

**PRIVIUM FUND MANAGEMENT B.V.
AMSTERDAM**

Annual Report 2018
June 28, 2019

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FINANCIAL REPORT

To the shareholders and management of
Privium Fund Management B.V.
Gustav Mahlerplein 3, 26 floor
1082MS Amsterdam

<i>Reference</i>	<i>Processed by</i>	<i>Date</i>
10000665	RB	June 28, 2019

Subject
Annual report of 2018

For the attention of the Board of Directors,

We hereby send you the report regarding the financial statements for the year 2018 of Privium Fund Management B.V.

1 AUDIT

In accordance with your instructions we have compiled the annual account 2018 of your company, including the balance sheet with counts of € 1,953,476 and the profit and loss account with a result after taxes of € 47,122.

For the audit opinion we refer to the chapter “Other information” on page 27 of this report.

1.1 Appropriation of the net result 2018

The profit for the year 2018 amounts to € 47,122 compared with a profit for the year 2017 of € 3,035.

The board of directors proposes that the profit for the period 2018 of € 47,122 be added to the other reserves. This proposal has been processed in the annual account in advance of the adoption by the General Meeting.

The analysis of the result is disclosed on page 3.

2 RESULTS

2.1 Development of income and expenses

The result after taxation for 2018 amounts to € 47,122 compared to € 3,035 for 2017. The results for both years can be summarized as follows:

	2018		2017	
	€	%	€	%
Net turnover	5,986,674	100.0	4,224,686	100.0
Cost price	42,618	0.7	81,247	1.9
Gross turnover result	5,944,056	99.3	4,143,439	98.1
Expenses				
Cost of subcontracted work and other external charges	4,938,067	82.5	3,290,059	77.9
Employee expenses	431,647	7.2	411,938	9.8
Amortisation and depreciation	12,772	0.2	12,519	0.3
Other operating expenses	559,559	9.4	432,102	10.2
	5,942,045	99.3	4,146,618	98.2
Operating result	2,011	-	-3,179	-0.1
Financial income and expenses	11,464	0.3	7,539	0.2
Result before tax	13,475	0.3	4,360	0.1
Taxes	-3,103	-0.1	-1,325	-
Share in result of participating interests	36,750	0.6	-	-
Result after tax	47,122	0.8	3,035	0.1

3 FINANCIAL POSITION

The balance sheet can be summarized as follows:

	<u>12/31/2018</u>	<u>12/31/2017</u>
	€	€
Long term funds:		
Equity	483,544	393,173
Subordinated loans	50,000	-
	<u>533,544</u>	<u>393,173</u>
Long term investments:		
Tangible fixed assets	17,643	26,464
Financial fixed assets	80	37,580
	<u>17,723</u>	<u>64,044</u>
Working capital	<u>515,821</u>	<u>329,129</u>
This amount is applied as follows:		
Receivables, prepayments and accrued income	1,398,641	929,108
Cash and cash equivalents	537,112	360,502
	<u>1,935,753</u>	<u>1,289,610</u>
Debit: Short-term debt	1,419,932	960,481
Working capital	<u>515,821</u>	<u>329,129</u>

4 FISCAL POSITION

4.1 Fiscal unity

For purposes of corporate income tax, Cleardown B.V. forms a fiscal unity with its subsidiary:
- Privium Fund Management B.V.

The company is part of the fiscal unity with Cleardown B.V. for corporate income tax and therefore is not separately liable for tax. The corporate income tax is calculated as if the company was separately liable for tax and is offset against the current account of Cleardown B.V. For the calculation of the tax liability of the fiscal unity is referred to the financial statements of Cleardown B.V.

4.2 Taxable amount 2018

The taxable amount for 2018 has been calculated as follows:

	2018
	€
Result before taxes	13,475
<i>Tax differences:</i>	
Non-deductible expenses	7,889
Tax-deductible donations	-4,742
Investment allowance	-1,106
	<u>2,041</u>
Taxable amount 2018	<u><u>15,516</u></u>

Corporate income tax calculation

The corporate income tax due amounts to:

	2018
	€
20.0% of € 15,515	<u><u>3,103</u></u>

We will gladly provide further explanations upon request.

