FundShare Fund Management B.V.

Annual Report for the year ended December 31, 2022

Mazars Accountants N.V.
Initialled for
identification purposes only
LZ | 30-04-2023

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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. As of the time of this report no MMF's are currently being managed and all previous MMFs have been de-registered with the AFM.

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 its license to manage individual accounts (wealth management) was activated.

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: https://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	2022	2021	2020	2019
Gross profit	**543,300**	**2,703,725**	**2,192,742**	**2,087,502**
Operating expenses	**1,779,205**	**2,150,986**	**1,916,641**	**1,564,533**
Operating result	**-1,235,905**	**552,739**	**276,101**	**522,969**
Net result	**-1,143,484**	**487,463**	**273,975**	**335,327**
Average employees during the financial year (FTE)	7.8	10.6	8.83	8.87
Number of employees	9	11	12	9

Directors’ report

The directors of the Company hereby present the financial statements for the financial year ended on December 31, 2022. 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 gross profit decreased from EUR 2,703,725 to EUR 543,300, as a result of the Commercial Services Agreement (“**CSA**”) termination, the termination of the delegation agreement by Sequoia Vermogensbeheer in the first half of the year and the adverse market conditions in the equity markets during the course of the year. The CSA signed with flatexDEGIRO Bank AG, Dutch branch (“flatexDEGIRO”) in December 2018, was the main driver of the gross profit 2021. This agreement provided 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 CSA has been terminated by flatexDEGIRO per 31 December 2021.

Operating expenses

The total operating expenses decreased with EUR 378 thousand compared with 2021, mainly caused by the decrease of employee expenses due to the departure of the CFO in June, the Head of Operations and Control in September and the Head of Fund Administration in October. These roles were not replaced and the responsibilities were taken over by remaining staff.

Net result

The net result amounts to EUR 1,143,484 negative (2021: EUR 487,463 positive).

Results of the managed Funds

FundShare Umbrella Fund (AIF)

FundShare Umbrella Fund was launched in 2012. The umbrella fund has no active sub-funds, per December 31, 2022 (2021: EUR 21.2 million total assets under managment). Two sub-funds were liquidated in 2022.

FundShare UCITS Umbrella Fund (UCITS)

FundShare UCITS Umbrella Fund was launched in 2014. The total assets under management, in this umbrella fund consisting of four active sub-funds, per December 31, 2022 amounts to EUR 31 million (2021: EUR 84 million). Five sub-funds have been liquidated in 2022 and two new sub-funds are launched.

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, 2022 amounts to EUR 98.9 million (2021: EUR 114.4 million). The management of the fund was taken over by the Company from Robein Vermogensopbouw B.V. on 1 October 2020.

Financial position at the balance sheet date

Solvency and liquidity

Solvency and liquidity	**2022**	**2021**
Shareholder's equity (a.)	1,654,111	2,084,450
Current liabilities (b.)	314,803	654,549
Total liabilities (c.)	386,418	819,871
Current assets (d.)	1,905,935	2,746,928
Total assets (e.)	2,040,529	2,904,322
Debt-to-assets ratio (c.)/(e.)	19%	28%
Current ratio: (d.)/(b.)	6.05	4.20

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 2021, mainly due to a decrease in the amount of total liabilities.

Liquidity is expresses through the current ratio. This measures the ability of the Company to repay current liabilities with current assets. The current ratio of 6.05 means that at the balance sheet date, the current assets cover 6.05 times the amount of current liabilities.

Cash flows and financing requirements

Cash and cash equivalents decreased from EUR 1,611,725 to EUR 1,347,989. The company did receive a capital raise of EUR 703,977 in September; however the decrease is mainly due to the negative operating result of 2022.

Capital requirements – ICAAP

The current applicable required level of regulatory capital based on the Internal Capital Adequacy Assessment Process ("ICAAP") of the Company is estimated to be EUR 736 thousand at year-end 2022 (2021: EUR 966 thousand).

Personnel and remuneration

The staff headcount has decreased from 11 employees in 2021 to 9 employees in 2022.

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: www.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, ESG policy, 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 directors of the Company together with the Head of Fund Administration and Regulatory Reporting 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 (ICAAP) for the next year into account. The variable remuneration of the Identified Staff must be paid partially (at least 50%) in financial instruments (units in investment funds managed by the Company) or as share-based payment (shares in the Company) and is subject to a deferral period which is deemed appropriate in light of the risks of the managed funds. The variable remuneration awarded to other employees is subject to retention conditions for 2/3 of the awarded amount.

As a result of the forecasted loss for 2022 no bonus was presented to shareholders for the Board of Directors for 2021.

Annual Review

The board of directors 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.

Risk management

Financial instruments risk management

The financial instruments recognized as financial assets in the balance sheet include: receivables, investments in participation rights 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 earnings 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;
- **New fund infrastructure**: a new set up whereby Caceis has been added as a custodian and broker to replace flatexDEGIRO;
- **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 and wealth management;
- **Capital management:** capital could be raised via a share issue to be able to continue business activities and focus on the measures described above; and
- **Capital buffer**: The Company keeps a sufficient buffer of own funds above the minimum required regulatory capital level which can absorb losses from risk exposures on a going concern basis.

