There have been no further events after the end of the financial year that give further information about the actual situation at balance sheet date or raise doubt regarding the assumption of continuity of the Company.

Amsterdam, April 30, 2021

FundShare Fund Management B.V.

A.M. Rose	M.S. Huisman	J.J. Surie
CEO	CFO	CIO

Other information

Statutory arrangement regarding the allocation of the result

Article 14 of the Articles of Association includes the following regarding the appropriation of the result: The corporate profit shown in the financial statements approved by the General Meeting of Shareholders – to the extent that the profit is not to be used for the creation or maintenance of reserves prescribed by law – is at the disposal of the General Meeting of Shareholders, that decides regarding reservation or distribution of profits. The distribution of profits may only be made to a maximum amount that exceeds the portion of equity that is issued and called plus the legally held reserves.

Branch office

The Company has closed the branch in Sofia, Bulgaria.

Auditor's report of the independent accountant

The auditor's report is included on the next pages of this annual report.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of FundShare Fund Management B.V.

Report on the audit of the financial statements 2020 included in the annual report

Our opinion

We have audited the financial statements 2020 of FundShare Fund Management B.V., based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of FundShare Fund Management B.V. as at 31 December 2020, and of its result for 2020 in accordance Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the balance sheet as at 31 December 2020;
2. the profit and loss account for 2020; and
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of FundShare Fund Management B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- profile and key figures;
- the Directors' report;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the Directors' report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit 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 company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause a company to cease to continue as a going concern;

- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 30 April 2021

MAZARS ACCOUNTANTS N.V.

Original was signed by: L. Zuur MSc RA