



**ANNUAL REPORT**  
*( FINANCIAL STATEMENTS )*

**AS PER DECEMBER 31, 2020**

**Aescap 2.0**

**Contents**

**General Information**..... 2

**Overview (Key figures) Aescap2.0**..... 3

**Profile & Structure**..... 5

**Management report**..... 11

**Financial Statements** ..... 16

Balance Sheet as per 31 december 2020..... 17

Profit & Loss Account for the period January 1, 2020 – December 31, 2020..... 18

Statement of Cash Flows for the period January 1, 2020 – December 31, 2020..... 19

Notes ..... 20

Notes to the Balance Sheet..... 23

Notes to the Profit & Loss Account..... 26

**Other Information**..... 29

**Annex : Investment Portfolio as per December 31, 2020**..... 32

**Aescap 2.0****General Information*****Business Address of the Fund*****Aescap2.0**

Gustav Mahlerplein 3, 26th floor, Financial Offices  
1082 MS Amsterdam  
The Netherlands  
[www.aescap.com](http://www.aescap.com)  
E-mail : info@priviumfund.com

***Fund Manager*****Privium Fund Management B.V.**

Gustav Mahlerplein 3, 26th floor, Financial Offices  
1082 MS Amsterdam  
The Netherlands  
E-mail : info@priviumfund.com

***Legal Owner*****Stichting Aescap 2.0**

Hoogoorddreef 15  
1101 BA AMSTERDAM  
The Netherlands  
[www.iqueg.com](http://www.iqueg.com)

***Administrator*****IQ EQ Financial Services B.V.**

Hoogoorddreef 15  
1101 BA AMSTERDAM  
The Netherlands  
[www.iqueg.com](http://www.iqueg.com)

***Independent auditor*****Mazars Accountants N.V.**

Delflandlaan 1  
1062 EA Amsterdam  
The Netherlands

***Custodian*****Binck Bank N.V.**

Barbara Strozziilaan 310  
1083 HN AMSTERDAM  
The Netherlands

***Depository*****Darwin Depository Services B.V.**

Barbara Strozziilaan 101  
1083 HN Amsterdam  
E-mail : info@darwindepository.com

***Legal Counsel*****Warendorf**

Koningslaan 42  
1075 AE Amsterdam  
The Netherlands

***Regulatory Counsel*****Finnius**

Jollemanhof 20A  
1019 GW Amsterdam  
The Netherlands

**Aescap 2.0****Overview (Key figures) Aescap2.0**

	31-12-20	31-12-19	31-12-18	31-12-17
<b>Number of Outstanding Units</b>				
Aescap2.0 Fund management	11,277	9,685	9,138	7,085
Aescap2.0 Investors	55,383	56,584	36,134	19,431
Aescap2.0 Investors 01-11-2017	-	-	-	84
Aescap2.0 Investors 01-12-2017	-	-	-	3,319
Aescap2.0 Investors 01-11-2018	-	-	658	-
Aescap2.0 Investors 01-12-2018	-	-	2,002	-
Aescap2.0 Investors 01-03-2020	1,326	-	-	-
Aescap2.0 Investors 01-04-2020	896	-	-	-
Aescap2.0 Investors 01-05-2020	442	-	-	-
Aescap2.0 Investors 01-06-2020	779	-	-	-
Aescap2.0 Investors 01-07-2020	415	-	-	-
Aescap2.0 Investors 01-08-2020	867	-	-	-
Aescap2.0 Investors 01-09-2020	1,736	-	-	-
Aescap2.0 Investors 01-10-2020	429	-	-	-
Aescap2.0 Investors 01-11-2020	127	-	-	-
Aescap2.0 Investors 01-12-2020	585	-	-	-
Aescap2.0 Investors 15-03-2020	1,285	-	-	-
Aescap2.0 Investors 15-04-2020	2,149	-	-	-
Aescap2.0 Investors 15-05-2020	120	-	-	-
Aescap2.0 Investors 15-06-2020	518	-	-	-
Aescap2.0 Investors 15-07-2020	1,987	-	-	-
Aescap2.0 Investors 15-08-2020	198	-	-	-
Aescap2.0 Investors 15-09-2020	311	-	-	-
Aescap2.0 Investors 15-10-2020	489	-	-	-
Aescap2.0 Investors 15-11-2020	163	-	-	-
Aescap2.0 Investors 15-12-2020	43	-	-	-
Aescap2.0 Investors 10M+	-	-	6,876	-
Aescap2.0 Investors 20M+	8,972	10,761	-	-
Aescap2.0 Investors 20M+ 15-09-2020	2,561	-	-	-
<b>Net Asset Value per Unit (€)</b>				
Aescap2.0 Fund management	2,859.8896	2,871.2641	2,104.7655	1,283.4951
Aescap2.0 Investors	2,173.9341	2,242.1433	1,725.0062	1,174.4191
Aescap2.0 Investors 01-11-2017	-	-	-	1,174.4190
Aescap2.0 Investors 01-12-2017	-	-	-	1,174.4191
Aescap2.0 Investors 01-11-2018	-	-	1,702.5930	-
Aescap2.0 Investors 01-12-2018	-	-	1,725.0062	-
Aescap2.0 Investors 01-03-2020	2,130.0782	-	-	-
Aescap2.0 Investors 01-04-2020	2,083.3346	-	-	-
Aescap2.0 Investors 01-05-2020	2,135.7602	-	-	-
Aescap2.0 Investors 01-06-2020	2,173.9342	-	-	-
Aescap2.0 Investors 01-07-2020	2,172.6857	-	-	-
Aescap2.0 Investors 01-08-2020	2,133.4324	-	-	-
Aescap2.0 Investors 01-09-2020	2,129.6367	-	-	-
Aescap2.0 Investors 01-10-2020	2,123.5867	-	-	-
Aescap2.0 Investors 01-11-2020	2,130.7462	-	-	-
Aescap2.0 Investors 01-12-2020	2,166.2682	-	-	-
Aescap2.0 Investors 15-03-2020	2,031.9849	-	-	-
Aescap2.0 Investors 15-04-2020	2,116.6085	-	-	-
Aescap2.0 Investors 15-05-2020	2,149.9855	-	-	-
Aescap2.0 Investors 15-06-2020	2,163.6563	-	-	-
Aescap2.0 Investors 15-07-2020	2,157.1159	-	-	-
Aescap2.0 Investors 15-08-2020	2,136.6274	-	-	-
Aescap2.0 Investors 15-09-2020	2,121.5017	-	-	-
Aescap2.0 Investors 15-10-2020	2,152.6574	-	-	-
Aescap2.0 Investors 15-11-2020	2,159.4978	-	-	-
Aescap2.0 Investors 15-12-2020	2,160.7431	-	-	-
Aescap2.0 Investors 10M+	-	-	1,733.2246	-
Aescap2.0 Investors 20M+	2,212.7206	2,269.9959	-	-
Aescap2.0 Investors 20M+ 15-09-2020	2,169.6584	-	-	-
<b>Total Net Asset Value (x € 1,000)</b>	<b>209,693,074</b>	<b>179,106,560</b>	<b>98,055,693</b>	<b>35,911,566</b>

The abovementioned Investor Unit Classes have equal conditions, the only differences being applied are the fees.

**Aescap 2.0****Overview (Key figures) Aescap2.0 (continued)**

	31-12-20	31-12-19	31-12-18	31/12/2017 (3)
<b>Maximum / Minimum Value per Unit (€) during the year</b>				
Maximum Value Aescap2.0 Fund management	3,057.1477	2,871.2641	2,377.3770	1,412.2765
Minimum Value Aescap2.0 Fund management	2,020.9139	2,104.7655	1,389.0892	1,000.0000
Maximum Value Aescap2.0 Investors	2,354.6632	2,242.1433	1,955.8161	1,296.4721
Minimum Value Aescap2.0 Investors	1,554.6902	1,725.0062	1,266.3753	1,000.0000
Maximum Value Aescap2.0 Investors 20M+	2,390.3729	2,269.9959 (4)	-	-
Minimum Value Aescap2.0 Investors 20M+	1,578.6433	1,758.6189 (4)	-	-
<b>Result per Unit (€) (1)</b>				
Income from Investments	0.73	0.86	0.57	3.86
Capital Gains/Losses	37.96	567.59	579.41	169.58
Expenses	(55.88)	(86.48)	(131.71)	(58.50)
Total Investment Result	(17.19)	481.97	448.27	114.94
<b>Return on Investment per Unit (%)</b>				
Investment Result Aescap2.0 Fund management (%)	(0.40%)	36.42%	63.99%	28.35%
Investment Result Aescap2.0 Investors (%)	(3.04%)	29.98%	46.88%	17.44%
Investment Result Aescap2.0 Investors 20M+ (%)	(2.52%)	11.60% (4)	-	-
<b>Ongoing Cost Figure (OCF) – previously Total Expense Ratio (TER) (2)</b>				
OCF (Performance Fee excluded) (%)	1.63%	1.64%	1.61%	3.09%
OCF (Performance Fee included) (%)	3.02%	5.70%	13.21%	9.54%

(1) based on the total number of outstanding Units as per year end.

(2) the OCF figures are valid for the Aescap Investors Unit Class (Lead Series), whereas the fund management shares do not have management fee charged.

(3) figures are valid for the period equalizing the extended bookyear March 2016 – December 2017 (21 month period).

(4) figures are valid for the period mid July 2019 – December 2019.

The 2017 ongoing cost figure equals on an annual basis 1.77% and has been calculated by dividing the reporting period figure by 21 and having multiplied this figure by 12.

## Aescap 2.0

### Profile & Structure

#### Establishment, Term and Termination of the Fund

Aescap 2.0 ("the Fund") started activities as per March 28, 2016. The Fund is established as of the first issue of a Unit and shall continue to exist for an indeterminate period of time. The Fund shall terminate upon the occurrence of any of the events set forth in article 19 of the Prospectus.