Impact and expected impact of strategy and business model risk

The Company has seen a decline in its business with the QMMF's and sub-funds related to different operating companies being liquidated. On top of that flatexDEGIRO terminated the CSA per 31 December 2021. The Company focused in 2022 on a new set up after flatexDEGIRO decided not to provide services any longer to professional clients. This meant that the Company needed to look for a new broker and custodian for its funds. This has been realized as in March 2022 the Company signed an agreement with Caceis to provide custody and brokerage. Caceis already provided depositary services to the Funds. Next to the new setup, the Company spent the majority of 2022 searching for a strategic partner(s) for a cooperation, investment, merger and/or takeover. The goal is to have long-term continuity for the Company, its employees, its investors and clients. This can only be achieved by adding new assets under management, closing (non-core) business operations and reducing costs.

The Company assesses the potential impact of the strategy and business model risk for the year 2023 to be high.

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 CEO together with the Compliance Officer, is focused on 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, courses and workshops the importance of compliance is embedded in our operations, this creates a compliant culture; and
- **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

During 2022 we have included the new Level 2 requirements of the Sustainable Finance Disclosure Regulation ("SFDR") into our organisation; Annex II (pre-contractual) information, 'Sustainability information' section on the Website and periodic Annex IV reports. The PRIIPS Regulation also came in effect for the Funds, which means we have replaced the Key Investor Information Documents (KIIDs, ‘Essentiele Beleggersinformatie’ (EBI) in Dutch), with Key Information Documents (KIDs, ‘Essentieel Informatie Document’ (EID) in Dutch).

Like in 2022 we will be focussed 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. While the Company is confident it will ensure a timely and adequate implementation of new (reporting) requirements following from the Taxonomy Regulation, the Company still assesses the potential impact of the compliance and regulatory risk for the year 2023 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 (“IC”), 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 (“Operations&Control department”) 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;
- **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 investments can be liquidated in normal and in distressed situations. This report is discussed in the Risk and Compliance Committee (“RCC”) and IC: and
- **Monthly ESG report:** FFM has developed a monthly ESG report to monitor the ESG score of the investments per product, Sub-Fund, Umbrella and on a total level. The report gives insight on current ESG score and the developments over time. This report is discussed in the Risk and Compliance Committee (“RCC”) and IC.

Impact and expected impact of investment strategy and investment compliance risk

In 2022 our auditor Mazars 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 2023 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 a liquid assets position in order to cover prior years fixed overheads (FOR) equal to three months of fixed overheads; and

- The Company has forecasted its cash position for the foreseeable future (one year from the date of these accounts), which shows enough liquidity to ensure that expenses for dissolving the company can be paid during a winding down period.

Impact and expected impact of liquidity risk

The Company has not experienced any liquidity problems in 2022. The Company per year-end maintains a relatively large liquid assets position (cash and investment in participations) of EUR 1,347 thousand, this is equal to 1.45 (2021:3.21) times the required regulatory amount (EUR 929 thousand) in 2023. The likelihood that liquidity risk will have a significant impact in 2023 is considered medium.

Solvency risk

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

Mitigating measures:

- The Company monitors its key risks on an ongoing basis and makes sure that these risks are properly mitigated and covered with capital;
- The Company keeps a strong buffer of own funds above the minimum required regulatory capital level which can absorb losses from risk exposures on a going concern basis; and
- The Company has performed a preliminary ICAAP for 2023 based on year-end 2022. The minimum required capital for 2023 has been estimated to be EUR 736 thousand.

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 2022 is 19% (2021: 28%) (see page 4 "Solvency and Liquidity") which means the Company is currently well capitalised. The likelihood that solvency risk will have a significant impact in 2023 is considered to be high.

Fraud and corruption risk

Fraud and corruption risk for the Company refers to the risk of the Company of being a victim of fraudulent behavior and/or corruption. The main identified risks are intermediates or other business relations bribe or get bribed, stakeholders located in high corruption risk countries, employee uses the bank payment systems for unauthorized payments and with access to Company's assets employee commits fraud and disadvantages FFM the Company The impact of such an event can be high, although the financial size and number of employees of the company lowers this risk,

Mitigating measures:

- The Company monitors its fraud and corruption risks on an ongoing basis and makes sure that these risks are properly mitigated and covered with proper approval and payment processes and due diligence policies; and
- The Company has an ongoing education program for their employees via courses, to make them aware and prevent any attempts to fraud and corruption This is also part of the code of conduct.

Impact and expected impact of liquidity risk

In the reporting year there have been no cases of fraud and corruption. The likelihood that fraud and corruption risk will have a significant impact in 2023 is considered to be low.

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, new severe outbreaks and lockdowns could cause financial markets to crash again; 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 translates 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.

