

PRIVIUM FUND MANAGEMENT B.V.
AMSTERDAM

Annual Report 2022
June 19, 2023

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FINANCIAL REPORT

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

<i>Reference</i>	<i>Processed by</i>	<i>Date</i>
10000665	RB	June 19, 2023

Subject

Annual report of 2022

For the attention of the Board of Directors,

We hereby send you the report regarding the financial statements for the year 2022 of Privium Fund Management B.V.

1 ENGAGEMENT

In accordance with your instructions we have audited the annual account 2022 of your company, including the balance sheet with counts of € 4,725,084 and the profit and loss account with a result after taxes of € 124,062.

For the audit opinion we refer to the chapter “Other information” on page 26 of this report.

1.1 Appropriation of the net result 2022

The profit for the year 2022 amounts to € 124,062 compared with a profit for the year 2021 of € 217,272.

The board of directors proposes that the profit for the period 2022 of € 124,062 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 2022 amounts to € 124,062 compared to € 217,272 for 2021. The results for both years can be summarized as follows:

	2022		2021		Difference
	€	%	€	%	€
Net turnover	2,390,216	100.0	2,216,120	100.0	174,096
Cost of sales	106,223	4.4	200,997	9.1	-94,774
Gross turnover result	2,283,993	95.6	2,015,123	90.9	268,870
Expenses					
Employee expenses	1,061,384	44.4	868,825	39.2	192,559
Amortisation and depreciation	3,022	0.1	2,894	0.1	128
Other operating expenses	1,082,894	45.4	911,734	41.2	171,160
	2,147,300	89.9	1,783,453	80.5	363,847
Operating result	136,693	5.7	231,670	10.4	-94,977
Financial income and expenses	9,404	0.4	25,805	1.2	-16,401
Result before tax	146,097	6.1	257,475	11.6	-111,378
Taxes	-22,035	-0.9	-40,203	-1.8	18,168
Result after tax	124,062	5.2	217,272	9.8	-93,210

3 FINANCIAL POSITION

The balance sheet can be summarized as follows:

	<u>12/31/2022</u>	<u>12/31/2021</u>
	€	€
Long term funds:		
Equity	1,057,617	933,555
Long term investments:		
Tangible fixed assets	9,570	8,661
Financial fixed assets	80	80
	<u>9,650</u>	<u>8,741</u>
Working capital	<u>1,047,967</u>	<u>924,814</u>
 This amount is applied as follows:		
Receivables, prepayments and accrued income	3,016,268	4,910,991
Cash and cash equivalents	1,699,166	1,401,107
	<u>4,715,434</u>	<u>6,312,098</u>
Debit: Short-term debt	3,667,467	5,387,284
Working capital	<u>1,047,967</u>	<u>924,814</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 2022

The taxable amount for 2022 has been calculated as follows:

	<u>2022</u>
	€
Result before taxes	146,097
<i>Tax differences:</i>	
Non-deductible expenses	3,192
Tax-deductible donations	-1,500
Investment allowance	-886
	<u>806</u>
Taxable amount 2022	<u><u>146,903</u></u>

Corporate income tax calculation

The corporate income tax due amounts to:

	<u>2022</u>
	€
15.0% of € 146,900	<u><u>22,035</u></u>

MANAGEMENT REPORT

Market Environment and results

2022 was defined by a rapidly shifting paradigm in rates market as central banks accelerated measures to aggressively fight inflation. This regime shift caused significant volatility, leading to one of the worst years on record for both bond and equity markets.

Additionally, Russia's full-scale invasion of Ukraine was a shock to the growth and inflation outlook. Amidst the largest land war in Europe since World War II, the resulting energy and food crisis drove inflation much higher and led to a synchronized, aggressive shift by developed market central banks who became focused on establishing credibility in fighting inflation, even at the expense of economic growth and market stability.