#### Legal Form

The Fund is a fund for joint account (in Dutch: een fonds voor gemene rekening). It does not have a legal personality. It is formed by and comprises a contractual arrangement governed by the terms of this Prospectus between the Fund Manager, the Legal Owner and each Unit Holder. Under this arrangement the Fund Manager is mandated to invest the contributions of the Unit Holders of the Fund for their collective risk and account in securities, which are held by the Legal Owner on behalf of the Unit Holders, in accordance with the Prospectus for the purpose of enabling the Unit Holders to share in the revenue from the investments in securities. The Unit Holders are proportionally matched with the number of Units owned, and they are jointly entitled to the Fund Assets. The contractual agreement between the Fund Manager, the Legal Owner and each of the Unit Holders does not constitute a partnership or limited partnership and does not create any other agreement between the Unit Holders. The obligation of a Unit Holder to pay the subscription price for a Unit is only an obligation towards the Fund represented by the Fund Manager and the Legal Owner. The Units only constitute rights and obligations of the Unit Holders with respect to the Fund Manager and the Legal Owner and not to other Unit Holders.

#### Limited Transferability

The Fund has a private character, i.e. Units may only be transferred to the Fund upon a redemption. However, Units may be transferred to persons that are next of kin or direct in law of a Unit Holder. Units may not be pledged or otherwise encumbered.

#### Open End

Except in certain exceptional circumstances, the Fund is obliged to issue or to redeem Units on a Transaction Day at their Net Asset Value, minus the subscription or redemption fee.

#### Not listed

The Fund is not listed on any stock exchange.

#### Net Asset Value

The Net Asset Value is calculated at least twice a month by the Administrator, as is described in Section 13 of this Prospectus ("Determination of Net Asset Value").

#### Minimum subscription amount

The minimum amount for participation is € 500,000, although the Fund Manager at its discretion can make an exception and lower the minimum to € 101,000 (including the 1% subscription fee). For the clients of wealth managers or private banks who have an executed discretionary portfolio management agreement or investment advisory services agreement with the wealth manager, family office or private bank, subscription amounts below EUR 101,000 are accepted as the investment decision to invest in the Aescap 2.0 is taken by or advised by the wealth manager, family office or private bank. This is for the Aescap 2.0 Investors Unit Class >500k only. At the time of the inception of the Fund, Units with a Net Asset Value of € 1,000 have been issued as part of the Initial Series.

#### Request for issue or redemption

Requests for the issue or redemption of Units may be made to the Administrator by means of the forms provided for this purpose on the Website. The Administrator will inform the Fund Manager. The Fund Manager is not obliged to honor a request for an issue or redemption of Units. (See Section 14, "Subscription", and Section 15, "Redemption".)

#### Tax Position of Fund

Due to the limited transferability of the Units of the Fund, the Fund qualifies as a tax transparent fund for joint account for Dutch income tax purposes. Consequently, the Fund is not subject to Dutch (corporate) income tax.

#### Distribution policy

The dividends and interest received by the Fund, as well as possible capital gains, will not be distributed but will be re-invested, unless distribution would be deemed appropriate by the Fund Manager in connection with the regulatory status of the Fund Manager. Any distribution will take place on a pro rata basis.

#### Regulatory considerations

##### License

The Fund Manager is in possession of an AFM license as referred to in article 2:65(a) FSA, and as a consequence (and subject to compliance with the other requirements applicable pursuant to the FSA) may offer the Fund to professional and non-professional investors within the Netherlands.

The AFM license of the Fund Manager has been issued prior to the implementation of the AIFM Directive in the Netherlands and was automatically converted into an AIFM Directive license by the AFM on 22 July 2014, in accordance with the Netherlands AIFM Directive implementation schedule.

#### Supervision by AFM and DNB

The Fund Manager operates under the supervision of the AFM and DNB as foreseen in the applicable provisions of the FSA. For the sake of an adequate functioning of the financial markets and the position of investors, investment funds have to comply with demands with regard to professionalism and reliability of its managers, financial safeguards, (operational) management and the providing of information to Unit Holders, the public and the supervisors.

For "regulatory changes" we refer to page 50, section 21 of the Prospectus.

## Aescap 2.0

### Investment Proposition

#### The Market Opportunity

Aescap 2.0 (‘the Fund’) invests in the shares of publicly listed biotech / life sciences companies. It invests in highly innovative companies that develop and market new medicines and to a lesser extent diagnostics and/or medical devices.

The life sciences market is a large and fast-growing market where breakthrough innovations can be exploited in a global and profitable manner.

The substantial growth of the life sciences market is driven by:

- a) A longer life expectancy (especially in the emerging markets) as well as an ageing population which are driving demand for improved and cost-effective medicine, diagnostics and medical devices;
- b) A high unmet medical need for diseases such as Alzheimer, Arthrosis, Diabetes, MS, Obesity, Oncology, Parkinson and many other such as infectious diseases;
- c) Approximately 6,000 rare diseases with no treatment available at all today.

The rapidly growing healthcare costs, almost everywhere in the world, are increasing the demand for biotech / life sciences innovations. A good example of such an approach is the concept of precision medicine. The concept of precision medicine is based on the fact that people respond differently to the same treatment. Based on gene profiling and biomarker data a patient can be given the right treatment from the start, instead of following a trial and error approach as still often is the case in the treatment of cancer. The development of precision medicine has only just started.

The sector the Fund is active in is known for its attractive premiums in case of takeovers. The large cash buffers of the bigger pharma / biotech companies create the potential for many future acquisitions of smaller (listed) biotech companies.

The number of publicly listed biotech / life sciences companies the Fund can select from is over 750 in the EU and the US together.

#### Investment Policy

The Fund aims to gain value by investing in publicly traded shares of biopharmaceutical companies and potentially also diagnostics and/or medical device companies. The Fund may also invest in warrants of such companies. Often these warrants are received as part of an equity issue by a company. It will typically invest in companies with the potential to (more than) double their share price over a period of maximum 4–5 years. Given the particular innovation power in biotech in Western Europe and North America most investments will be made in these geographical areas.

The Fund has a focused portfolio, investing in approximately 18 companies. Within this focus it will ensure that the portfolio is diversified over different diseases, development phases and geographical areas.

#### Investment objective

The Fund's objective is to make an average minimum annual net return (after deduction of costs) of 20%+ over the mid-term (4–5 years).

#### Investment Discipline and Criteria

The Fund aims to select those publicly listed biotech / life sciences companies which are undervalued based on their growth potential. The value creation in which it aims to invest is typically based on:

- a significant potential growth in revenues/profit;
- the achievement of clinical study milestones; and/or
- the closing of a partnership or similar deal with a larger biotech / life sciences company in the field, one that most likely already has a sales force active in the disease area the licensing deal is representing.

The companies the Fund will invest in are typically acquisition targets for biopharmaceutical multinationals, which are known for their constant hunger to fill their pipelines.

Investment decisions are based on fundamental company analyses of the company's technology and/or products, product development risks, market entrée barriers, competition, financials and the expected market development. But maybe even more important by making serious efforts to understand the strengths and weaknesses of management and their view on the future of the company and the markets they serve.

The Fund may, if the Fund Manager has a good reason to do so, hold a substantial percentage of the Fund in cash. It can make limited use (no more than 10% of the Net Asset Value) of borrowed money:

- to bridge temporary liquidity shortages;
- to make use of one or more investment opportunities in anticipation of new subscription orders coming into the Fund from Unit Holders.

For the most important investment criteria we refer to page 16 of the Prospectus.

## Aescap 2.0

### Risk control

The portfolio of companies is expected to consist of a limited number of approximately 18 companies. It is this 'cherry picking' from a basket of over 750 listed companies in this sector which should drive the outperformance of the different biotech indexes / trackers. In order to reduce the risks of investing in this sector the Fund will diversify its portfolio over several disease areas, different phases of product development as well as geographical areas.

### Risk Profile

Investing in biotech companies involves a high degree of risk and prices of the securities of such companies, especially of companies with a small market cap, may be volatile. Furthermore, there is concentration risk because of the biotech focus and a relatively small portfolio of approximately 18 companies. Investments are also often made in a foreign currency like the US dollar and foreign currency exposures are not hedged back to the Euro, the base currency of the Fund. Please see Section 5 of the Prospectus for an overview of all risk factors in relation to (an investment in) the Fund.

For investment criteria and investment restrictions as well as the Fund characteristics and investor profile more in detail we refer to section 4 of the Prospectus.

### Most important risks and uncertainties

A Unit Holder cannot lose more than the amount invested in the Fund by that Unit Holder.

The most important risks, which must be considered that are common with an investment fund of this nature, involved in investing in the Fund include among others :

#### **Volatility risk**

There are financial risks involved with investing in Units of the Fund. Unit Holders have to realize that the stock market value of underlying investments of the Fund may significantly fluctuate, especially in the biotech / life sciences market where governmental regulations and/or technology risks can have a significant impact on a company's value. As a result of fluctuations of the biotech / life sciences stock markets, the Net Asset Value of the Fund may also fluctuate, which means that it is possible that Unit Holders, when redeeming, may not receive the full amount invested in the Fund.

#### **Market risk**

Markets may rise and fall and the prices of financial instruments and other assets on the financial markets can rise and fall. In general, and more specifically the prices of assets of the nature and type the Fund may invest in and hold, can rise and fall. A careful selection and spread of investments does not provide any guarantee of positive results. In the biotech / life sciences market governmental measures related to medicine approvals and pricing as well as technology risks can have a large impact on the value of one single company or the market as a whole. There may be various reasons why markets fall like recessions caused by a change in the economic business cycle or a pandemic.

#### **Currency risk**

The Fund does not hedge currency positions. Investments other than in Euros can therefore cause fluctuations, positive as well as negative, in the Net Asset Value of the Fund.

