



FundShare Fund Management B.V.

Half-year report June 30, 2020
(unaudited)



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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 based on article 2:67 Wft (AIFMD-license), and from June 17, 2014 also based on article 2:69c Wft (UCITS-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.

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

- FundShare Umbrella Fund (AIF); and
- FundShare UCITS Umbrella Fund (UCITS).

Together hereafter: the “Funds”.

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 website of the Company is: www.management.fundshare.nl.

Overview of Key figures

Key figures	30-06-2020	30-06-2019	30-06-2018	30-06-2017	30-06-2016
Gross profit	1,091,548	1,033,798	661,133	2,466,670	177,900
Operating expenses	713,180	770,020	1,343,274	1,132,825	882,103
Operating result	378,368	263,778	-682,141	1,333,845	-704,203
Net result	300,616	209,348	-502,152	1,006,389	-537,999
Number of employees	7	8	12	24	17



Semi-annual financial statements



Balance sheet as of June 30, 2020

(Amounts in EUR, after appropriation of result)

Assets	30 June 2020	31 December 2019
Fixed assets		
<i>Tangible fixed assets</i>		
Other operating fixed assets	21,560	123,090
	21,560	123,090
Current assets		
<i>Receivables</i>		
Trade debtors	463,241	149,294
Related parties	21,065	1,167,365
Other receivables	241,116	1,433
Prepayments and accrued income	6,300	6,521
	731,722	1,324,613
Investments in participation rights	56,728	44,856
Cash and cash equivalents	1,363,408	606,790
Total Assets	2,173,418	2,099,349

Equity & Liabilities	30 June 2020	31 December 2019
Shareholders' equity		
Share capital paid up and called up	18,000	18,000
Share premium	2,422,983	2,422,983
Other reserves	-817,356	-1,117,972
	1,623,627	1,323,011
Provisions		
Provision for deferred remuneration	40,469	30,000
	40,469	30,000
Short-term liabilities		
Trade creditors	113,460	212,562
Amounts due to related parties	19,043	7,254
Taxes and social security contributions	65,841	43,112
Other liabilities	30,111	64,183
Accrued liabilities and deferred income	280,867	419,226
	509,322	746,338
Total Equity & Liabilities	2,173,418	2,099,349



Profit and loss account over the period January 1, 2020 – June 30, 2020

Over the period January 1- June 30 (Amounts in EUR).

Profit and loss account	30 June 2020	30 June 2019
Gross profit	1,091,548	1,033,798
Employee expenses	500,596	557,415
Depreciation tangible fixed assets	13,928	8,554
General and administrative expenses	198,656	204,051
Total operating expenses	713,180	770,020
Operating result	378,368	263,778
Other interest income and similar income	0	146
Changes in value of fixed assets and investments	7,028	32
Interest expenses and similar charges	547	322
Result before taxation	384,849	263,570
Corporate Income Tax gains (loss)	-84,233	-54,222
Net result	300,616	209,348



Mutation overview shareholder's equity over the period January 1, 2020 – June 30, 2020

Over the period January 1- June 30 (Amounts in EUR).

Shareholders' equity	Share Capital	Share premium	Other reserves	Total
Opening balance 1 January 2020	18,000	2,422,983	(1,117,972)	1,323,011
Net result current year	-	-	300,616	300,616
Closing balance 30 June 2020	18,000	2,422,983	(817,356)	1,623,627



Notes to the semi-annual financial statements

1 General

1.1 Activities

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

- * FundShare Umbrella Fund (AIF); and
- * FundShare UCITS Umbrella Fund.

1.2 Financial supervision

The Company is regulated by 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.

1.3 Group companies and related parties

1.3.1 Former group

The Company until April 23, 2020 belonged to a group formed by the following entities:

- LPE Capital B.V. (parent company and head of the Group);
- DEGIRO B.V. (Investment firm) (90.6%);
 - 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.);
- LPE Software B.V.
- ML Concepts B.V. (concept developer internet pages) (85%);
 - Codern Venture SRL (Software development) (60%);
 - ML Concepts Administration U.G. (100%);
- FundShare Administrator B.V. (fund administrator) (100%);
- GMO Limited (a lead-generating company) (100%);
- DEGIRO Australia Pty Limited (100%);
- DEGIRO APAC Holding B.V. (a holding company).
- DEGIRO Hong Kong Limited (100%); and
- DEGIRO Hypotheken B.V. (100%).