Sincerely yours,
Bacom Consultancy Groep

R. Beers
Consultant



Report board of directors - Privium Fund Management BV

Results

Privium Fund Management BV (Privium) has grown substantially again in 2018. Net turnover grew by 42%. Privium received another FD Gazelle Award, the third in a row, for being one of the fastest growing companies in The Netherlands.

The 2018 post-tax result was a profit of Euro 47,122, despite investments in growing the firms activities. The Assets Under Management (AUM) of the funds managed by Privium has increased and further growth is to be expected. An increasing amount of our AUM is allocated to ESG/Sustainability/Impact related investments. Currently, the majority of our assets under management has a specific ESG/Sustainability/Impact focus. We would describe the financial position of Privium as 'solid' and the risk appetite of the company as 'modest'.

Funds

The fund range has increased, which further improves the diversification and mitigates the market specific related risks both our investors and for Privium Fund Management as a company. There were two new fund launches in 2017 and none of the funds stopped their activities. The main development was taking over the very successful long only biotech equity fund Aescap 2.0 at the end of 2018. Legal firm Finnius Advocaten advised us during this process. Aescap 2.0 invests in and thereby supports companies that are developing new medicines. For deceases such as rheumatism, cancer, diabetes and haemophilia.

Despite the negative sentiment on the markets (the MSCI World equity index was down 7% in 2018), the average Privium Fund Management fund did not lose any money. We are pleased to see this capital preservation for our investors.

The **Aescap 2.0** fund was the best performer with a gain of +47% (despite a Nasdaq Biotech Index that was down -5%). Our direct real estate fund, **Supermarkt VastGoed**, made 16%.

Team

The team was very stable during 2018. Staff growth is expected in 2019. The team has been active during the year as speakers and moderators at various industry conferences and educational events. The aim of those activities was both brand awareness and to educate investors and students about alternative investments. Being a proud sponsor of Alternatives 4 Children (A4C), the team also spend time on supporting this charity and its activities.

Regulation

Both the fund management industry and the regulators have to keep spending a lot of effort on (improving) the implementation of legislation that was implemented in recent years and that will be implemented in the next few years. While we are conscious of the time spend and the costs involved for both Fund Managers and investors, we expect that the increase in regulation will further improve the image of the asset management industry. Increased regulation will have played a role in the increased allocations to alternative investments as well.

In 2018, Privium Fund Management was supported both by Dutch Compliance and Compliance Advies (Arjan van der Heiden) when it comes to compliance and the internal audit. Privium continues to be part of industry body AIMA on various committees.

Remuneration

Privium Fund Management B.V. has a careful, controlled and sustainable remuneration policy which meets all the requirements included in the Alternative Investment Fund Managers Directive (AIFMD) and the guidelines on sound remuneration policies under the AIFMD (ESMA Guidelines). The remuneration policy is consistent with and contributes to a sound and effective risk management framework and does not encourage risk taking beyond what is acceptable for Privium Fund Management B.V.

The Board of Privium Fund Management B.V. is responsible for establishing the Remuneration policy. The Board of Privium Fund Management B.V. reviews the Remuneration policy at least once a year and the policy may be amended if circumstances warrant that. Remunerations at Privium Fund Management B.V. may consist out of a fixed salary (this may include a payment to cover certain expenses of staff members) and a variable remuneration.

Privium Fund Management B.V. may reclaim all or part of the variable remuneration paid if (i) this payment was made on the basis of incorrect information, (ii) in the event of fraud by the employee, (iii) in the event of serious improper behavior by the employee or serious negligence in the performance of his tasks, or (iv) in the event of behavior that has resulted in considerable losses for the fund or Privium Fund Management B.V.

Remuneration 2018. This overview is based on the situation as of December 31, 2018. The financial year of the Fund Manager ends on December 31 of any year. For some of the funds the compensation consists of both a management and a performance fee. In 2018 the aggregate costs for staff totaled EUR 3,946,370 -. The table below offers an overview of the remuneration at the level of Privium Fund Management B.V.. The Board of Privium Fund Management is being described as Identified Staff in senior management roles. All other staff members are categorized as identified staff outside senior management roles.