#### **Risk that investments do not develop as expected**

The Fund aims for an average yearly mid-term minimum net return of 20% per annum, after deduction of all costs. There is however no guarantee that this return will be achieved. Moreover, no guarantee can be given that the analyses of the Fund Manager concerning the expected development of the portfolio of companies are correct.

#### **Risks related to the sector the Fund invests in**

The sector the Fund is investing in comes with certain specific risks such as:

- Potential weakening of the patent protection environment in one or more jurisdictions;
- Financing risk, given the fact that many biotech companies are loss making and therefore are in need of further financing to develop their products;
- Major technology breakthroughs outside of the Fund's portfolio;
- Legal or regulatory developments influencing the life sciences industry and/or the investments made by the Fund;
- Changes in projections by securities analysts of a company;
- Biotech stock market fluctuations;

#### **Risks of a general economic and political nature**

Investments made by the Fund are subject to general economic risks, for instance, reduced economic activity, rising interest rates, inflation and rising prices of commodities. The value of the Fund can also be influenced by political developments, wars and other global trends and events.

#### **Concentration risk**

Because of the limitation of investments to approximately 18 different companies, there may be stronger fluctuations in the Net Asset Value of the Fund in case one or more particular investments by the Fund would decrease in value, than it would normally be the case if the investments were more spread. As a result of the strategy of the Fund, the returns of the Fund can deviate significantly from the returns of a world equity index. As a consequence thereof, specific risks arise that are reflected in differences in performance between the Fund and the global equity indices, positively and negatively.

## Aescap 2.0

### **Systemic risk**

Certain events in the world or certain activities from one or more important parties in the financial markets can lead to a disturbance in the normal functioning of the financial markets. As a result of this, substantial losses may arise, caused by liquidity and counterparty risks following from such a disturbance.

### **Cyber Security risk**

The Unit Holders are exposed to the risk of a cyber attack or data breach at the level of the Fund Manager or at the level of the service providers. The Fund Manager and service providers have implemented measures to mitigate this risk as much as possible.

### **Inflation risk**

There may be a risk that the purchasing power of the amount invested by the Unit Holder in the Fund decreases as a result of inflation.

### **Risk of limited redemption**

Units can only be transferred to the Fund (except for transfers to persons that are next of kin or direct in law of a Unit Holder). The Fund is in principle obliged to purchase Units twice a month, on a Transaction Day. Under certain circumstances the Fund Manager is authorized to delay redemption or honor redemption requests only partially (see Section 15 of the Prospectus: "Redemption"). In those cases the Unit Holder is not able to redeem, or redeem only partially, its Units. This may (also) have a negative effect on the price of the Units.

### **Indemnification risk**

The Fund Manager and the Legal Owner are entitled to be indemnified out of the Fund Assets against costs, losses and expenses which they may incur or become liable in connection with the execution of their duties. In addition, the Depositary, the Administrator and other service providers also are entitled to an indemnity under the terms of their respective agreements for the services they provide. These obligations could require substantial indemnification payments out of the Fund Assets, provided however that the Depositary shall not be so indemnified with respect to any matter resulting from its negligent or intentional failure to properly fulfil its obligations in accordance with article 21(12) of the AIFM Directive, and no other person shall be so indemnified with respect to any matter resulting from its attributable breach (toerekenbare tekortkoming in de nakoming).

### **Counterparty risk**

The Fund will be subject to the risk of the inability or refusal of payment or clearing institutions, principals or other service providers or other counterparties to its transactions, to perform or to perform in time under such services or transactions. Any such failure, refusal or delay, whether due to insolvency, bankruptcy or other causes, could subject the Fund to substantial losses. The Fund Manager will seek to mitigate these risks by reviewing the creditworthiness and reliability of all service providers and counterparties and only entering into transactions with those parties that the Fund believes to be creditworthy and reliable.

### **Liquidity risk**

If, due to unforeseen circumstances, normal liquidity conditions do not apply, the Fund could face liquidity risk. This could imply that financial instruments cannot be sold or bought under normal market conditions, leading to significant direct and indirect transaction costs. It may also mean that positions cannot be sold at the anticipated price as established and deemed to be the fair value at the date of deciding to liquidate/sell those positions. This may have a negative effect on the Net Asset Value of a Unit.

### **Settlement risk**

This is the risk that settlement through a payment system does not take place as expected, because the payment or delivery of the financial instruments by a counter party does not take place, or does not take place on time, or is not as expected.

### **Risk of change in (fiscal) laws**

This is the risk that fiscal legislation changes or that new legislation comes into force that negatively affects the fiscal treatment of Fund or its Unit Holders.

### **Key man risk**

Patrick Krol has been assigned by the Fund Manager as Portfolio Manager of the Fund. Unit Holders are exposed to the risk that Patrick Krol ceases to be involved with the Fund Manager.

### **Regulatory supervision and compliance risk**

The regulatory rules keep evolving and changes therein may adversely affect the functioning of the Fund and/or the Fund Manager's ability to pursue the investment policy for the Fund.

Unclear rules and regulations and conflicting advice may result in a breach of rules and regulations applicable to the Fund, Resulting fines and other sanctions and possible damage to the reputation of the Fund, the Fund Manager and other connected persons may result in a negative impact on the Net Asset Value of the Fund and the Units.

### **Operational risk**

There is a risk that the internal processes, people and systems of the Fund Manager fail, which may have a negative effect on the business continuity of the Fund Manager and its ability to pursue the investment policy.

## Aescap 2.0

### Legal Owner

The Legal Owner of the Fund is Stichting Aescap 2.0, having its office at Hoogoorddreef 15, 1101 BA Amsterdam. The Legal Owner is a foundation established under the laws of The Netherlands on 17 August 2011 in Amsterdam, which is registered in the Trade Register at the Chamber of Commerce in Amsterdam under number 65423046. The Legal Owner's only statutory purpose is to act as Legal Owner of the Fund and to protect the interests of the Unit Holders. It will have access to all reports from the Administrator.

The most important task and power of the Legal Owner is to act as legal owner of the Fund Assets and incur and/or assume the Fund Obligations on behalf and for the account and risk of the Unit Holders.

### Fund Manager

The Fund will be managed by Privium Fund Management B.V. as Alternative Investment Fund Manager of the Fund. The Fund Manager is responsible for the entire management of the Fund in accordance with the provisions of the Fund Documents and applicable laws. The Fund Manager is also responsible for maintaining records and furnishing or causing to be furnished all required records or other information of the Fund to the extent such records, reports and other information are not maintained or furnished by the Administrator, the Legal Owner, the Depositary or other service providers.

Privium Fund Management B.V. is a private limited liability company (besloten vennootschap met beperkte aansprakelijkheid) incorporated under the laws of the Netherlands having its official seat (zetel) in Amsterdam, the Netherlands and its principal offices at Symphony Towers 26/F, Gustav Mahlerplein 3, 1082 MS Amsterdam, the Netherlands. The Fund Manager is registered in the Dutch trade register (handelsregister) under file number 34268930.

The Fund Manager performs its services in accordance with the Prospectus. Pursuant to the Prospectus the Fund Manager has the full and exclusive power, discretion and authority to invest and manage the assets of the Fund.

The statutory management board (bestuur) of the Fund Manager consists of Mr C.H.A. Heijman and Mr M. Baak who are the (daily) policy makers of the Fund Manager.

The Fund Manager holds an AIFM license issued by the AFM within the meaning of article 2:65(a) FSA and is subject to conduct of business and prudential supervision by the AFM and DNB respectively.

The most important tasks and powers of the Fund Manager are the following:

- to determine and execute the investment policy of the Fund;
- to check the administration of the Fund executed by the Administrator;
- to see the Administrator determines the Net Asset Value for the Fund and for each Unit Class and Series correctly and on time;
- to ensure that the Fund complies with the relevant regulations and reporting obligations;
- to ensure that the Fund complies with the defined risk management framework as further described briefly below;
- generally to observe the interests of the Unit Holders in accordance with the Prospectus.

For details relating to delegation of Fund Manager's duties, resignation and removal of the Fund Manager, liability of the Fund Manager, Indemnification, Insurance as well as other Funds managed by the Fund Manager we refer to section 6 of the Prospectus.

### The Portfolio Manager

The portfolio of the Fund is managed by Mr. Patrick J.H. Krol who is supported by several analysts. Additionally, advisors and industry/medical experts may be used. The advisors and industry/medical experts will not provide any investment advice for which an investment advisory license is needed but may be asked to provide their knowledge on a certain disease, medicine, market segment, etc. The advisors or industry/medical experts will not make any investment decisions either.

#### Patrick Johan Hendrik Krol (1963), Founder and Portfolio Manager

Patrick Krol is a biotech investment and business development specialist. Patrick joined biotech venture capital fund Aescap 1 as an Investment Partner at its start in 2005 and in 2009 became the fund's Managing Partner. In 2015 he took over the Aescap name to launch Aescap 2.0, a fund for joint account investing in public biotech companies based on Patrick's successful track record as a private investor in public biotech. From 1995 to 2005, Patrick guided over 35 public pharma and biotech companies to successfully launch or grow their products. As a Founder and Managing Director at consultancy company Firm United Healthcare from 1997 to 2004, Patrick was responsible for growing the company to become a market leader. During this period, he also co-founded Interactive Healthcare and the Healthcare Management School. In 2004 he sold his share in all three companies to become a biotech investment professional. Since 2004 he has gained experience on board level in the life sciences sector as the chairman of the supervisory boards of i-Optics B.V. and to-BBB technologies B.V. and as a Non-Executive Director of Aquapharm Biodiscovery Ltd, EasyScan Holding BV, Cassini Holding BV, and Shire International Licensing BV (a subsidiary of top-20 biopharma company Shire Plc), and as a supervisory director of F-star GmbH, F-Star Alpha Ltd, F-Star Beta Ltd, F-Star Gamma Ltd, F-Star Delta Ltd and Orphazyme Aps. In 2003, he became a visiting teacher of the business school of the University of Wageningen teaching 'Strategy in the pharmaceutical Industry'. He published several articles on biopharma marketing and communications strategy and has been a speaker and moderator at life sciences seminars and congresses. Patrick studied physical therapy followed by business economics and later in his career concluded an M.B.A. in Executive Management and Consultancy at LMS.