With heightened sensitivity around incoming data, strength in individual data prints - data point dependency - had an outsized influence on shifting the Fed's narrative and the market's expectations for rate hikes. By the fourth quarter, market pricing and Fed guidance finally began to converge to a similar level and incoming data did not drastically alter these projections. While monetary policy garnered the most attention, it was not the only source of volatility in markets. Most notably, in September, the UK government upheaval introduced fiscal credibility concerns, which had damaging effects on gilts and led to technical selling pressures across a variety of markets. Meanwhile, the evolution of China's COVID-zero policies, though restrictive for growth for much of the year, provided a source of enthusiasm into year-end.

Despite the challenging environment Privium Fund Management BV (Privium) has shown another solid performance in 2022. The firm received another FD Gazelle Award, the seventh in a row. This time Privium participated in the category for "International" operating companies as well and received that award too.

The 2022 post-tax result was a profit of Euro 124,062. This was lower than 2021 due to the investments the company made in attracting new talent and mainly in IT systems. The net revenues of the company were higher than during 2021.

Funds

An increasing amount of our Assets Under Management (AUM) is allocated to ESG/Sustainability/Impact related investments as defined by the Sustainable Finance Disclosure Regulation (SFDR). This includes Funds with a sustainable objective (article 9) and Funds that promote one or more sustainable characteristics (article 8). This relates mainly to the FMO Privium Impact Fund and the Privium Sustainable Impact Fund. These are the SFDR article 9 funds within Privium's fund range. In January 2022 we launched the Aescap Genetics, a fund investing publicly traded shares of genetics biotech / life sciences companies. It invests in highly innovative companies that develop and market new genetics medical treatments such as gene, RNA and cell therapies. As with the Aescap Life Sciences, the Fund is classified as an article 8 fund. The Fund closed 2022 with a very small negative performance (-0.10%), despite the challenging environment.

Return dispersions between the Privium funds were very significant. The Funds investing in publicly traded growth stocks experienced a very hard time while at the other hand, funds like the Windmill Trend Evolution Fund, Principia Fund and the Privium Sustainable Impact Fund showed a positive performance.

A number of Fund initiatives Privium was working on didn't launch or their launch was delayed due to the asset raising environment being tougher as well.

Team

The team has been stable. The team remains active 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 (sustainable) alternative investments and investment funds.

Regulatory developments and compliance

Also in 2022 various new legislation became effective. Implementation preparations were started early in order to be well prepared.

The most relevant legislation and guidelines that became effective included:

- ESMA marketing guidelines. Guidelines became effective as of 2 February 2022. These guidelines impact the marketing material of all Privium Funds.
- ESMA guidelines on outsourcing to cloud services. Based on the guidelines the use of cloud service providers is considered outsourcing. The AFM has been notified with the cloud outsourcing direct at Privium level and indirect at the level of the Administrators for cloud services relevant to the services delivered to Privium.
- Sustainable Finance Disclosure Regulation. The regulation became applicable in several phases with the Regulatory Technical Standards (RTS) applying as of 1 January 2023. As a result, several SFDR related matters needed to be incorporated. This mostly included providing further ESG transparency disclosures through statements and reports.

In 2022, Privium Fund Management was supported by several law firms when it comes to compliance and regulation. For example, Finnius acted as a useful sounding board on various compliance items and Charco & Dique provided advice regarding the SFDR. Privium continues to be an active member of industry body AIMA to be on top of all the relevant changes in our industry.

Privium is updating its AO/IC (Handbook) on a regular basis. The 2022 update was completed in November 2022. During the fourth quarter of 2022 and the first two months of 2023 the external audit officer performed its annual due diligence on a number of internal procedures at the Fund Manager. These are related to Compliance and Risk Management. The external audit officer has reported his findings to the Fund Manager in a report. No meaningful errors have been signalled.

Remuneration policy

Privium Fund Management B.V. ("Privium") has a careful, controlled and sustainable remuneration policy which meets all requirements included in the Alternative Investment Fund Managers Directive (AIFMD) and the guidelines on sound remuneration policies under the AIFMD (ESMA Guidelines). In line with the Sustainable Finance Disclosure Regulation (SFDR) the remuneration policy of Privium takes into account sustainability risks. 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.