	Identified staff in senior management roles	Identified staff outside senior management roles	Total staff
Number of staff	2	26	28
Total fixed remuneration	€144,470	€ 3,714,487	€ 3,858,957
Total variable remuneration	€15,000	€72,413	€87,413
Total remuneration	€159,470	€3,786,900	€3,946,370

Variable payments to both identified staff members in senior management roles and identified staff outside senior management depend on the profitability of the company, the performance of the funds, extraordinary commitment to the firm, customer satisfaction, work according best practice ethical standards, and/or other performance/non-performance related criteria.

Privium Fund Management B.V. has delegated certain portfolio management duties of some of its funds to outside investment advisers ('delegates'). Remuneration of identified staff of delegates is not included in the table. The delegates are subject to regulatory requirements on remuneration policies

and disclosures that are comparable with the requirements applicable to Privium Fund Management B.V. Reference to the remuneration of the delegates is included in the Prospectus and annual report of the funds concerned.

Variable payments to both identified staff members in senior management roles and identified staff outside senior management depend on the profitability of the company, the performance of the funds, extraordinary commitment to the firm, customer satisfaction, work according best practice ethical standards, and/or other performance/non-performance related criteria. Privium Fund Management B.V., the Fund Manager of the various funds, does not charge any employee remuneration fees to the funds, except for the Supermarkt VastGoed fund. The Supermarkt VastGoed fund already had an 'at cost' fee model prior to Privium being assigned as Fund Manager, instead of the more common model where the Fund Manager receives a management fee that is a percentage of the AUM.

Employee remuneration is paid out of the management and performance fees (if applicable). In total 28 staff members were involved during (some part of) the year, including consultants and including both part-time and full-time staff. None of the staff members have earned more than EUR 1,000,000 or more during the year 2018.

Market environment

The market environment was weak in 2018, as indicated earlier, especially in the fourth quarter. Investing in European government bonds was profitable, but with a 10-year yield of +0,24% a year, it is not a place where we want to have exposure for the mid to long term.

Despite the correction in Q4 (which has reversed at the time of writing this report) our multiyear outlook is still that we are in a low return environment. The combination of accommodative monetary and fiscal policies (which are unlikely to be extended much further) and an economy that has, on average, already recovered from the great financial crisis have led to rich valuations in markets. This will limit upside in H2 of 2019 and in the years to come. It also provides opportunities for niche strategies, we are active in some of those.

The strong focus on ESG factors, both in society and by investors, has led to an increasing focus on ESG/sustainable/impact investments. The Netherlands is one of the leading countries in this area. With the experience that Privium has been building in this field too for many years now, we are well positioned to play a role that is material to the firm.

Outlook

As indicated above, we are optimistic about the future of the firm and expect to continue our expansion in terms of the number of funds, Assets under Management and staff members.

Amsterdam, 28 June, 2019

The Board of Privium Fund Management BV:



Mr. Clayton Heijman



Mr. Mark Baak

FINANCIAL STATEMENTS

Balance sheet as at December 31, 2018

Profit and loss account of 2018

Notes to the Statements

Notes to the balance sheet as of December 31, 2018

Notes to the profit and loss account from 2018

1 BALANCE AS AT DECEMBER 31, 2018
(before appropriation of results)

		December 31, 2018	December 31, 2017
		€	€
ASSETS			
Fixed assets			
Tangible fixed assets	(1)	17,643	26,464
Financial fixed assets	(2)		
Participations in group companies		80	37,580
Current assets			
Receivables, prepayments and accrued income	(3)	1,398,641	929,108
Cash and cash equivalents	(4)	537,112	360,502
		<u>1,935,753</u>	<u>1,289,610</u>
TOTAL OF ASSETS		<u><u>1,953,476</u></u>	<u><u>1,353,654</u></u>
EQUITY AND LIABILITIES			
Equity	(5)		
Issued share capital		330,000	250,000
Share premium reserve		64,829	64,829
Revaluation reserve		-	36,750
Other reserves		41,593	41,594
Current year result		47,122	-
		<u>483,544</u>	<u>393,173</u>
Subordinated loans	(6)	50,000	-
Current liabilities	(7)	1,419,932	960,481
TOTAL OF EQUITY AND LIABILITIES		<u><u>1,953,476</u></u>	<u><u>1,353,654</u></u>