### Key Person

Patrick Krol will be the Key Person of the Fund and a Key Person Event means the situation occurring when the Key Person ceases to be actively involved in the business and affairs of the Fund as a Portfolio Manager. The Fund Manager shall without delay give notice to the Investor Advisory Committee and the Unit Holders of the occurrence of a Key Persons Event. In case of a Key Person Event the Portfolio Advisors and Investor Advisory Committee, in consultation with the Fund Manager and the Legal Owner, will decide on how to continue with the Fund or potentially how to liquidate the portfolio of the Fund and put it to an end.

## **Aescap 2.0**

### **Administrator**

IQ EQ Financial Services B.V. established in Amsterdam, The Netherlands, has been appointed as the administrator.

The most important tasks of the Administrator, under responsibility of the Fund Manager, are:

- conducting the financial and investment administration of the Fund;
- calculating the Net Asset Value of the Fund and for each Unit Class and Series; and
- keeping the register of Unit Holders of the Fund.

### **Depositary**

Darwin Depositary Services B.V. established in Amsterdam, The Netherlands, has been appointed as the depositary.

The most important tasks of the Depositary are:

- safekeeping of financial instruments in which the Fund has invested;
- ensuring that the Fund Manager acts in accordance with the Investment Policy; and
- monitoring of cash flows in respect of the Fund and ensuring that issue and redemption of Units and determination of the Net Asset Value is performed correctly.

The actual safekeeping of the financial instruments in which the Fund has invested is delegated to the Custodian. The depositary has assigned BinckBank N.V. as Custodian.

### ***Depositary agreement***

The Fund Manager and Depositary have concluded an agreement (the 'Depositary Agreement') setting out the duties of the Depositary and what the Fund Manager must do to enable the Depositary to perform those duties duly.

### **Unit Holders**

The Unit Holders are jointly economically entitled (each proportionally, taking into account the Series they form part of, according to the number of Units owned) to the net assets of the Fund. The combined assets of the Unit Holders invested in the Fund are intended for collective investment and for their own account and risk. (See Section 12 of the Prospectus, "Unit Holders").

### **Contractual arrangement between Unit Holders, Fund Manager and Legal Owner**

The Fund being the contractual arrangement between Unit Holders, the Fund Manager and the Legal Owner is governed by the Prospectus.

## Aescap 2.0

### Management report

#### General

Hereby we offer you the Annual Report / Financial Statements as per December 31, 2020. This Annual Report / Financial Statements (including independent auditor's report) will be disclosed on the website : [www.aescap.com](http://www.aescap.com) or [priviumfund.com](http://priviumfund.com).

Major financial and economic developments that did occur during 2020 read as follows:

For the period January 1, 2020 until December 31, 2020 the Net Asset Value per Unit for Investors series decreased from EUR 2,242.1433 to EUR 2,173.9341, a return of -3.0%. Lowest value during the year for this series amount to EUR 1,554.6902 whereas the highest value during the year for this series amount to EUR 2,354.6632.

As per year end 2020 the total Net Asset Value of the Fund equals EUR 209.7 million (2019: EUR 179.1 million). Total value of subscriptions during the year amounted to 46.7 million (2019: EUR 52.5 million) and the total value of redemptions during the year amounted to EUR 14.5 million (2019: EUR 8.6 million). The net loss for the 2020 bookyear equals EUR 1.6 million (2019: EUR 37.1 million profit). The net investment return for the bookyear 2020 for Investors series was -3.0% (2019: +30.0%) whereas the benchmark (Nasdaq Biotechnology Index) generated a return of +15.4% (2019: +26.9%).

#### Looking back on 2020

Also for Aescap 2.0, 2020 was a roller coaster year. The fund was at an all-time high in mid-February with a net performance of +5,0% for the year, after which it went down to -31,0% in mid-March, to then end the year at -3,0%. We are far from happy with this performance, especially if we look at the positive value creation across our portfolio companies.

The 8.9% decline of the US dollar versus the euro over 2020 was an important negative contribution to our performance. With 80% of our assets under management being invested in US dollars at the end of the year, the decline of the dollar had a serious impact.

The Corona pandemic resulted in delays of clinical studies, and therefore also of product approvals. This also had an impact on the performance of the fund, despite the adjustment of our portfolio positions according to our early estimations of the impact this would bring to our companies. Looking back, we should have taken more rigorous measures and divested some more companies, whose clinical trials in hindsight had a long-term exposure to the pandemic. At the time, we and our advisors did not expect such a long period of disruption for hospitals and therefore clinical studies.

New and existing investors invested over € 32 million during the year. The fund grew from EUR 179 million to EUR 210 million.

#### Impact of Covid-19 Pandemic

The biotech (medicine) industry is a-cyclical, so when the pandemic occurred we did not need to fear for the revenues of our portfolio companies if the world's economy would enter a recession. With hospitals in some parts of the world being overwhelmed with Covid-19 patients, other patients had to wait for a treatment, so revenues of certain medicines were impacted somewhat negatively. Given the fact that the Fund typically invests in companies that are about to launch products into the market some of them faced a tough time with sales representatives not being able to visit doctors personally.

The initial decision to divest companies that we thought would be impacted the most by delays in clinical studies caused by the pandemic, left us with a serious amount of cash. We thought we could put this at work best once opportunities would arise from declining share prices due to the pandemic, but as we have all witnessed that was not the case. Soon after the big market correction in March stock markets went up and kept on doing so for the remainder of 2020.

With biotech investors showing great appetite for risk in 2020 a record amount of biotech IPOs and Covid-19 vaccine companies were funded by them. This left companies with proven technologies and products, in which we typically invest left aside. We therefore were able to invest in some of these companies that were already on our radar for a long period of time but that were never undervalued so far. As such, 2020 in the end was a good year despite the small negative performance.

#### Outlook

Due to serious need of a vaccine to protect us for Covid-19 the biotech sector has been very much in the spotlight, which has opened investors eyes for the important role the medicine industry plays and will play in the future for our daily lives. With an ageing population and emerging markets demanding Western medicines as well, this growth will only continue rapidly. As important for the fostering and growth of the biotech industry are the fast developing technologies such as RNA, cell and gene therapies which will replace many existing medicines over the coming decade. These new medicines, based on ground-breaking technologies, are better, safer and in some cases able to fully cure diseases where today we can only treat their symptoms.

## Aescap 2.0

We know the investments we make in companies using ground-breaking biotechnologies will generate wealth in both financial as well as social terms. Investors are talking more and more about impact investing and we cannot think of an industry having as strong an impact as the biotech industry. The development of new medicines substantially improves millions of lives of patients and their families. One of the reasons why we go to work day after day with so much enthusiasm and dedication is because we are at the heart of the development of better and often curative therapies for a large number of serious diseases.

The realization of value within a biotech company is never a linear process. Even when the proof becomes evident, it sometimes takes a while before the value increase is acknowledged by other investors. But once that occurs, people cannot wait to become part of the success. It is often soon after this moment that we will divest, since we would rather invest in an undervalued company with a high upside than an overvalued one with only a downside risk.

Aescap 2.0 is aiming for an average annualized net performance of 20% over the mid-term (4-5 years). We are eager to bring our annualized net performance back from its current 17.8% to 20%+ without taking unnecessary risks.

### Control statement

The Board of Privium Fund Management B.V. declares to have an AO/IB (Handbook) that meets the requirements of the "Wet op het financieel toezicht and the 'Besluit gedragstoezicht financiële ondernemingen (Bgfo)". During 2020 we assessed the various aspects of the Privium operations as outlined in the AO/IB (Handbook). We have not identified any internal control measures that do not meet the requirements of Article 121 of the Bgfo and as such we declare that the operations in the year 2019 functioned effectively as described. During 2020 a number of independent service providers have conducted checks on Privium's operations as part of their ongoing responsibility and investor demand. No errors have been signalled.

Privium is updating its AO/IC (Handbook) on a regular basis as required by law. The 2020 update was completed in November 2020. During the fourth quarter of 2020 the external audit officer performed its annual due diligence on a number of internal procedures at the Fund Manager. These are mostly 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

#### General principles of remuneration policy Privium Fund Management B.V. ('Privium')

Privium Fund Management B.V, Fund Manager of various funds, has a careful, controlled and sustainable remuneration policy which meets all the regulatory requirements as included in the Alternative Investment Fund Managers Directive (AIFMD), the guidelines on sound remuneration policies under the AIFMD (ESMA Guidelines) and the Sustainable Finance Disclosure Regulation. 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 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 remuneration (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 2020

This policy is based on the situation as of December 31, 2020. 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 manager of those funds.

The next two tables offer an overview of the remuneration at the level of Privium. The first table shows the remuneration overview as of December 31, 2019 and the second table shows the remuneration overview as of December 31, 2020.

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.

#### Overview as December 31, 2019

	Identified staff in senior management roles	Identified staff outside senior management roles	Total staff
Number of staff	2	33	35
Total fixed remuneration	€ 161,214	€ 5,323,500	€ 5,484,714
Total variable remuneration	€ 20,000	€ 4,339,313	€ 4,359,313
<b>Total remuneration</b>	<b>€ 181,214</b>	<b>€ 9,662,813</b>	<b>€ 9,844,027</b>

**Aescap 2.0**Overview as December 31, 2020

	Identified staff in senior management roles	Identified staff outside senior management roles	Total staff
Number of staff	2	34	36
Total fixed remuneration	€ 148,421	€ 4,839,700	€ 4,988,121
Total variable remuneration	€ 35,000	€ 5,331,064	€ 5,366,064
<b>Total remuneration</b>	<b>€ 183,421</b>	<b>€ 10,170,764</b>	<b>€ 10,354,185</b>

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. Since no delegates for portfolio management have been assigned for the Aescap 2.0 this is not applicable to the Aescap 2.0.