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

Privium 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 behaviour by the employee or serious negligence in the performance of his tasks, or (iv) in the event of behaviour that has resulted in considerable losses for the fund or Privium.

Remuneration policy 2022

This overview is based on the situation as of December 31, 2022. The financial year of Privium ends on December 31 of any year. For some of the funds the compensation consists of both a management and a performance fee. Amounts reflect remuneration related to funds managed by Privium, for the time Privium was the Fund Manager of those funds.

The two tables below offer an overview of the remuneration at the level of Privium. The first table shows the remuneration overview as of December 31, 2021 and the second table shows the remuneration overview as of December 31, 2022.

Information per fund is not available. The Board of Privium is being described as Identified Staff in senior management roles. All other staff members are categorized as identified staff outside senior management roles.

Privium Fund Management B.V., Amsterdam

Overview as December 31, 2021

	Identified staff in senior management roles	Identified staff outside senior management roles	Total staff
Number of staff	2	37	39
Total fixed remuneration	€ 167.492	€ 9.691.135	€ 9.858.627
Total variable remuneration	€ 42.500	€ 9.326.680	€ 9.369.180
Total remuneration	€ 209.992	€ 19.017.815	€ 19.227.807

Overview as December 31, 2022

	Identified staff in senior management roles	Identified staff outside senior management roles	Total staff
Number of staff	3	38	41
Total fixed remuneration	€ 279.397	€ 9.303.709	€ 9.583.106
Total variable remuneration	€ 0	€ 479.953	€ 479.953
Total remuneration	€ 279.397	€ 9.783.663	€ 10.063.059

Privium Fund Management B.V., Amsterdam

Variable payments to both identified staff members in senior management roles and identified staff outside senior management depend on financial and non-financial performance indicators, such as; positive results of and the effort of employees to the profitability of the company, the performance of the funds, extraordinary commitment to the firm, customer satisfaction, work according best practice ethical standards, compliance with risk management policies, compliance with internal and external rules among them sustainability (risks). The variable payments are for at least 50% based on non-financial performance indicators and variable payments are not granted when the non-financial performance criteria- such as having taken into account the set (sustainability) risks - are not met.

Privium 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. Reference to the remuneration of the delegates is included in the Prospectus and annual report of the funds concerned.

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 appointed 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 41 staff members were involved during (some part of) the year 2022 (2021: 39), including consultants and including both part-time and full-time staff.

No staff members have earned more than Euro one million in relation to the performance results during the year 2022 (2021: three).

Outlook

We are optimistic about the future of the firm and expect to continue our growth.

Amsterdam, June 19, 2023

The Board of Privium Fund Management B.V. :

C.H.A. Heijman

M. Baak

R.J. van Hoorn

FINANCIAL STATEMENTS

Balance sheet as at December 31, 2022

Profit and loss account of 2022

Notes to the Statements

Notes to the balance sheet as of December 31, 2022

Notes to the profit and loss account from 2022

Privium Fund Management B.V., Amsterdam

1 BALANCE AS AT DECEMBER 31, 2022

(after appropriation of results)

	December 31, 2022		December 31, 2021	
	€	€	€	€
ASSETS				
Fixed assets				
Tangible fixed assets	(1)	9,570		8,661
Financial fixed assets	(2)			
Participations in group companies		80		80
Current assets				
Receivables, prepayments and accrued income	(3)	3,016,268	4,910,991	
Cash and cash equivalents	(4)	1,699,166	1,401,107	
		4,715,434		6,312,098
TOTAL OF ASSETS		<u>4,725,084</u>		<u>6,320,839</u>
EQUITY AND LIABILITIES				
Equity				
Issued share capital	(5)	330,000	330,000	
Share premium reserve		64,829	64,829	
Other reserves		662,788	538,726	
		1,057,617		933,555
Current liabilities	(6)	3,667,467		5,387,284
TOTAL OF EQUITY AND LIABILITIES		<u>4,725,084</u>		<u>6,320,839</u>