2 PROFIT AND LOSS ACCOUNT OF 2018

		2018	2017
		€	€
Net turnover	(8)	5,986,674	4,224,686
Cost price	(9)	42,618	81,247
Gross margin		<u>5,944,056</u>	<u>4,143,439</u>
Expenses			
Cost of subcontracted work and other external charges	(10)	4,938,067	3,290,059
Employee expenses	(11)	431,647	411,938
Amortisation and depreciation	(12)	12,772	12,519
Other operating expenses	(13)	559,559	432,102
		<u>5,942,045</u>	<u>4,146,618</u>
Operating result		<u>2,011</u>	<u>-3,179</u>
Financial income and expenses	(14)	11,464	7,539
Result before tax		<u>13,475</u>	<u>4,360</u>
Taxes	(15)	-3,103	-1,325
		<u>10,372</u>	<u>3,035</u>
Share in result of participating interests	(16)	36,750	-
Result after tax		<u><u>47,122</u></u>	<u><u>3,035</u></u>

3 NOTES TO THE FINANCIAL STATEMENTS

GENERAL

Activities

Privium Fund Management BV is managing a wide range of investment funds, as a regulated Alternative Investment Fund Manager (AIFM). The target participants in our funds are predominantly (the clients of) family offices, private banks, municipalities, insurance companies and pension funds.

Registered address

The registered and actual address of Privium Fund Management B.V. (CoC file 34268930) is Gustav Mahlerplein 3, 26 floor in Amsterdam.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE ANNUAL ACCOUNTS

The annual accounts have been prepared in accordance with Title 9 Book 2 of the Dutch Civil Code. Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at nominal value.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Revenues from goods are recognised upon delivery. The cost price of these goods is allocated to the same period. Revenues from services are recognised in proportion to the services rendered. The cost price of these services is allocated to the same period.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

General

Tangible fixed assets

Tangible fixed assets are presented at acquisition price less cumulative depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use.

Financial fixed assets

Participating interests where significant influence is exercised over the business and financial policy are valued according to the equity method on the basis of the net asset value. Participating interests without such influence, are valued at the acquisition price, taking into account a provision for value decreases.

Receivables and deferred assets

Upon initial recognition the receivables on and loans to group companies and other related parties and other receivables are valued at fair value and then valued at amortised cost, which equals the face value, after deduction of any provisions. The fair value and amortised cost equal the face value. Any provisions for the risk of doubtful debts are deducted. These provisions are determined based on individual assessment of the receivables.

Cash and cash equivalents

The cash is valued at face value. If cash equivalents are not freely disposable, then this has been taken into account in the valuation.

Subordinated loans

Subordinated loans are recognised at fair value.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price.

When there are no premiums, discounts or transaction costs, the amortised cost is equal to the nominal value.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

The result is defined as the difference between the revenue from services performed and the costs and expenses for that year, valued at historical costs.

Determination of the result

The result is determined based upon the difference between the net turnover and the costs and other expenses taking into account the aforementioned valuation principles.

Net turnover

The net turnover consists of revenue from during the reporting period nett of discounts, rebates and value added taxes.

Cost price

The cost of sales consists of the direct costs related to the services performed.

Gross margin

The gross operating profit and loss comprises nett turnover by the entity, other operating income and cost of outsourced work and other external charges.

Amortisation and depreciation

The depreciation on tangible fixed assets is calculated by using a fixed rate on the acquisition cost based on the expected life cycle. Gains and losses from the occasional sale of property, plant or equipment are included in depreciation.

Financial income and expenses

Financial income and expenses comprise interest income and expenses for loans (issued and received) during the current reporting period.

Share in result of participating interests

Where significant influence is exercised over participations, the group's share in the participations' results is included in the consolidated profit and loss account. This result is determined on the basis of the accounting principles applied by Privium Fund Management B.V.