1.3.2 Related parties

On April 23, 2020, 97.83% of the Company’s shares were distributed as a dividend by the parent company LPE Capital as a dividend to the shareholders. As a result, there is no ultimate controlling party and the Company does not belong to the Group anymore. As a result, the mentioned group entities above after April 23, 2020 continue to qualify as related parties only.

1.4 Branch offices (foreign operations)

The Company has a branch office in Sofia, Bulgaria which is currently in liquidation.

1.5 Significant accounting estimates and judgements

The preparation of the semi-annual 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.

2 General accounting principles regarding the valuation of assets and liabilities

2.1 General

2.1.1 Basis of preparation

The semi-annual financial statements have been prepared on a going concern basis and in accordance with the statutory provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Guidelines for 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 semi-annual financial statements have been prepared for the reporting period starting from January 1 till June 30, besides the comparative figures in the balance sheet. The comparative figures in the balance sheet are at the end of the last financial year.

2.2 Foreign currencies

2.2.1 Functional currency

The amounts in the semi-annual 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 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 enough 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 related parties and investments in participation rights.

Financial liabilities generally represent a contractual obligation to deliver cash or other financial assets. These include in particular, trade creditors, payables to related parties 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 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.

2.4.2 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.

2.4.3 Investments in participation rights

Participation rights consist of short-term positions (available for sale) in unlisted regulated investment funds. These investments are stated at fair value. The fair value of participation rights (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 financial fixed assets and investments".

2.5 Tangible fixed assets

Tangible fixed assets are valued at the purchase price less straight-line depreciation based on the expected economic (useful) life, or at the lower realisable value.

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. The residual value of the asset, its economic life and valuation principles are reviewed and, if necessary, adapted at the end of the financial year.

2.6 Financial fixed assets

2.6.1 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. If 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

Participating interests with a negative net asset value are valued at EUR 1. If the company fully or partly guarantees the liabilities of these participating interests a provision is set up, primarily comprising the receivables from this investment. A provision is created for the remainder, either being the share



in the losses incurred by the investment, or the amount of payments the company is obliged to make on behalf of these investments.

Newly acquired associates are initially recognized on the basis of the fair value of their identifiable assets and liabilities at the acquisition date. For subsequent valuations, the principles that apply for these financial statements are used, with the values upon their initial recognition as the basis.

Participations over which no significant influence can be exercised are valued at historical cost. The result represents the dividend declared in the reporting year, whereby dividend not distributed in cash is valued at fair value.

For financial fixed assets, an assessment is made as of each balance sheet date as to whether there are indications that these assets are subject to impairment. If there are such indications, the recoverable value of the asset is estimated. The recoverable value is the higher of the value in use and the net realisable value. If the carrying value of an asset is higher than the recoverable value, an impairment loss is recorded for the difference between the carrying value and the recoverable value.

2.7 Current assets

2.7.1 Receivables

2.7.1.1 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 balance sheet date.

2.7.1.2 Receivable from related parties

Receivables from related parties are recorded at their nominal value (and if applicable) less a provision for doubtful items at balance sheet date.

2.7.1.3 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 less impairment losses. The amortized cost value equals the nominal value, if no directly attributable transaction costs or premium/discounts are applicable.

2.7.1.4 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 period 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.

2.7.2 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.

2.8 Provisions

2.8.1 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. When an affiliated company reimburses the obligations, this amount is settled in the current account between both Group companies



2.8.2 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.

2.9 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.

3.2 Cost of sales

This relates to depositary and administration fees charged by suppliers in connection with the Funds managed by the Company.

3.3 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.

3.4 Financial income and expenses

Financial income and expenses comprise interest income and expenses on cash and cash equivalents and changes in value of securities.

3.5 Taxes

3.5.1 Corporate income tax (CIT)

Corporate income tax is calculated based on 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 period, 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.

3.5.2 Value added tax (VAT)

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

Amsterdam, August 24, 2020

FundShare Fund Management B.V.