2 PROFIT AND LOSS ACCOUNT OF 2022

		2022		2021	
		€	€	€	€
Net turnover	(7)	2,390,216		2,216,120	
Cost of sales	(8)	106,223		200,997	
Gross margin			2,283,993		2,015,123
Expenses					
Employee expenses	(9)	1,061,384		868,825	
Amortisation and depreciation	(10)	3,022		2,894	
Other operating expenses	(11)	1,082,894		911,734	
			2,147,300		1,783,453
Operating result			136,693		231,670
Financial income and expenses	(12)		9,404		25,805
Result before tax			146,097		257,475
Taxes	(13)		-22,035		-40,203
Result after tax			124,062		217,272

3 NOTES TO THE FINANCIAL STATEMENTS

GENERAL

Activities

Privium Fund Management B.V. 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 and insurance companies.

Registered office, legal form and registration number at the chamber of commerce

The registered and actual address of Privium Fund Management B.V. is Gustav Mahlerplein 3, 26 floor, in Amsterdam of business and is registered at the chamber of commerce under number 34268930.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE ANNUAL ACCOUNTS

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2, of the Dutch Civil Code and the Dutch Accounting Standards applicable to small legal entities, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet, income statement and the cash flow statement, references are made to the notes.

Income and expenses are allocated to the year to which they relate. Profits are only included insofar as they have been realized on the balance sheet date. Liabilities and possible losses that originate before the end of the reporting year are taken into account if they have become known before the preparation of the annual accounts.

ACCOUNTING PRINCIPLES APPLIED TO THE VALUATION OF ASSETS AND LIABILITIES

Tangible fixed assets

The proportional depreciation method based on an estimated financial life cycle of 5 to 10 years is applied to the depreciation of other fixed operating assets.

Depreciation rates

Asset	%
Equipment	20

Financial fixed assets

Participations

Participations (associates), over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

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.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

ACCOUNTING 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.

Revenue recognition

General

Net turnover comprises the fee income after deduction of payments to delegates, taxes levied on the turnover and other payments directly related to the turnover.

Expenses general

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

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

Currency translation differences

Currency translation differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they are realised, unless hedge accounting is applied.

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, 2022

ASSETS

FIXED ASSETS

1. Tangible fixed assets

	Equipment
	€
<i>Carrying amount as of January 1, 2022</i>	
Purchase price	20,370
Cumulative depreciation	-11,709
	<u>8,661</u>
<i>Movement</i>	
Investments	3,931
Depreciation	-3,022
	<u>909</u>
<i>Carrying amount as of December 31, 2022</i>	
Purchase price	24,301
Cumulative depreciation	-14,731
Book value as per December 31, 2022	<u>9,570</u>
<i>Depreciation rates</i>	
	%
Equipment	20

2. Financial fixed assets

	12/31/2022	12/31/2021
	€	€
Participations in group companies		
DM Capital Partners B.V. at Amsterdam (62,5%)	<u>80</u>	<u>80</u>

The company holds an interest of 62,5% of the shares of DM Capital Partners B.V.. This interest is subject to a call-option agreement with the co-shareholders.

CURRENT ASSETS

	12/31/2022	12/31/2021
	€	€
3. Receivables, prepayments and accrued income		
Trade receivables	320,471	479,785
Receivables from group companies	579,222	394,830
Receivables from other related parties	7,623	-
Other receivables, deferred assets	2,108,952	4,036,376
	<u>3,016,268</u>	<u>4,910,991</u>
Trade receivables		
Trade debtors	<u>320,471</u>	<u>479,785</u>
Receivables from group companies		
Cleardown B.V.	333,679	309,067
Privium Fund Management Services HK Limited	118,422	17,748
Privium Fund Management (HK) Ltd.	69,443	68,015
Privium Fund Management (UK) Ltd.	57,678	-
	<u>579,222</u>	<u>394,830</u>
An interest rate of 2,1 % (Euribor1,1% + 1%) has been calculated.		
Receivables from other related parties		
Current account Darwin Financial Platform B.V.	<u>7,623</u>	<u>-</u>