- **Remote working**: 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;
- **Remote Access:** 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. 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; and
- **Capital buffer**: The Company keeps a sufficient 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 in 2020, 2021 and 2022 in order to mitigate the spread of the virus has affected the way our employees worked in these years, as they have been mostly working remotely from home until recently. 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. There have not been significant operational disruptions and the AUM of the funds didn't increased further, but COVID-19 was a limited to no factor of this decrease. We can conclude that so far the virus has not negatively impacted the Company's financial performance for the year nor its liquidity position. Due to the effectiveness of the Covid-19 vaccines and the diminished impact of the Covid-19 virus we expect the likelihood that the COVID-19 pandemic risk will have a significant impact in 2023 to be remote.

Regulatory environment 2022

UCITS license

The Company obtained a license in 2014 from the AFM to manage undertakings for the collective investment in transferable securities (UCITS) under article 2:69b Wft. The external audits of our two UCITS funds performed by Mazars, that took place in October 2021 delivered unqualified audit opinions with respect to regulatory compliance to investment limits.

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 its 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 2:65 Wft.

Subsequent events after the balance sheet date

Liquidation of Sub-Fund

In February the FundShare UCITS Post Opbouw Inkomens Fonds was liquidated. The operating company decided to move their clients to another external fund manager.

Strategic Options

Due to a strategic change to focus on B2B clients instead of B2C clients, the company searched for a buyer for their B2C product inDelta. The Company signed a letter of intent to sell the InDelta proposition to another fund manager, Project Wave, in January 2023.We expect to finalise this transaction in Q2 2023.

In August of 2022 we received a Non-Binding Offer (NBO) for 100% of the shares in the company, Project Nemo. After 3 months of due diligence the offeror dropped their price by more than Euro 1 million without giving substantiation and discussions ended.

In December of 2022 we received a new NBO from a fintech fund, Project Halo. This offer was presented to the shareholders in a meeting in December of the same year and rejected. The board of directors received approval from the shareholders in the same meeting to begin dissolution of the company if a sale could not be achieved in December 2022. After a negotiation period with the potential buyer and shareholders, we received in April 2023 a new NBO for 51% of the shares in the company, including 100% of the shares of 3 current shareholders. These 3 shareholders accepted, and all other shareholders have approved the NBO. We expect this deal to be finalized in the second half of 2023, after regulatory approval.

The new investor has multiple financial companies in their portfolio, which can be serviced with funds from FundShare and move their existing funds to FundShare. Especially the AIFMD license to launch alternative funds (Real Estate, Private Equity and Private Debt) is in their interest. Combined with the financial strength and willingness to invest in the Company of the new investor, a turnaround to profitability should be possible in the near-term. A new business plan, which will incorporate these new prospects will be presented to the shareholders later this year.

Outlook

Personnel

At the end of 2022 we are working with a team of 9 people. The purchaser of the InDelta proposition has indicated to hire 2 of the current staff of the Company as part of the transaction at the time of writing this report.

Based on the above, the management is confident that all material risks within the company will be mitigated and the continuation as an ongoing business is not in danger. Together with the new investor a business plan will be implemented to reach breakeven in the near future and to reach an AuM of over 2 bln. EUR in 5 years.

Amsterdam, April 30, 2023

FundShare Fund Management B.V.

A.M. Rose CEO	J.J. Surie CIO

Financial statements 2022

Balance sheet as of December 31, 2022

(Amounts in EUR, after appropriation of result)

Assets	Notes	31-12-2022		31-12-2021	
Fixed assets	**4**				
Intangible fixed assets	4.1				
Customer related assets		124,401		140,452	
			124,401		
					140,452
Tangible fixed assets	4.2				
Other operating fixed assets		10,193		16,942	
			10,193		**16,942**
Current assets	**5**				
Receivables					
Trade debtors	5.1	75,320		310,818	
Other receivables	5.2	164,954		30,164	
Prepayments and accrued income	5.3	60,278		35,766	
			300,552		**376,748**
Investments in participation rights	5.4		257,394		758,455
Cash and cash equivalents	5.5		1,347,989		1,611,725
Total Assets			**2,040,529**		**2,904,322**

Equity & Liabilities		31-12-2022		31-12-2021	
Shareholders' equity	**6**				
Share capital paid up and called up	6.2	27,168		18,001	
Share premium	6.3	3,126,960		2,422,983	
Other reserves	6.4	-1,500,017		-356,533	
			1,654,111		**2,084,451**
Provisions	**7**				
Provision for deferred remuneration	7.1	71,615		165,322	
			71,615		**165,322**
Short-term liabilities	**8**				
Trade creditors	8.1	107,813		323,748	
Taxes and social security contributions	8.2	19,885		85,415	
Other liabilities	8.3	124,408		160,243	
Accrued liabilities and deferred income	8.4	62,697		85,143	
			314,803		**654,549**
Total Equity & Liabilities			**2,040,529**		**2,904,322**