Variable payments to both identified staff members in senior management roles and identified staff outside senior management depend e.g. 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. Regarding the 2020 performance of the Aescap 2.0 a performance fee of EUR 2,693,007 has been paid to Privium. This amount needs to be shared with third parties as well. Privium does not charge any employee remuneration fees to the funds, except for the Supermarkt Vastgoed fund.

Employee remuneration is paid out of the management and performance fees (if applicable). In total 36 staff members were involved during (some part of) the year 2020 (2019: 35), including consultants and including both part-time and full-time staff.

One staff member, active in portfolio management, has earned more than EUR 1,000,000 in relation to the performance results during the year 2020 (2019: one).

**Voting in meetings of shareholders of companies in which the Fund invests**

The Fund Manager is supposed to have at its disposal the shares and the voting rights attached thereto that the Legal Owner holds. In principle, the Fund Manager will use the voting rights attached to the shares held by the Fund. The Fund Manager will use these voting rights in such manner that can be conducive to realizing the Fund's investment objective. There is no obligation for the Fund Manager to use its voting rights.

## Aescap 2.0

### Risk management

Privium Fund Management B.V. has a clear and elaborate Risk Management framework, in line with current legislation, such as the Alternative Investment Fund Manager Directive (AIFMD). The Risk Management function within Privium is performed by an independent Risk Manager. Privium has a Risk Management Committee which meets at least on a monthly basis.

The Risk Management framework consists of several individual components, whereby Risk Monitoring is being performed on an ongoing basis.

Under the AIFM Directive, the Fund Manager is required to establish and maintain a permanent risk management function. This function should have a primary role in shaping the risk policy of each Alternative Investment Fund ("AIF") under management by the Fund Manager, risk monitoring and risk measuring in order to ensure that the risk level complies on an ongoing basis with the AIF's risk profile.

The risk management function performs the following roles:

- Implement effective risk management policies and procedures in order to identify, measure, manage and monitor risks;
- Ensure that the risk profile of an AIF is consistent with the risk limits set for the AIF;
- Monitor compliance with risk limits; and
- Provide regular updates to senior management concerning:
  - 1: The consistency of stated profile versus risk limits;
  - 2: The adequacy and effectiveness of the risk management process; and
  - 3: The current level of risk of each AIF and any actual or foreseeable breaches of risk limits.

As described by the AIFM Directive quantitative risk limits are, where possible, constructed for various risk categories: market risk, liquidity risk, credit risk, counterparty risk and operational risk. These risk limits should be in agreement with the risk profile of the fund.

The risk management function is fully independent from the portfolio management function of the Fund Manager. The risk manager has full authority to close positions or the authorization to instruct the closing of positions on his behalf in case of a risk breach.

To ensure that all risk management tasks are executed correctly and timely, the Fund Manager uses an automated system that registers all risk tasks, keeps a list of all pending risk tasks, and escalates risk tasks that have not been executed or report a violation of a risk rule. The system produces an audit log that can be verified by the internal auditor, the external auditor, the management board, the regulator or other stake holders. Not all risk variables have limits but to identify any new relevant risks, every variable that is reported in the system flows through a sanity check. The sanity check will raise an exception if the variable falls outside its "normal" boundaries. The Risk Manager is notified of these exceptions and will make an assessment whether the situation is stable or whether further escalation is needed.

The positions of the fund are administered and reconciled by using a professional portfolio management system. Risk reports such as Value at Risk and Stress Scenarios are run using Bloomberg.

The Fund Manager uses an API-based system in which positions and/or risk exposures are synced from the Portfolio Manager's Excel (or alternative software) to a central database.

The CM system is responsible for monitoring of the pre-defined risk limits. The limits can either be configured as notification limits, soft limits or hard limits. In case of a breach of any of the limits, the escalation procedures are followed as described in the Risk Management Procedures (Annex 17) of the Privium Handbook.

The reoccurring risk tasks are:

- Weekly risk report by risk management, including Value at Risk.
- Monthly reporting by portfolio management
- Quarterly Operational risk management
- Monthly stress scenarios. On ad hoc basis extra stress scenarios can be done.

On a monthly basis the Risk Committee of the Fund Manager meets to discuss the performances and risks of the Fund. Any breaches are discussed. On a yearly basis a Risk Evaluation and Product Review is conducted.

In 2016 Privium's senior management team decided to engage an external party in the annual evaluation of the internal processes. This audit primarily focusses on risk management and compliance processes. In Q4 2020 this audit was executed for fifth time and the findings were reported to Privium's management. The audit did not demonstrate any material deviations.

## Aescap 2.0

### Risk management and willingness to take risks

There have been no risk breaches during the year 2020. The risk profile of the Fund hasn't changed during the reporting period. Neither did the investment objective (s) or any of the investment restrictions of the Fund changed during the reporting period.

Reference to the investment objective (s), risk profile and the investment restrictions of the Fund is made in the Prospectus of the Fund, the Key Information Document and the Key Investor Information Document.

In the table below we list the various risk to which investors in the Fund are exposed and we discuss the measures applied to manage these risks and their potential impact on the Fund's NAV's.

Sorts of risks	Risk hedged	Measures applied and expected effectiveness	Impact on 2020 NAV	Expected impact on 2021 NAV if risk materializes	Adjustments made or expected adjustments to risk management in 2020 or 2021
Price/Market Risk	No	The fund has been holding cash and long only equity positions. Bottom-up company analysis is a very important item in mitigating risks during the holding period of a position. However share price fluctuations due to general equity market movements during the holding period can't be mitigated or avoided in full by conducting company analysis. This risk is inherent when securities like equities are traded.	The Fund lost -3.0% in 2020. The Fund underperformed the reference index in 2020, the Nasdaq Biotech Index. This index gained +15.4% in 2020 (in EUR).	Investments are being selected because of its interesting merits (attractive valuation, expected events, etc) but this will also depend on general market circumstances.	No
Sector risk	No	The Biotechnology sector is deemed to be a high risk sector. Bottom-up company analysis is a very important item in mitigating risks during the holding period of a position. However share price fluctuations due to company specific items during the holding period can't be mitigated or avoided in full by conducting company analysis.	The Fund lost -3.0% in 2020. The Fund underperformed the reference index in 2020, the Nasdaq Biotech Index. This index gained +15.4% in 2020 (in EUR).	Investments are being selected because of its interesting merits (attractive valuation, expected events, etc) but this will also depend on general market circumstances.	No
Interest rate risk	No	The Fund has no interest bearing financial instruments except for cash at bank (including custodian). Therefore the Fund is not exposed to significant interest rate risk.	None	None	No
Foreign Exchange risk	No	FX risk is not being hedged. It is not expected that this will change in the near future either.	Over 90% of the investments are denominated in non-EUR currencies of which the USD has the largest weight and because of the depreciation of the US Dollar in 2020, the US Dollar depreciated 8.9% vs the Euro, this had a negative impact on results.	This will largely depend on FX movements.	No
Liquidity risk	No	Liquidity risk mostly has been mitigated by investing in positions that offer sufficient liquidity	None	We would not expect a negative NAV impact if this risk would materialize.	No
Credit risk	No	Spare cash is maintained at Binckbank and ABN AMRO. Both parties are deemed to be solvent and we would reconsider the relationship if this changes.	None	None	No
Operational risk	No	This risk is mostly mitigated by having rigid operational procedures in place. Next to that duties and responsibilities are clearly divided between Privium employees. The same is applicable at the service providers of the several Privium Funds.	None	None	No
Counterparty Risk	No	This risk is mostly mitigated by selecting and maintaining relationships with top tier counterparties and service providers.	None	None	No
Leverage Risk	No	The Fund is not using leverage (no implied leverage and no actual borrowings). Nevertheless as of December 31, 2020 the leverage calculations according to the Gross method and Commitment method are as follows: Gross method: 99.86% and Commitment method: 100%.	None	None	No

Amsterdam, 20 April 2021

**Privium Fund Management B.V.**

**Aescap 2.0**

**Financial Statements**

**Annual Report as per December 31, 2020**

**Aescap 2.0****Balance Sheet as per 31 december 2020**  
(before profit appropriation)

Notes	31-12-20		31-12-19	
	EUR	EUR	EUR	EUR
<b>Investments</b>				
Securities	4	206,772,567	158,339,344	
				158,339,344
<b>Receivables and current assets</b>				
Cash at Banks	5	4,086,827	25,799,505	
Other assets	6	24,293	38,322	
		4,111,120		25,837,827
<b>Total Long Term and Current Assets</b>				
		210,883,687		184,177,171
<b>Current Liabilities (Due within One Year)</b>				
Payables to the Fund Manager	7	286,551	2,047,930	
Payables for administration- and legal ownerfees	7	18,014	14,582	
Payables due to brokers	7	86,251	-	
Payables to Unit Holders	7	775,000	2,988,800	
Other payables	7	24,797	19,299	
<b>Total Current Liabilities</b>		1,190,613		5,070,611
<b>Total of Receivables and Other Assets</b>				
<b>Less Current Liabilities</b>		2,920,507		20,767,216
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				
		<b>209,693,074</b>		<b>179,106,560</b>
<b>Investors' equity</b>				
Issued capital	8.1	146,155,110		113,969,212
Other reserve	8.2	65,099,026		27,981,140
Legal reserve	8.3	24,293		38,322
Undistributed result current year	8.4	(1,585,355)		37,117,886
<b>TOTAL INVESTORS' EQUITY</b>		<b>209,693,074</b>		<b>179,106,560</b>