Privium Fund Management B.V., Amsterdam

	12/31/2022	12/31/2021
	€	€
Prepayments and accrued income		
Receivable turnover funds	1,912,365	3,810,779
Rent	50,243	45,154
Insurance	12,087	15,336
Car expenses	3,527	5,502
Rechargeable costs	750	-
UWV	4,814	-
Deposits	14,258	14,258
Middle Office costs	100,000	100,000
Bloomberg	10,908	-
To be received regarding double collection rent	-	45,347
	<u>2,108,952</u>	<u>4,036,376</u>
 4. Cash and cash equivalents		
ABN AMRO 24.91.02.226	204,598	204,556
ABN AMRO 24.93.56.228 USD	114,526	21,367
ABN AMRO 24.91.02.218	1,380,037	1,175,179
ABN AMRO 49.93.83.575 AUD	5	5
	<u>1,699,166</u>	<u>1,401,107</u>

EQUITY AND LIABILITIES

5. Equity

	12/31/2022	12/31/2021
	€	€
Issued share capital		
Subscribed and paid up 330,000 ordinary shares at par value € 1.00	330,000	330,000

The statutory share capital amounts to € 330,000.
The shareholder of the company is Cleardown B.V.

	2022	2021
	€	€
Share premium reserve		
Carrying amount as of January 1	64,829	64,829
Carrying amount as of December 31	64,829	64,829

Other reserves

Carrying amount as of January 1	538,726	396,454
Allocation of financial year net result	124,062	217,272
Dividend	-	-75,000
Carrying amount as of December 31	662,788	538,726

	12/31/2022	12/31/2021
	€	€

6. Current liabilities

Trade creditors	56,730	42,399
Payables to group companies	-	10,942
Taxes and social securities	68,782	54,063
Accruals and deferred income	3,541,955	5,279,880
	3,667,467	5,387,284

Payables to group companies

Privium Fund Management (UK) Ltd.	-	10,942
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Privium Fund Management B.V., Amsterdam

	12/31/2022	12/31/2021
	€	€
Taxes and social securities		
VAT	10,137	23,175
Pay-roll tax	58,645	30,888
	<u>68,782</u>	<u>54,063</u>
Accruals and deferred income		
Holiday allowance	34,409	24,101
Holiday accruals	18,962	17,341
Accounting costs	2,936	1,500
Auditing costs	15,000	14,000
Interest bank	-	1,552
Consultancy charges funds	3,433,988	5,092,212
Employee bonus	19,400	101,000
Accommodation expenses	507	1,105
Automation costs	9,957	25,069
Travelling expenses	2,693	-
Compliance advise costs	708	-
Other accruals	966	-
Fee Advisory Board	-	2,000
Overpayment to be returned	2,429	-
	<u>3,541,955</u>	<u>5,279,880</u>

OFF-BALANCE-SHEET RIGHTS, OBLIGATIONS AND ARRANGEMENTS

Rental obligations

There are rent obligations in respect of Gustav Mahlerplein 3, 26 floor, Amsterdam, for a yearly amount of € 178.948 until September 30, 2026.

Lease obligations

In May 2019 the company has entered into a lease obligation for a Tesla Model 3 until May 2024 (60 months). The monthly lease amount is € 817 excl. VAT.

CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities

Tax entity

The company constitutes a tax entity for corporate income tax with Cleardown B.V.; consequently the company is severally liable for the resulting debts.