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

Profit and loss account for the year ended December 31, 2022

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

Profit and loss account	Notes	2022	2021
Gross profit	**10**	**543,300**	**2,703,725**
Employee expenses	11.1	952,999	1,367,740
Amortisation customer related assets	11.2	16,052	16,052
Depreciation tangible fixed assets	11.3	6,750	14,814
General and administrative expenses	11.4	803,404	752,380
Total operating expenses		**1,779,205**	**2,150,986**
Operating result		**-1,235,905**	**552,739**
Changes in value of fixed assets and value of investments	11.5	21,756	9,617
Interest expenses and similar charges	11.6	-7,370	-75,529
Other financial results		0	172
Result before taxation		**-1,221,519**	**486,999**
Corporate Income Tax gains (loss)	12	78,035	-78,035
Results from participating interests	13	0	78,499
Net result		**-1,143,484**	**487,463**

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 Business combination

1.3.1 Acquisition

The Company has acquired 100% of the shares of the fund administrator of its Funds, FundShare Administrator Activities B.V. (“FSAA”) per 5 January 2021.

1.3.2 Purchase price

The Company acquired FSAA against a purchase price of EUR 50,000, while its net asset value stood at EUR 128,499 per 31 December 2020. This resulted in a negative goodwill of EUR 78,499. As FSAA did not carry any non-monetary assets at the acquisition date, the excess negative goodwill has been directly recognized in the profit and loss statement as “Results from Participating Interest”.

1.3.3 Consolidation during 2021

FSAA as a 100% subsidiary (“*dochter*”) has been measured at its net asset value whereby the negative goodwill has been recognized immediately in the profit and loss statement. The financial data of FSAA qualifying as a participating interest (“*deelneming*”) has been included in the annual consolidated financial statements.

1.3.4 Legal merger (“*Moeder-dochter fusie*”)

FSAA has been legally merged into the Company as per 10 December 2021. In the merger proposal and the enacted merger deed, it has been stated that the financial data of FSAA shall be accounted for from 1 January 2020 in the company-only financial accounts of the Company. Given the fact that even though FSAA has been acquired per 5 January 2021 management believes accounting for FSAA - as being part of the Company as per 1 January 2021 - provides users of these financial statements the required insight.

1.4 Going concern assumption

In assessing whether the going concern basis is appropriate, projections for the Company have been prepared. These projections are covering the future performance of our funds, current understanding of business opportunities, capital and liquidity levels for a period of 12 months from the date of approval of these financial statements.

The Company’s financial projections demonstrate that the Company has sufficient capital and liquidity to continue to meet its requirements for the foreseeable futures. The board of the Company has therefore concluded that the Company has sufficient resources to continue in operational existence for a period of at least and in excess of 12 months after the date of these annual accounts and as a result, it is appropriate to prepare these financial statements on a going concern basis.

1.4.1 Going Concern Assessment

Even though management feels comfortable about the ability of the Company to continue as a going concern in the foreseeable there is uncertainty attached to this due to a significant downturn liquidity levels in 2023:

> In a worst-case scenario, which is not consider likely, the Company is not able to positively finalize Project Halo in order to raise enough new revenue and/or investments to cover the majority of estimated losses for the foreseeable future. This estimated loss is due to the loss of the agreement with DeGiro and not sufficient AuM in the funds. As a result the Company’s minimum required capital and liquidity levels could become insufficient to be able to continue as a going concern in the foreseeable future.

Management’s plans to address the uncertainty

The Non-Binding Offer (NBO) for 51% of the Company, received in April 2023 from an external investor (Fintech Private Equity, Project Halo) is accepted by all shareholders. The due diligence process is currently running. After that the regulatory approval will be requested. The expectation is that this will have a positive outcome and will lead to a completion of the deal in the second half of 2023. The above-described capital and liquidity issues, which are based on a realistic base-case scenario, is deemed to be reached by the following events and conditions:

(i) Management expects that the Company will able to generate new revenues through a new investor, which can bring new wealth managers into our fund solution. The short term objective is to get to break even, this means a AuM of around 800 mln. EUR.

(ii) The Company is will actively exploring potential new business opportunities, in combination with the new investor, on top of expanding the “OpCo” business proposition to substitute for the expected loss of revenues and corresponding cash flows. This should lead to a target AuM of over 2 bln. EUR, within 5 years.

(iii) In the worst-case scenario, Project Halo will fail, the company has enough liquidity to act as a going concern (at least 12 months cash burn) and investigate other opportunities or enter into an orderly winddown (voluntary liquidation) to maximize shareholder value.

(iv) The new investor has multiple financial companies in their portfolio, which can be serviced with funds from FundShare and move their existing funds to FundShare. Especially the AIFMD license to launch alternative funds (Real Estate, Private Equity and Private Debt) is in their interest.

1.5 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 insight 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.

1.5.1 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 2022 due the COVID-19 imposed market correction. The financial situation of the Company therefore remained sound and due to the effectiveness of the Covid-19 vaccines and the diminished impact of COVID 19, the 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.