**Aescap 2.0****Profit & Loss Account for the period January 1, 2020 – December 31, 2020**

	Notes	01-01-20 / 31-12-20		01-01-19 / 31-12-19	
		EUR	EUR	EUR	EUR
<b>Direct Income from Investments</b>					
Dividends	9.1	35,758		49,854	
Interest Income	9.2	(4,103)		(943)	
			31,655		48,911
<b>Indirect Income from investments</b>					
Unrealised Price Gains/Losses on Investments	10.1	(22,761,104)		30,971,933	
Unrealised Currency Gains/Losses on Investments		(9,321,011)		219,726	
Realised Price Gains/Losses on Investments	10.2	37,283,150		11,865,286	
Realised Currency Gains/Losses on Investments	10.3	(1,261,953)		722,605	
			3,939,082		43,779,550
<b>Other Income</b>					
Exchange Differences on Cash (including FX)		(406,704)		(57,655)	
Subscription and redemption fees	9.3	36,148		17,218	
Other income		375		3,244	
			(370,181)		(37,193)
<b>Total income</b>			<b>3,600,557</b>		<b>43,791,268</b>
<b>Expenses</b>					
Management Fee	11.1	2,264,112		1,653,994	
Performance Fee	11.1	2,693,007		4,832,300	
Administration Fee	11.2	108,476		79,855	
Audit Fee	11.2	18,453		22,627	
Depository and Custodian Fee	11.2	40,819		24,596	
Other Expenses	11.2	61,045		34,310	
			(5,185,912)		(6,647,682)
<b>Depreciation</b>					
Change in intangible fixed assets	6	14,029		13,588	
			(14,029)		(13,588)
<b>Total expenses</b>			<b>(5,199,941)</b>		<b>(6,661,270)</b>
<b>NET PROFIT FOR THE BOOKYEAR</b>			<b>(1,599,384)</b>		<b>37,129,998</b>
<b>COMPREHENSIVE INCOME</b>			<b>(1,599,384)</b>		<b>37,129,998</b>

**Aescap 2.0****Statement of Cash Flows for the period January 1, 2020 – December 31, 2020**

	01-01-20 / 31-12-20		01-01-19 / 31-12-19	
	EUR	EUR	EUR	EUR
<b>Cash Flow from Investing Activities</b>				
Total Investment Result	(1,599,384)		37,129,998	
Realised Price and Currency Results	(35,614,493)		(12,530,236)	
Unrealised Price and Currency Results	32,082,115		(31,191,659)	
Change in intangible fixed assets	14,029		(12,112)	
Purchase of Investments	(209,379,942)		(92,907,864)	
Sales of Investments	164,885,801		77,710,572	
Change in Short Term Receivables	-		-	
Change in Current Liabilities	(3,879,998)		1,814,284	
		(53,491,872)		(19,987,017)
<b>Net Cash Flow from Investing Activities</b>		<b>(53,491,872)</b>		<b>(19,987,017)</b>
<b>Cash Flow from Financing Activities</b>				
Subscriptions	45,748,286		52,541,331	
Redemptions	(13,562,388)		(8,620,462)	
<b>Net Cash Flow from Financing Activities</b>		32,185,898		43,920,869
<b>Net Cash Flow</b>		(21,305,974)		23,933,852
Exchange Differences on Cash		(406,704)		(57,655)
<b>Change in Cash at banks</b>		<b>(21,712,678)</b>		<b>23,876,197</b>
<b>Change in Cash at banks</b>				
Cash and Cash Equivalents at the Start of the reporting period		25,799,505		1,923,308
Cash and Cash Equivalents at the End of the reporting period		4,086,827		25,799,505
<b>Change in Cash at banks</b>		<b>(21,712,678)</b>		<b>23,876,197</b>

## Aescap 2.0

### Notes

#### 1. General

The Fund is a Fund for joint account ("fonds voor gemene rekening") under the laws of the Netherlands. It does not have legal personality.

The Fund's financial year runs from January 1 up to and including December 31. The financial statements will be made up in accordance with Title 9 of Book 2 of the Dutch Civil Code. The financial statements are reported in Euros and are published within four (4) months after the end of the financial year. The financial statements consists of a report from the Fund Manager together with the annual accounts. The annual accounts consist of the balance sheet, the profit and loss account and the explanation thereof. The explanation will include at least an overview of the evolution of the Fund's value over the financial year and the composition of the investments of the Fund at the end of the financial year concerned. The annual accounts are audited by Mazars N.V. The financial statements shall be made available to the Unit Holders via email.

The Fund started its activities as per March 28, 2016. This annual report includes the period from January 1, 2020 until December 31, 2020, whereas the comparative figures relate to the period from January 1, 2019 until December 31, 2019.

#### *Tax Position of the Fund*

##### *Corporate income tax*

The Fund is tax transparent for Dutch corporate tax purposes, as a consequence of which the Fund is not subject to Dutch corporate income tax. From a Dutch tax perspective, the returns on the investments received by the Fund directly influence the tax position of the Unit Holder.

##### *Withholding taxes*

Distributions by the Fund are not subject to Dutch dividend withholding tax as a consequence of its transparency for tax purposes. Due to its transparency, the Fund itself is not entitled to any credit or refund of Dutch dividend withholding tax or (non-reclaimable) foreign withholding taxes withheld on dividends and interest received, nor can the Fund claim any benefits under a tax treaty concluded by the Netherlands with other states.

The tax transparency of the Fund also implies that any dividend withholding tax and foreign withholding taxes withheld on its investments are allocated to the Unit Holders, i.e., on a pro rata basis. In principle, such withholding taxes may be set off by the Unit Holders, whereby the conditions that apply are the same as would be the case for a direct investment (pro rata) by the relevant Unit Holder.

For the reporting period the fund did not receive any (withholding)tax refunds.

#### 2. Principles of Valuation

##### **2.1 Valuation of assets and liabilities**

The assets and liabilities of the Fund will be valued in accordance with the following policies and principles:

Securities stated as investments are initially recognized at fair value plus directly attributable transaction costs. Subsequently these securities are stated against fair value. Gains and losses arising from fair value changes are taken to the profit and loss account.

##### Securities

– listed securities (shares) will be stated against fair value at initial recognition and subsequently stated at fair value. The fair value is determined at the last official traded price ("closing price") of the Business Day preceding the Valuation Day (or, if a stock exchange was not open for business, the previous Business Day).

– warrants are initially valued at fair value. The fair value is determined at the last official traded price and if not available warrants will be valued at a theoretical valuation model such as Black & Scholes.

##### Other assets and liabilities

– liquidities and deposits which are immediately payable are valued at amortized cost.

– assets and liabilities in a foreign currency will be converted into Euro at the exchange rate on the last Business Day preceding the Valuation Day.

– other assets and liabilities are valued at their nominal value.

Expenses related to the purchase of investments are included in the cost of investments. Sales charges, if any, are deducted from gross proceeds and will be expressed in the capital gain/losses.

##### **2.2. Foreign Currency Translation**

Assets and liabilities in foreign currencies are translated into EUR at the rate of exchange as at the balance sheet date. All exchange differences are taken to the profit and loss account. Income and expenses in foreign currencies are translated at the exchange rate as per transaction date.

Rates of exchange used in this final report as at December 31st, 2020 (December 31st, 2019) :

	31-12-20	31-12-19
EUR / DKK	7.4416	7.4705
EUR / GBP	0.894	0.8458
EUR / SEK	10.0498	10.5025
EUR / USD	1.2217	1.1214

## Aescap 2.0

### Notes (continued)

#### **2.3 Other Assets and Liabilities**

Other assets and liabilities are recorded at fair value and then valued at amortised cost.

#### **2.4 Income Recognition Principles**

The result is determined by deducting expenses from the proceeds of dividend, interest and other income in the period under review. The realised revaluations of investments are determined by deducting the purchase price from the sale proceeds. The unrealised revaluations of investments are determined by deducting the purchase price or the balance sheet value at the start of the period under review from the balance sheet value at the end of the period under review. Brokerage fees payable on the acquisition of investments, if any, are considered to be part of the investments costs, and as a result, are not taken to the profit and loss account.

#### **2.5 Cash Flow Statement**

The cash flow statement is prepared according to the indirect method. The presentation of the cash flow is derived from the investment result. In accordance with RJ 615.310 the cash flow statements consists of cash flows from investing and financing activities.

Cash flows in foreign currencies during the year are translated at the exchange rate prevailing at the transaction date. Exchange rate differences are separately included in the cash flow statement between the net cash flow and the change in cash.

#### **2.6 Subscription and Redemption of Units**

##### **2.6.1 Subscription**

Currently the Fund is offering the following Unit Classes to Unit Holders:

- AESCAP 2.0 Manager: Minimum investment is EUR 100,000
- AESCAP 2.0 Investors: Minimum investment is EUR 500,000
- AESCAP 2.0 Investors <500k: Minimum investment is EUR 101,100
- AESCAP 2.0 Investors 10M+: Minimum investment is EUR 10,000,000
- AESCAP 2.0 Investors 20M+: Minimum investment is EUR 20,000,000
- AESCAP 2.0 Investors 30M+: Minimum investment is EUR 30,000,000
- AESCAP 2.0 Investors N: Minimum investment is EUR 500,000

The Fund Manager can accept a lower minimum subscription amount for the Aescap 2.0 Investors Unit Class. This minimum can be lowered to EUR 10,000. Clients of wealth managers, family offices or private banks, who have an executed discretionary portfolio management agreement or investment advisory services agreement with the wealth manager, family office or private bank, are accepted when the investment decision to invest in the Aescap 2.0 is taken or advised by the wealth manager, family office or private bank.

Existing Unit Holders can make applications for further Units in amounts of € 10,000 or more.