Taxes

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the annual account and profit calculated for taxation purposes.

4 NOTES TO THE BALANCE SHEET AS AT DECEMBER 31, 2018

ASSETS

FIXED ASSETS

1. Tangible fixed assets

Depreciation rates

	%
Equipment	20
Transportation	20

	2018	2017
	€	€
Equipment		
Purchase price	9,294	7,722
Cumulative depreciation and impairment	-3,253	-1,775
Carrying amount as of January 1	<u>6,041</u>	<u>5,947</u>
<i>Movement</i>		
Investments	3,951	1,572
Depreciation	-1,731	-1,478
	<u>2,220</u>	<u>94</u>
Purchase price	13,245	9,294
Cumulative depreciation and impairment	-4,984	-3,253
Carrying amount as of December 31	<u>8,261</u>	<u>6,041</u>
Transportation		
Purchase price	61,336	61,336
Cumulative depreciation and impairment	-40,913	-29,872
Carrying amount as of January 1	<u>20,423</u>	<u>31,464</u>
<i>Movement</i>		
Depreciation	-11,041	-11,041
Purchase price	61,336	61,336
Cumulative depreciation and impairment	-51,954	-40,913
Carrying amount as of December 31	<u>9,382</u>	<u>20,423</u>

2. Financial fixed assets

Participations in group companies

	2018	2017
	€	€
<i>E3 Partners B.V.</i>		
Carrying amount as of January 1	37,500	37,500
Disposals	-750	-
Direct movement in revaluation reserve	-36,750	-
Carrying amount as of December 31	<u>-</u>	<u>37,500</u>

On 28th of December 2018 are 7.500 shares sold to Cleardown B.V. for the prices of €37.500.

Privium Fund Management (HK) Ltd.

Carrying amount as of January 1	80	-
Investments	-	80
Carrying amount as of December 31	<u>80</u>	<u>80</u>

CURRENT ASSETS

	12/31/2018	12/31/2017
	€	€
3. Receivables, prepayments and accrued income		
Trade receivables	472,575	31,940
Receivables from group companies	149,088	58,121
Receivables from other related parties	122,785	121,811
Taxes and social securities	4,254	30,017
Other receivables, deferred assets	649,939	687,219
	<u>1,398,641</u>	<u>929,108</u>

	12/31/2018	12/31/2017
	€	€
Trade receivables		
Trade debtors	472,575	31,940
Receivables from group companies		
Cleardown B.V.	56,782	-
Privium Selection Management S.a.r.l.	36,500	36,500
Privium Fund Management Services HK Limited	13,520	21,621
Privium Capital Management Cayman	42,286	-
	<u>149,088</u>	<u>58,121</u>
An interest rate of 0,8 % (Euribor +/- 0,2 % + 1%) has been calculated for Cleardown B.V. The other receivables from group companies has not been calculated.		
Receivables from other related parties		
Current account Darwin Financial Platform B.V.	112,662	111,768
Current account Darwin Financial Holding B.V.	10,123	10,043
	<u>122,785</u>	<u>121,811</u>
An interest rate of 0,8 % (Euribor +/- 0,2 % + 1%) has been calculated.		
Taxes and social securities		
Turnover tax	4,254	30,017
Other receivables		
Privium Cap. Man. deposit	-	3,571
Prepayment St. Jur. Eig. Westermeer	1,000	-
	<u>1,000</u>	<u>3,571</u>
Prepayments and accrued income		
Receivable turnover	587,341	640,133
Rent	25,135	24,279
Insurance	14,725	11,036
Rechargeable costs	13,538	-
Deposit	8,200	8,200
	<u>648,939</u>	<u>683,648</u>

	12/31/2018	12/31/2017
	€	€
4. Cash and cash equivalents		
ABN AMRO 24.91.02.226	65,535	165,467
ABN AMRO 24.93.56.228 USD	84,770	32,949
ABN AMRO 24.91.02.218	386,802	162,081
ABN AMRO 49.93.83.575 AUD	5	5
	<u>537,112</u>	<u>360,502</u>