2.3 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 participation rights

Investment in participation rights consist of short-term positions (available for sale) in unlisted units of investment funds. Investments in unlisted units of investment funds are stated at fair value. The fair value of these unlisted units in investment funds are 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 value of investments".

2.5 Fixed Assets

2.5.1 Acquisition accounting and negative goodwill

All business combinations are accounted for using the acquisition method. Any excess negative goodwill (value of net monetary assets exceeds the purchase price) is recognised directly in profit and loss.

2.5.2 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.

2.5.3 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.

2.5.4 Participating interests

Participating interests, over which significant influence can be exercised, are valued using the net asset value method, based on the Company's accounting policies. The book value of the investment when it is initially acquired is determined on the basis of net asset value. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence. Income from the acquisition of participating interests is recognized in the profit and loss statement effective from the date of acquisition.

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

Revaluation of fixed assets can consist of appreciations, write-downs, or general value adjustments. Changes in the value of investments include all realized gains and losses on disposal of investments and all unrealized changes in the market value of investments in unlisted participation rights (units) in investment funds.

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 Stand alone tax position

As from 24 April 2020 the Company is considered a standalone tax payer towards the tax authorities. FundShare Administrator Activities B.V. (FSAA) merged into the Company per 10 December 2021, has had a standalone tax position towards the tax authorities up and until this date. The corresponding tax liability has been absorbed by the Company.

Notes to the balance sheet

4 Fixed assets

4.1 Intangible fixed assets

Movement schedule intangible fixed assets	2022	2021
Opening balance 1 January	**140,453**	**156,504**
Investments (additions)	0	0
Amortisation (10%)	(16,052)	(16,052)
Closing balance 31 December	**124,401**	**140,452**

Transaction costs have been capitalized as part of the purchase price of these customer related assets.

4.2 Tangible fixed assets

Movement schedule other operating fixed assets	2022	2021
Opening balance 1 January	**15,942**	**29,293**
Investments (additions)	1,050	1,050
Disposals	0	0
Revaluation	0	0
Depreciation (20%)	-6,802	-13,401
Closing balance 31 December	**10,190**	**15,942**

Other operating fixed assets	2022	2021
Investment value (cost)	51,311	50,311
Accumulated depreciation	-41,121	-34,369
Carrying amount (book value)	**10,190**	**15,942**

5 Current assets

5.1 Trade debtors

Trade debtors	2022	2021
Trade debtors	75,320	310,818
Total	**75,320**	**310,818**

Trade debtors relate mainly to management fees and operating fees receivable from the Funds.

5.2 Other receivables

Other receivables	2022	2021
Receivable from former parent company	21,252	0
Loans and advances to directors	0	0
Corporate income tax	133,968	30,164
Rent deposits	9,734	9,734
Total	**164,954**	**39,898**

The receivable related to corporate income tax is since the payment of the provisional tax assessment (*voorlopige aanslag*) 2022 exceeds the actually calculated corporate income tax per year end 2022.

5.3 Prepayments and accrued income

Prepayments and accrued income	2022	2021
Prepaid expenses	50,062	2,971
Accrued income	10,216	23,061
Total	**60,278**	**26,032**

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

5.4 Investments in participation rights

Investments in participation rights	2022	2021
Unlisted units in investment funds	257,394	758,455
Total	**257,394**	**758,455**

The investments in participation rights concerns investments in units of investment funds (UCITS) and a side pocket of a deregistered alternative investment fund previously managed by the Company. The units are priced at the validated net asset value (NAV) or in case of the side pocket based on the pro rata claim of the revalued asset positions at the balance sheet date.

5.4.1 Breakdown per category

Category breakdown	2022	2021
At free disposal	191,529	598,883
Linked to provision for deferred remuneration	65,865	159,572
Total	**257,394**	**758,455**

The investments in participation rights linked to the provision for deferred remuneration are not at free disposal of the Company (refer to note 7.1).

5.5 Cash and cash equivalents

The cash and cash equivalents are specified as follows:

Cash and cash equivalents	2022	2021
Cash at bank	1,347,989	1,611,725
Total	**1,347,989**	**1,611,725**

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

5.5.1 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 0 (2021: EUR 0) restricted cash was held.

6 Shareholder's equity

The shareholder's equity is specified as follows:

Shareholders' equity	2022	2021
Share capital paid up and called up	27,168	18,001
Share premium reserve	3,126,960	2,422,983
Other reserves	-1,500,017	-356,533
Total	**1,654,111**	**2,084,451**

6.1 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. 2,716,901 shares are issued and paid-up, an increase of 916,901 compared to 2021 (1,800,000), due to the capital raise. Due the merger with FundShare Administrator Activities B.V. (FSAA) an amount of EUR 1 in paid capital has been added.

6.2 Share premium

During 2022 share premium reserve increased due to capital raise.