##### **Issue of Units**

The Fund may issue new Units of a particular Unit Class on each Transaction Day at the Net Asset Value per Unit in such Unit Class on the preceding Valuation Day. Here a subscription fee of 1% will be applied (Aescap2.0 Investors <500k). This fee is for the benefit of the Fund Manager and may be used to cover expenses like, among potential other expenses, any marketing expenses and/or any placement agent fees following the issue. Units will be issued for the remaining amount in the Series applicable on the Transaction Day. The Units shall be issued in Amsterdam.

##### **Subscription requests (latest 1 business day prior to the Transaction Day)**

Applications for the subscription of Units should be submitted to the Administrator latest one Business Day prior to the desired Transaction Day. In order to subscribe, a subscription form must be filled out. The subscription request should indicate the amount for the size of subscription which is requested.

##### **Payment (latest 1 business day prior to the Transaction Day)**

Payment is possible only through a bank account in the name of the Unit Holder with a licensed credit institution with a registered office in a member state of the European Union or the European Economic Area. The subscription amount must be received in the account of the Legal Owner ultimately one Business Day prior to the relevant Transaction Day. No interest will be paid over the subscription amount for the period between the payment of the subscription amount and the issuance of Units. The interest which is accrued is for the benefit of the Fund.

If the amount and/or forms are not received within the required timeframe, the subscription will take effect at the first business day of the following month. The Fund will make no adjustment or compensation for interest received over this period.

## Aescap 2.0

### Notes (continued)

#### 2.6.2 Redemption

Unless redemption is suspended (see "Suspension of redemption" below), the Fund will accept redemptions of Units on each Transaction Day at the Net Asset Value thereof in the applicable Series on the preceding Valuation Day (the "redemption value"), after deducting an anti-dilution levy of 0.2% of the redemption sum (and if, applicable an early redemption fee). The anti-dilution levy is to cover the transaction and other costs made in connection with the redemption and will be for the benefit of the Fund. This fee will be deducted from the amount to be received by the Unit Holder.

#### **Redemption requests**

Redemption requests have to be received by the Fund Manager at least twenty (20) Business Days before the desired Transaction Day. The redemption request should indicate the amount in number of Units, up to four (4) decimals, for which redemption is requested. Partial redemption is only allowed if after redemption the Unit Holder is still holding Units with an aggregate Net Asset Value of at least € 100,000. The Fund Manager will check this upon receiving the redemption request. The Net Asset Value of the Units offered for redemption needs to amount to at least € 10,000.

To request for redemption, Unit Holders must use a special form, which can be downloaded from the Website.

#### **Payment redemption amount**

Redemption sums (Net Asset Value per Unit minus redemption fee and, if applicable, early redemption fee) will be paid within ten (10) Business Days of redemption to the bank account of the Unit Holders as mentioned in the register of Unit Holders. Payment on this bank account constitutes a discharge of the Fund towards the respective Unit Holder of the obligation to pay the redemption amount.

### 3. Financial instrument risk factors

#### **Financial instrument risk management**

The Fund and its manager has adequate risk management policies, procedures and systems in order to identify, measure, manage and monitor all risks that are relevant to the investment strategy and to which Aescap 2.0 is or may be exposed. The Manager has highly qualified staff in control functions which operate independently from the investment professionals. The Risk Manager performs an analysis of the governance, adequacy and effectiveness of risk limits, reporting and follow-up procedures on a regular basis. In addition, the Depositary of the Fund independently performs several checks regarding ownership of assets, valuations and cash flows from and to investors.

For the risk management and willingness to take risks disclosures we refer to the management report.

#### **Fair value risk**

The fund is not exposed to fair value risk whereas all investments and other assets are valued at fair value.

#### **Credit risk**

The fund does not invest in any fixed income instruments resulting in no exposure to credit risk.

Find below the risks, the fund is exposed to, which may have direct impact on the valuation of the funds' financial instruments :

#### **Market risk**

Markets may rise and fall and the prices of financial instruments and other assets on the financial markets in general, and more specifically the prices of assets of the nature and type the Fund may invest in and hold, can rise and fall. A careful selection and spread of investments does not provide any guarantee of positive results. In the biotech / life sciences market governmental measures related to medicine approvals and pricing as well as technology risks can have a large impact on the value of one single company or the market as a whole.

#### **Currency risk**

The Fund does not hedge currency positions. Investments other than in Euros can therefore cause fluctuations, positive as well as negative, in the Net Asset Value of the Fund.

#### **Risks related to the sector the Fund invests in**

The sector the Fund is investing in comes with certain specific risks such as:

- Potential weakening of the patent protection environment in one or more jurisdictions;
- Financing risk, given the fact that many biotech companies are loss making and therefore are in need of further financing to develop their products;
- Major technology breakthroughs outside of the Fund's portfolio;
- Legal or regulatory developments influencing the life sciences industry and/or the investments made by the Fund;
- Changes in projections by securities analysts of a company;
- Biotech stock market fluctuations.

#### **Concentration risk**

Because of the limitation of investments to approximately 18 different companies, there may be stronger fluctuations in the Net Asset Value of the Fund in case one or more particular investments by the Fund would decrease in value, than it would normally be the case if the investments were more spread. As a result of the strategy of the Fund, the returns of the Fund can deviate significantly from the returns of a world equity index. As a consequence thereof, specific risks arise that are reflected in differences in performance between the Fund and the global equity indices, positively and negatively.

#### **Liquidity risk**

If, due to unforeseen circumstances, normal liquidity conditions do not apply, the Fund could face liquidity risk. This could imply that financial instruments cannot be sold or bought under normal market conditions, leading to significant direct and indirect transaction costs. It may also mean that positions cannot be sold at the anticipated price as established and deemed to be the fair value at the date of deciding to liquidate/sell those positions. This may have a negative effect on the Net Asset Value of a Unit.

Especially when the Fund will experience substantial redemption requests the Fund may be exposed to a great extent to this risk.

## Aescap 2.0

### Notes to the Balance Sheet

			31-12-20	31-12-19	
<b>4. Investments</b>					
<b>4.1 Statement of Changes in Securities</b>					
Position as at the Start of the Year			158,339,344	99,362,502	
Purchases			209,379,942	92,907,864	
Sales			(164,885,801)	(77,710,572)	
Realised gains on investments			36,021,197	12,587,891	
Unrealised gains/losses on investments			(32,082,115)	31,191,659	
Position as at the End of the Year			<u>206,772,567</u>	<u>158,339,344</u>	
	Position 31-12-19	Purchases	Sales	Gains/Losses	Position 31-12-20
Listed Equity	158,339,344	209,379,942	(164,885,801)	3,939,082	206,772,567
Totaal	<u>158,339,344</u>	<u>209,379,942</u>	<u>(164,885,801)</u>	<u>3,939,082</u>	<u>206,772,567</u>

#### 4.2 Transaction Costs

Transaction costs for the purchase of investments are capitalized within the historical cost price and for sales the transaction costs are discounted from the sales price. Transaction costs in the period under review amounts to € 79,210 (2019 : € 50,640).

#### 5. Cash at Banks

Cash comprises cash on hand and demand deposits with no usage restrictions.

#### 6. Other assets

	31-12-20	31-12-19
Formation expenses	38,322	26,210
Additional formation expenses	-	25,700
Write off formation expenses	(14,029)	(13,588)
Bookvalue formation expenses	<u>24,293</u>	<u>38,322</u>

#### 7. Current Liabilities (Due within One Year)

	31-12-20	31-12-19
Management Fee (including Incentive Fee) payable	286,551	2,047,930
Administration / Legal owner Fee payable	18,014	14,582
Payable due to brokers (unsettled deals)	86,251	-
Audit Fee payable	9,226	9,045
Supervisory Authorities Fee payable	15,571	-
Other Expenses payable	-	10,254
Liabilities to Unit Holders	775,000	2,988,800
Total Current Liabilities (Due within One Year)	<u>1,190,613</u>	<u>5,070,611</u>

The Liabilities to Unit Holders for an amount of EUR 775,000 comprises subscription amounts paid in advance by Unit Holders, which amounts are invested into Units of the Fund as per January 1st, 2021.

The fair value of the current liabilities is in line with its book value, considering the short-term nature of these liabilities.



## **Aescap 2.0**

### ***Subsequent events (events after the balance sheet date)***

#### Name change

As of March 1, 2021 the Prospectus of the Fund has been amended to reflect the name change of the Fund from Aescap 2.0 into Aescap Life Sciences. This new Fund name better fits the actual investment strategy of the Fund.

#### Introduction Sustainable Finance Disclosure Regulation (SFDR)

As per 10 March 2021 the EU Sustainable Finance Disclosure Regulation (SFDR) has come into force. In the context of the Sustainable Finance Disclosure Regulation (SFDR), the Fund will be classified as an Article 8 fund. Additional SFDR related disclosure regarding Article 8 can be found in a separate chapter of the Prospectus.

#### ***Result appropriation***

The balance sheet in this annual report (financial statements) has been drawn up before profit appropriation. The result for the reporting period will be added to the General Reserve.

## Aescap 2.0

### Notes to the Profit & Loss Account

#### 9. Income from Investments

##### 9.1 Dividends

This refers to net cash dividends including withholding tax.

##### 9.2 Interest Income

This amount was received / paid on outstanding cash balances.

##### 9.3 Other Income

This refers to the charges received on units issued and repurchased. These costs are to cover transaction costs in relation with the purchase and sale of units and are booked as an income for the Fund.

#### 10. Capital gains / losses

##### 10.1 Unrealised price gains / losses on investments

This refers to unrealised gains on securities € 45,048,492 (2019: € 54,820,685) and unrealised losses on securities – € 67,809,596 (2019 : – € 23,848,752)

##### 10.2 Realised price gains / losses on investments

This refers to realised gains on securities € 52.562.544 (2019: € 18,567,072) and realised losses on securities – € 15,279,394 (2019 : – € 6,701,786).