5 NOTES TO THE PROFIT AND LOSS ACCOUNT OF 2022

	2022	2021
	€	€
7. Net turnover		
Net turnover	2,390,216	2,216,120
8. Cost of sales		
Legal and tax counseling	31,998	57,001
Consultancy fees	74,225	141,068
Administration	-	2,928
	<u>106,223</u>	<u>200,997</u>
9. Employee expenses		
Wages and salaries	961,741	835,757
Social security charges	95,808	80,526
Other personnel costs	3,835	-47,458
	<u>1,061,384</u>	<u>868,825</u>
<i>Wages and salaries</i>		
Gross wages	873,250	662,713
Expenses allowance	18,992	9,192
Holiday allowance	57,092	45,511
Bonus	15,600	101,000
Provision vacation days	1,621	17,341
Subsidy received	-4,814	-
	<u>961,741</u>	<u>835,757</u>
<i>Social security charges</i>		
Social costs	<u>95,808</u>	<u>80,526</u>
<i>Other personnel costs</i>		
Canteen costs	594	-
Education allowance and training costs	2,649	4,084
Other personnel costs	592	8,050
Recharged labour costs	-	-59,592
	<u>3,835</u>	<u>-47,458</u>

Staff

In 2022 11 employees (in fte) were employed at the company (2021: 9).

10. Amortisation and depreciation

	2022	2021
	€	€
<i>Depreciation of tangible fixed assets</i>		
Equipment	3,022	2,894

11. Other operating expenses

Accommodation expenses	182,890	177,546
Office expenses	723,332	563,089
Car expenses	23,090	21,938
Selling and distribution expenses	42,954	21,746
General expenses	110,628	127,415
	<u>1,082,894</u>	<u>911,734</u>

Accommodation expenses

Accommodation expenses	182,890	178,346
Other accommodation expenses	-	-800
	<u>182,890</u>	<u>177,546</u>

Office expenses

Office supplies	7,090	5,572
Printed matter	-	166
Automation costs	9,914	3,505
Telephone	4,309	2,935
Postage	373	1,347
Contributions and subscriptions	9,138	5,002
Software	692,508	543,131
Minor assets	-	1,431
	<u>723,332</u>	<u>563,089</u>

Car expenses

Fuels	2,905	1,937
Maintenance department	6,371	6,313
Lease costs	12,140	12,014
	<u>21,416</u>	<u>20,264</u>
Private use	1,674	1,674
	<u>23,090</u>	<u>21,938</u>

Privium Fund Management B.V., Amsterdam

	2022	2021
	€	€
<i>Selling and distribution expenses</i>		
Publicity and advertisement	1,749	3,250
Representation costs	4,387	5,655
Business gifts	3,497	2,524
Congress costs	2,539	1,000
Travelling expenses	30,782	9,317
	<u>42,954</u>	<u>21,746</u>
<i>General expenses</i>		
Audit costs	15,000	14,167
Accounting costs	13,514	10,356
Consultancy fees	14,999	24,007
External regulation	34,233	34,592
Compliance	9,081	19,464
Non-deductable VAT	21,801	22,829
Other general expenses	2,000	2,000
	<u>110,628</u>	<u>127,415</u>
12. Financial income and expenses		
<i>Interest and similar income</i>		
Exchange rate differences	6,676	27,463
Interest receivable Cleardown B.V.	6,492	2,359
Interest receivable Privium Fund Management HK Limited	1,428	338
Interest receivable Privium Fund Management Services HK Limited	376	87
	<u>14,972</u>	<u>30,247</u>
<i>Interest and similar expenses</i>		
Bankcharges and interest	<u>-5,568</u>	<u>-4,442</u>
13. Taxes		
Corporate income tax	<u>-22,035</u>	<u>-40,203</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 19, 2023

C.H.A. Heijman

M. Baak

R.J. van Hoorn

OTHER INFORMATION

1 Independent auditor's report

The independent auditor's report is stated on page 23.

INDEPENDENT AUDITOR'S REPORT

To: The shareholders and board of directors of Privium Fund Management B.V., Amsterdam

A. Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements 2022 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 2022 and of its result for 2022 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 2022;
2. the profit and loss account for 2022; and
3. the notes comprising of 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 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.

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:

- 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 all the information regarding the management report and the other 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 and the board of directors 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 engagement 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 scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- 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 entity'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 the board of directors 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.

The Hague, 29 June 2023

HLB Den Hartog
Accountants & Consultants

Signed on original by:
S.T.M. ten Hagen RA