Share premium reserve	2022	2021
Opening balance 1 January	**2,422,983**	**2,422,983**
Capital contributions	703,977	0
Closing balance 31 December	**3,126,960**	**2,422,983**

6.3 Other reserves

The movement in the other reserves is specified as follows:

Movement schedule other reserves	2022	2021
Opening balance 1 January	**-356,534**	**-843,997**
Result current year	-1,143,484	487,463
Closing balance 31 December	**-1,500,018**	**-356,534**

7 Provisions

7.1 Provision for deferred remuneration

Provision for deferred remuneration	2022	2021
Opening balance 1 January	**165,322**	**109,724**
Conditional bonus award	0	80,750
Release	-56,352	-48,754
Changes in value	-37,355	23,602
Closing balance 31 December	**71,615**	**165,322**

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 a fund managed by the Company. Awarded bonus amounts will invested soon after at the granting date (see note 5.4.1). 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	2022	2021
Trade creditors	107,813	323,748
Total	**107,813**	**323,748**

8.2 Taxes and social security premiums

The taxes and social security premiums are specified as follows:

Taxes and social security contributions	2022	2021
Payroll taxes and social security premiums	26,375	74,052
Value added tax	-6,490	11,363
Corporate income tax	0	0
Total	**19,885**	**85,415**

The amount of taxes and social security premiums in 2022 decreased due to fewer employees.

8.3 Other liabilities

Other liabilities	2022	2021
Other liabilities	124,408	160,243
Total	**124,408**	**160,243**

The other liabilities mainly relate to accrued holiday allowances and accrued holiday entitlements.

8.4 Accrued expenses and deferred income

Accrued liabilities and deferred income	2022	2021
Accruals and other payables	62,697	85,143
Total	**62,697**	**85,143**

Accrual and other payables mainly relate to accrued audit fees. 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 Office lease obligations and bank guarantee

In 2021 Company has entered into a rental contract for office space with a yearly obligation of EUR 31,582. This office lease obligation has a remaining duration of 5 months.

The office lease obligations are secured by a two-month rent deposit, and accounted for as an "Other Receivable", see note 5.2.

Notes to the profit and loss account

10 Gross profit

Gross profit	2022	2021
Management fees	714,050	856,808
Operating and commercial service fees	27,235	1,867,637
Performance fees	0	3,159
Fund Administration fees	58,730	261,650
Total income	**800,015**	**2,989,254**
Service fee administrator	181,269	168,790
Service fee depositary	64,639	108,072
Other fund service fees	10,807	8,667
Total expenses	**256,715**	**285,529**
Gross profit	**543,300**	**2,703,725**

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.

10.1.1 Operating company service fees

The management fees of FundShare UCITS Umbrella and FundShare Umbrella Fund can be shared with so called operating companies. These operating companies are licensed asset managers to which certain portfolio management task (execution of the investment policy) has been delegated. The operating companies receive a part of the management fee for this task. 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 Operating and commercial service fees

Operating fees charged to FundShare UCITS Umbrella and FundShare Umbrella Fund are presented here such as the commercial service fees with flatexDEGIRO, fund creation costs, the depositary fees and asset management fees related to InDelta Laten Beleggen.

10.2.1 Commercial service agreement with flatexDEGIRO

The Company entered on 1st of December 2018 into a Commercial Services Agreement (“CSA”) with DeGiro B.V. (currently flatexDEGIRO Bank) in which has been agreed that FFM will 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.

As per 30 September 2021 flatexDEGIRO gave notice to terminate the CSA as per year-end 2021. The Company recognized a commercial service fee of EUR 0 in 2022, compared to EUR 1,800,000 in 2021

10.3 Performance fees

The Company realised a High Watermark Performance Fees in 2021 for the Fundamental Value Fund of EUR 3,159. This Sub-Fund was liquidated in 2021 and there are no other Sub-Funds with performance fees, so there are performance fees for 2022.

10.4 Fund administration fees

Due to the acquisition per 5 January 2021 and the subsequent legal merger with that same year all fund administration fees earned by FundShare Administration Activities B.V. ("FSAA"), being the fund administrator of the Funds, have been accounted for in the profit and loss in 2021.

The fund administration fees are for fund accounting services (i.e.: calculating the NAVs), fund administration services (i.e.: process corporate actions) and investor services (i.e.: maintaining the participant administration)..

10.5 Administration and depositary fees

The (investor) 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	2022	2021
Salaries	839,389	1,281,671
Social security contributions	84,626	104,564
Other employee expenses	40,984	28,505
(Re)charged employee expenses	-12,000	-47,000
Total	**952,999**	**1,367,740**

11.1.1 Remuneration

For the performance period 2022 the Company has awarded performance related bonuses only to the staff. The total fixed and variable remuneration for the directors and other employees (identified staff) is shown in the table below:

Details remuneration	2022	2021
Fixed remuneration	822,963	1,105,408
Variable remuneration	16,426	176,263
Which is paid in cash for an amount of	*16,426*	*95,513*
Which is deferred for an amount of	*0*	*80,750*
Total	**839,389**	**1,281,671**

Allocation remuneration	2022	2021
Directors	581,535	690,584
Other employees	257,854	591,087
Total	**839,389**	**1,281,671**

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 2022 has been calculated from the period 1 January 2022 through 31 December 2022.