EQUITY AND LIABILITIES

5. Equity

	<u>12/31/2018</u>	<u>12/31/2017</u>
	€	€
Issued share capital		
Subscribed and paid up 330,000 ordinary shares at par value € 1.00	<u>330,000</u>	<u>250,000</u>
The statutory share capital amounts to € 330,000. The shareholders of the company are as follows:		
- Cleardown B.V.		
		<u>Ordinary shares</u>
		€
Carrying amount as of January 1, 2018		250,000
Shares issued per December 31, 2018 (numbers: 250.001 until 330.000)		<u>80,000</u>
Carrying amount as of December 31, 2018		<u>330,000</u>
Statutory share capital		330,000
Shares issued		330,000
Par value		1.00
	<u>2018</u>	<u>2017</u>
	€	€
Share premium reserve		
Carrying amount as of January 1	<u>64,829</u>	<u>64,829</u>
Carrying amount as of December 31	<u>64,829</u>	<u>64,829</u>
Revaluation reserve		
Carrying amount as of January 1	36,750	36,750
Withdrawal	<u>-36,750</u>	<u>-</u>
Carrying amount as of December 31	<u>-</u>	<u>36,750</u>

The value of the revaluation reserve is released, because the passed transaction of the shares to Cleardown on 28th of December 2018.

	2018	2017
	€	€
Other reserves		
Carrying amount as of January 1	41,593	38,559
Allocation of financial year nett result	-	3,035
Carrying amount as of December 31	<u>41,593</u>	<u>41,594</u>
 6. Subordinated loans		
Subordinated loan Cleardown B.V.		
Carrying amount as of January 1	-	-
Funds withdrawn	50,000	-
Carrying amount as of December 31	<u>50,000</u>	<u>-</u>
	12/31/2018	12/31/2017
	€	€
7. Current liabilities		
Trade creditors	67,513	154,770
Loans from participations in group companies	-	109,341
Taxes and social securities	15,957	15,525
Accruals and deferred income	1,336,462	680,845
	<u>1,419,932</u>	<u>960,481</u>
Trade creditors		
Creditors	<u>67,513</u>	<u>154,770</u>
Loans from participations in group companies		
Cleardown B.V.	<u>-</u>	<u>109,341</u>
Taxes and social securities		
Pay-roll tax	<u>15,957</u>	<u>15,525</u>

	12/31/2018	12/31/2017
	€	€
Accruals and deferred income		
Holiday bonus	12,875	10,980
Accounting costs	1,500	1,500
Auditing costs	7,500	7,500
Legal costs	-	1,921
Employee bonus	22,500	20,000
Consultancy charges	1,230,079	622,164
Provision start-up fee	15,000	-
Accommodation expenses	1,763	-
Automation costs	954	-
Travelling expenses	4,727	-
Internal audit and risk monitoring	13,764	15,180
Compliance advise costs	1,600	1,600
Aecap Medical Investments B.V.	24,200	-
	<u>1,336,462</u>	<u>680,845</u>

OFF-BALANCE-SHEET RIGHTS, OBLIGATIONS AND ARRANGEMENTS

Rental obligations

There are rent obligations in respect of Gustav Mahlerplein 3, 26 floor, Amsterdam.
Amounts due an year € 97.000.

5 NOTES TO THE PROFIT AND LOSS ACCOUNT OF 2018

	2018	2017
	€	€
8. Net turnover		
Net turnover	5,986,674	4,224,686
9. Cost price		
Administration	42,618	81,247
10. Cost of subcontracted work and other external charges		
Work contracted	4,938,067	3,290,059
11. Employee expenses		
Wages and salaries	434,700	375,397
Social security charges	46,607	35,824
Other personnel costs	-49,660	717
	431,647	411,938
<i>Wages and salaries</i>		
Gross wages	378,613	328,036
Expenses allowance	8,192	5,717
Movement of holiday bonus liability	25,395	21,644
Bonus	22,500	20,000
	434,700	375,397
<i>Social security charges</i>		
Social costs	46,607	35,824
<i>Other personnel costs</i>		
Canteen costs	-	107
Work wear	2,325	610
Education allowance and training costs	3,000	-
	5,325	717
Recharged labour costs	-54,985	-
	-49,660	717

Staff

At company during 2018, 5 employees were employed (2017: 4).