11.3 Depreciation tangible fixed assets

Depreciation expenses	2022	2021
Depreciation leasehold improvements	0	0
Depreciation furniture	1,307	6,705
Depreciation computers & software	5,443	6,699
(Re)charged depreciation expenses by group companies	-	1,410
Total	**6,750**	**14,814**

11.4 General and administrative expenses

General and administrative expenses	2022	2021
Rents and services	49,056	42,598
Market data and exchange connectivity fees	167,943	135,522
ICT infrastructure	82,673	101,562
Financial supervision	41,963	24,208
Audit and consultancy fees	357,490	361,829
Office expenses and insurance	42,387	39,325
Payment services	15,701	16,009
Marketing	41,216	58,380
Exchange rate differences (profit)	0	0
Other expenses	4,975	-27,053
Total	**803,404**	**752,380**

* The Company has appointed Mazars Accountants N.V. as its "Independent Auditor". The total Independent Auditor's remuneration for the various fund audits and the audit of the Company itself accounted for in 2022 amounted to EUR 145,104 (including VAT) (2021: EUR 161,335 including VAT). The Independent Auditor has been engaged in 2022 to perform the audit of these annual accounts of the Company EUR 23,449 incl. VAT (2021: EUR 31,688 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 value of investments

Changes in value of fixed assets and value of investments	2022	2021
Changes in value of other operating fixed assets	0	0
Changes in value of investments in participation rights	21,756	9,617
Total	**21,756**	**9,617**

11.6 Interest expenses and similar charges

Interest expenses and similar charges	2022	2021
Interest expenses and similar charges	7,370	75,529
Total	**7,370**	**75,529**

The interest expenses in 2022 carry an amount of interest charges that the Company settled on behalf of several liquidated cash funds.

12 Corporate Income Tax

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

Corporate income tax gains or expenses	2022	2021
Result before taxes	**-1,221,519**	**486,999**
Participation exemption	0	-78,499
Taxable profit (loss)	**-1,221,519**	**408,500**
Carry forward tax losses	0	0
Carry back	1,221,519	0
Horizontal compensation tax losses fiscal union	0	0
Taxable amount	**0**	**408,500**
Current income tax gains (charge)	78,035	-78,035
The components of the corporate income tax position is as follows:		
Current income tax gain (charge)	78,035	-78,035
Deferred tax adjustment prior years	0	0
Corporate income tax corrections	0	0
Total	**78,035**	**-78,035**

12.1 Participation exemption

See note 13.

12.2 Statutory tax rates

The applicable statutory nominal corporate income tax rate in The Netherlands is 25.8% (2021: 25%) for profits above the amount of EUR 395,000 (2021: EUR 245,000) and 15% (2021:16%) for profits below the amount of EUR 395,000 (2021: 245,000).

13 Results from participating interests

FundShare Administrator Activities B.V. (FSAA) has been a 100% subsidiary in 2021 from the point of acquisition on 5 January 2021 up to the point of the legal merger with the Company (10 December 2021). The Company uses the participation exemption, which exempts income (capital gains and dividends) derived from qualifying shareholdings in this respect. As a result of the acquisition a negative goodwill result is recorded as part of the participation exemption. This negative goodwill result is calculated as the difference between the net asset value per year end 2021 of FSAA EUR 128,499 minus the purchase price being EUR 50,000.

14 Average number of employees

During 2022 an average number of 7.8 employees (including directors) were employed based on a full-time employment (2021: 10.6). The breakdown of the average employees is as follows:

FTE overview	2022	2021
Working in The Netherlands	7.8	10.6
Working outside The Netherlands	0	0
Total	**7.8**	**10.6**

14.1 Remuneration of directors

The remuneration of the directors of the Company (fixed and variable) amounted to EUR 581,535 in 2022 (2021: EUR 690,584). In June 2022 Melvin Huisman left his position as CFO, the board now consists of two directors. Also refer to note 11.1.1.

15 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.

16 Proposal for result appropriation 2022

The General Meeting will be asked to approve the following appropriation of the 2022 result after taxation (net result):

- The net result of EUR -1,143,484 will be subtracted to the other reserves. In anticipation of the General Meeting, the appropriation of the result has been included in the financial statements.

17 Subsequent events

Liquidation of Sub-Fund

In February the FundShare UCITS Post Opbouw Inkomens Fonds was liquidated. The operating company decided to move their clients to another external fund manager.

Strategic Options

Due to a strategic change to focus on B2B clients instead of B2C clients, the company searched for a buyer for their B2C product inDelta. The Company signed a letter of intent to sell the InDelta proposition to another fund manager, Project Wave, in January 2023.We expect to finalise this transaction in Q2 2023.

In August of 2022 we received a Non-Binding Offer (NBO) for 100% of the shares in the company, Project Nemo. After 3 months of due diligence the offeror dropped their price by more than Euro 1 million without giving substantiation and discussions ended.

In December of 2022 we received a new NBO from a fintech fund, Project Halo. This offer was presented to the shareholders in a meeting in December of the same year and rejected. The board of directors received approval from the shareholders in the same meeting to begin dissolution of the company if a sale could not be achieved in December 2022. After a negotiation period with the potential buyer and shareholders, we received in March 2023 a new NBO for 51% of the shares in the company, including 100% of the shares of 3 current shareholders. These 3 shareholders accepted, and all other shareholders have approved the NBO. We expect this deal to be finalized in the second half of 2023, after regulatory approval.

The new investor has multiple financial companies in their portfolio, which can be serviced with funds from FundShare and move their existing funds to FundShare. Especially the AIFMD license to launch alternative funds (Real Estate, Private Equity and Private Debt) is in their interest. Combined with the financial strength and willingness to invest in the Company of the new investor, a turnaround to profitability should be possible in the near-term. A new business plan, which will incorporate these new prospects will be presented to the shareholders later this year.

Amsterdam, April 30, 2023

FundShare Fund Management B.V.

A.M. Rose	J.J. Surie
CEO	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.

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 2022 included in the annual report

Our opinion

We have audited the financial statements 2022 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 2022, and of its result for 2022 in accordance Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the balance sheet as at 31 December 2022;
2. the profit and loss account for 2022; 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.

Material uncertainty related to going concern

We draw attention to the section 'Going concern assessment' in the disclosury notes of the annual report, which indicates that the company is dependent on a takeover by a potential new investor which has plans to transfer new ‘Assets under Management’(AuM) to the investment funds under management of the company. The increase of AuM in the funds is a necessity to generate sufficient management fees in the future to act as going concern. These conditions indicate the existence of a material uncertainty that could cast significant doubt on the going concern assumption of the entity. Our opinion has not been modified as a result of this matter.

Based on our knowledge of the company, its environment, and the current financial situation, we have examined whether the information obtained from events and circumstances that could lead to a going concern risks has been included in the analysis by the management. In addition, we have inquired management whether it has recognized going concern risks for the period after its going concern analysis.

We have reviewed the non-binding offer provided by the potential new investor and verified the consent of the current shareholders with this offer. We also reviewed the expected cash burn and the impact on the liquidity position of the company for the foreseeable future.

We believe the disclosure included in the section 'Going concern assessment' of the annual report, in which the management sets out the conditions that indicate the existence of a material uncertainty that could cast significant doubt on the going concern assumption of the entity, to be adequate.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information above relating to our audit approach going concern and the following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Audit approach for fraud risks and non-compliance with laws and regulations

Our fraud risk analysis:

As part of our process for identifying risks of material misstatement in the financial statements due to fraud, we have considered fraud risk factors related to fraudulent financial reporting, misappropriation of assets, and corruption. We evaluated whether these factors indicated the presence of the risk of material misstatements due to fraud.

We have rebutted the assumed fraud risk in revenue recognition. The company's revenues consist solely of management fees based on managed assets. Given the simplicity of the calculation method, we consider the possibility of fraud in revenue recognition to be limited.

Breach of internal controls by management:

We evaluated the design of the relevant internal control measures that mitigate the fraud risk of breaching internal controls by management. We selected journal entries based on risk criteria and performed specific audit procedures on them, paying attention to significant transactions outside the normal course of business. In addition, we performed other appropriate audit procedures.

Non-compliance with laws and regulations:

We gained an understanding of the relevant laws and regulations. The potential effect of the identified laws and regulations on the financial statements varies greatly. First, the company is subject to laws and regulations that directly affect the financial statements, such as taxes and financial reporting. We assessed compliance with these laws and regulations as part of our procedures for the relevant financial statement items.

Secondly, the company is subject to many other laws and regulations whose non-compliance could indirectly have a material effect on the figures or information provided in the financial statements, or both, for example, by imposing fines or filing lawsuits.

We identified the following areas where such an indirect effect is most likely:

● Requirements under or pursuant to the Financial Supervision Act;

● Anti-Money Laundering and Counter-Terrorist Financing Act.

We inquired with management whether the company complies with these laws and regulations. We also had access to relevant correspondence with regulators. We remained alert during the audit for potential indications of non-compliance with laws and regulations. We also inquired with the external depositary, the compliance officer, and received a written statement from management that all known cases of non-compliance with relevant laws and regulations have been reported to us.

Our observations:

The above-mentioned audit procedures were performed as part of the audit of the financial statements. Therefore, they were not planned and performed as specific investigations into fraud and non-compliance with laws and regulations. Our audit procedures did not result in any findings.

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.

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Mazars Accountants N.V.
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identification purposes only
LZ | 30-04-2023

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 2023

Mazars Accountants N.V.

Original was signed by L. Zuur MSc RA