12. Amortisation and depreciation

	2018	2017
	€	€
<i>Depreciation of tangible fixed assets</i>		
Equipment	1,731	1,478
Transportation	11,041	11,041
	<u>12,772</u>	<u>12,519</u>

13. Other operating expenses

Accommodation expenses	103,580	94,247
Operating costs	1,635	1,121
Office expenses	329,139	158,408
Car expenses	10,226	9,664
Selling and distribution expenses	44,306	37,099
General expenses	70,673	131,563
	<u>559,559</u>	<u>432,102</u>

Accommodation expenses

Rent buildings	101,366	94,124
Tax and business expenses	-	123
Other accommodation expenses	2,214	-
	<u>103,580</u>	<u>94,247</u>

Operating costs

Repairs and maintenance	1,236	1,121
Minor assets	399	-
	<u>1,635</u>	<u>1,121</u>

Office expenses

Office supplies	4,567	2,457
Automation costs	8,658	4,998
Telephone	4,453	3,950
Postage	639	-131
Contributions and subscriptions	2,951	556
Insurance	11,036	1,003
Software	296,835	145,575
	<u>329,139</u>	<u>158,408</u>

	2018	2017
	€	€
<i>Car expenses</i>		
Fuels	1,939	1,545
Maintenance department	3,367	3,148
Insurance	1,955	1,930
Motor vehicle tax	1,052	1,128
	<u>8,313</u>	<u>7,751</u>
Private use	1,913	1,913
	<u>10,226</u>	<u>9,664</u>
<i>Selling and distribution expenses</i>		
Publicity and advertisement	9,085	2,814
Representation costs	10,058	8,258
Business gifts	4,742	-
Congress costs	2,500	3,496
Travelling expenses	10,062	22,531
Food, beverage and other sales costs	7,770	-
Collecting charges	89	-
	<u>44,306</u>	<u>37,099</u>
<i>General expenses</i>		
Audit costs	7,233	7,501
Accounting costs	16,550	10,677
Consultancy fees	1,963	-
External regulation	17,154	85,721
Compliance	27,773	27,630
Other general expenses	-	34
	<u>70,673</u>	<u>131,563</u>
14. Financial income and expenses		
<i>Interest and similar income</i>		
Interest receivable Darwin Financial Platform B.V.	894	942
Interest receivable Darwin Financial Holding B.V.	80	43
Interest receivable Privium Capital Management	77	-
Exchange rate differences	12,317	8,540
	<u>13,368</u>	<u>9,525</u>

	2018	2017
	€	€
<i>Interest and similar expenses</i>		
Interest and costs Tax Administration	-482	-50
Interest payable	-1,225	-516
Interest payable Cleardown B.V.	-197	-1,420
	<u>-1,904</u>	<u>-1,986</u>
15. Taxes		
Balance to be analysed	-3,103	-
Corporate income tax	-	-1,325
	<u>-3,103</u>	<u>-1,325</u>
16. Share in result of participating interests		
Share in result of E3 Partners B.V.	<u>36,750</u>	<u>-</u>

Signing of the financial statements

Adoption of the financial statements

The financial statements are created and adopted by the management respectively the General Meeting.

Amsterdam, June 28, 2019

C.H.A. Heijman 

M. Baak 

OTHER INFORMATION

1 INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

CONFIDENTIAL

The board of Directors
and the shareholder of
Privium Fund Management B.V.
Postbus 75926
1070 AX AMSTERDAM

A. Report on the audit of the financial statements 2018 included in the annual report

Our opinion

We have audited the financial statements 2018 of Privium 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 Privium Fund Management B.V. as at 31 December 2018, and of its result for 2018 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- 1 the balance sheet as at 31 December 2018;
- 2 the profit and loss account for 2018; and
- 3 the notes comprising a summary of the 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 Privium Fund Management B.V. in accordance with 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.



B. 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:

- The management 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 management 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.

C. 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 those charged 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.

Purmerend, 28 juni 2019

Van den Hoonard Accountants

M.L. van den Hoonard-Bieshaar RA