##### 10.3 Realised currency gains / losses on investments

This refers to realised gains on securities € 644,308 (2019: € 754,188), realised losses on securities – € 1,906,261 (2019 : – € 31,583).

#### 11. Expenses

##### 11.1 Management Fees

( 1 ) Management Fee

	01-01-20 / 31-12-20	01-01-19 / 31-12-19
--	------------------------	------------------------

	2,264,112	1,653,994
--	-----------	-----------

( 2 ) Performance Fee

	2,693,007	4,832,300
--	-----------	-----------

	<u>4,957,119</u>	<u>6,486,294</u>
--	------------------	------------------

##### Management fees

The following annual management fee applies per Unit Class:

- AESCAP 2.0 Manager: 0%
- AESCAP 2.0 Investors: 1.5%
- AESCAP 2.0 Investors <500k: 1.5%
- AESCAP 2.0 Investors 10M+: 1.35%
- AESCAP 2.0 Investors 20M+: 1.2%
- AESCAP 2.0 Investors 30M+: 1%
- AESCAP 2.0 Investors N: 1.5%

The mentioned fees are calculated on a bi-monthly basis based on the Net Asset Value of the Fund, to be paid monthly in arrears.

The minimum management fee will at all times be at least EUR 75,000 per annum (net of any VAT). In case the management fee falls below this level the Fund will be liquidated.

##### Performance fees

The following performance fee applies per Unit Class:

- AESCAP 2.0 Manager: 0%
- AESCAP 2.0 Investors: 20%
- AESCAP 2.0 Investors <500k: 20%
- AESCAP 2.0 Investors 10M+: 18%
- AESCAP 2.0 Investors 20M+: 16%
- AESCAP 2.0 Investors 30M+: 15%
- AESCAP 2.0 Investors N: 20%

A performance fee which will be calculated twice a month and paid on a monthly basis and is calculated as follows:

(i) the increase in the Net Asset Value per Series (Net Asset Value per Series before performance fee) during the particular time period commencing as of the moment of subscription.

minus:

(ii) the total number of outstanding Units in that Series at the end of the month.

The calculated performance fee will not be due, in case the Net Asset Value per Series on the date on which the calculation is made is lower than the "High Watermark" (the highest Net Asset Value per Series in the preceding existence of the Fund). Accordingly, performance fees (and reservations made in respect thereof) may differ depending on the moment an investor has invested in the Fund. In order to prevent these inequities, different Series are issued. Specific Series may be converted into other Series if the inequities for performance fee in relation to the historic high watermark calculation have been balanced out. A reservation for the performance fee is made in the calculation of the Net Asset Value of the respective Series. Performance fees may differ depending on the moment an investor redeems from the Fund. A redemption from an investor may trigger a performance fee payment in case the Net Asset Value at redemption exceeds the High Watermark.

## Aescap 2.0

### Notes to the Profit & Loss Account

#### 11.2 Other expenses

	01-01-20 / 31-12-20	01-01-19 / 31-12-19
Administration Fee	108,476	79,855
Audit Fee *	18,453	22,627
Depository and Custodian Fee	40,819	24,596
Other	61,045	34,310
	<u>228,793</u>	<u>161,388</u>

\* The audit fees fully relate to the audit of the financial statements of the fund. The auditor provides no other services.

#### Ongoing Cost Figure (OCF)

The OCF is calculated by dividing the total expenses (performance fee excluded) by the Average Net Asset Value. The Average Net Asset Value is based on the number and frequency of NAV Calculation. The Average Net Asset Value (basis for management fees) for the reporting period for Aescap2.0 Investors Unit Class (Lead Series) equal to € 117,546,657 and the management fee for this Unit Class during the reporting period equal to € 1,757.816 resulting in 1.50% for management fees for Aescap2.0 Investors Unit Class (Lead Series). The Total other expenses for the reporting period for Aescap2.0 Investors Unit Class (Lead Series) equal to € 154.345 resulting in 0.13% for other expenses based on an average Net Asset Value of € 117,546,657. This results in a total OCF figure of 1.63% for the reporting period for Aescap2.0 Investors Unit Class (Lead Series).

For the reporting period the OCF of the fund is equal to: 1.63% (2019 1.64%).

For the reporting period the OCF (including performance fee) of the fund is equal to: 3.02% (2019: 5.70%)  
It should be noted that the OCF definition does not include performance fees.

In the prospectus the OCF of the fund is estimated to be 1.61% per annum, assuming an average Net Asset Value of the fund of € 150 million. The OCF figures as disclosed above are valid for the Aescap2.0 Investors Unit Class whereas the fund management shares do not have management fees and performance fees included.

Whereas for the Fund management Unit Class no management fees applies, the OCF for this Unit Class is equal to 0.13% (1.5% lower as Investors Unit Class) and whereas for the Investors 20M+ Unit Class a management fee applies from 1.2%, the OCF for this Unit Class is equal to 1.33% (0.30% lower as Investors Unit Class).

#### Portfolio Turnover Ratio (PTR)

The portfolio turnover ratio is calculated as follows: the total sum of purchases plus sales minus subscriptions minus redemptions divided by the average Net Asset Value. The average Net Asset Value of the Fund for the reporting period is calculated as described in the Ongoing Cost Figure paragraph.

PTR of the fund for the Reporting period equals to: 171.34% (2019: 81.27%).

#### Contractual agreement Depository

The Fund has entered into a depository agreement with Darwin Depository Services B.V.. For the Depository Services the Depository charges an annual amount equal to:

1. 0.014% of the Net Asset Value of the Fund for the Fund having a Net Asset Value of up to EUR 250 million and;
2. 0.012% of the Net Asset Value of the Fund for the Fund having a Net Asset Value between EUR 250 million and EUR 350 million and;
3. 0.01% of the Net Asset Value of the Fund for the Fund having a Net Asset Value above EUR 350 million.

When exceeding a layer threshold, the calculated amount can never be less than the total amount calculated in the previous layer. The minimum annual fee is EUR 16,500 (excluding VAT), payable quarterly in advance.

## Aescap 2.0

### Comparison of Real Cost with Cost According to Prospectus Aescap2.0 Investors Unit Class (Lead Series) (1)

	According to prospectus (1)	Actual costs	Actual (%) (2)
Management Fee (excl. VAT)	1.500%	1,757,816	1.495%
Incentive Fee (excl. VAT)	PM	1,632,189	PM
Legal Owner Manager Fee (incl. VAT)	0.008%	8,129	0.007%
Administrators Fee (excl. VAT)	0.060%	69,213	0.059%
Depository Fee (excl. VAT)	0.014%	19,205	0.016%
Audit costs (incl. VAT)	0.012%	11,766	0.010%
Miscellaneous costs – incl. write off formation expenses – (incl. VAT)	0.012%	46,032	0.039%
	<u>1.606%</u>	<u>3,544,350</u>	<u>1.627%</u>

(1) As tabled in the Prospectus (June 2020), OCF will be around 1.606% on an annual basis at a fund size of € 150 million. This projected OCF number is valid for the Aescap2.0 Investor Unit Class (Lead Series). For the reporting period the actual OCF for the Aescap2.0 Investors Unit Class (Lead Series) was more or less in line (approx. 2 bp higher) with this projected percentage, due to a 22% lower average Aescap2.0 Investors Unit Class (Lead Series) Net Asset Value as projected in the Prospectus.

(2) Based on the average nett asset value. The actual management fee equals 1.5% whereas this fee is calculated on the basis of gross asset value (before management and incentive fees). During the prior reporting year, 2019, this percentage was 1.509%.

### 12. Related party transactions

Related party transactions are transfers of resources, services or obligations between related parties and the Fund, regardless of whether a price has been charged. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions or is part of key management of the Fund. The following provides details on the related parties of the Fund and transactions with the related parties.

The Fund Manager is considered a related party.

Privium Fund Management B.V. was entitled for the following compensation :

Management fee : € 2,264,112 (2019: € 1,653,994)  
 Performance fee : € 2,693,007 (2019: € 4,832,300)  
 Subscription / Redemption fees : € 161,331 (2019: € 322,690)

### 13. Employees

The Fund has no employees.

Amsterdam, 20 April 2021

### Fund Manager

Privium Fund Management B.V.

## Aescap 2.0

### Other Information

#### Distribution Policy

The dividends and interest received by the Fund, as well as possible capital gains, will not be distributed but will be re-invested, unless distribution would be deemed appropriate by the Fund Manager in connection with the regulatory status of the Fund Manager.

The balance sheet in the annual account has been drawn up before profit appropriation.

#### Fund Manager's interests in the fund

As at 31 December 2020, the number of Fund Manager related Units (Aescap2.0 Manager) included 11,277.4464 Units. As at 31 December 2019, the number of Fund Manager related Units (Aescap2.0 Manager) included 9,685.2389 Units.

The Portfolio Manager of the Fund, Patrick Krol, holds the following positions directly or through his management company as per December 31, 2020 respectively December 31, 2019 in investments in company's in which the Fund has been invested:

<b>Name</b>	<b>Currency</b>	<b>31-12-20 Number of shares</b>	<b>31-12-19 Number of shares</b>
Applied Genetic Technologies	USD	17,999	24,999
ProQR Therapeutics	USD	56,713	18,411
Exicure	USD	47,680	31,680
uniQure NV	USD	1,350	1,350
Galapagos	EUR	3,290	600
Dicerna Pharmaceutical	USD	2,500	N/A
Wave Life Sciences	USD	N/A	700

#### Independent Auditor's report

Find enclosed the Independent Auditor's report on next page.

**Aescap 2.0****INDEPENDENT AUDITOR'S REPORT**

To: the participants of Aescap2.0

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2020 INCLUDED IN THE ANNUAL REPORT*****OUR OPINION***

We have audited the financial statements 2020 of Aescap 2.0, based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Aescap 2.0 as at 31 December 2020, and of its result for 2020 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 2020;
2. the profit and loss account for 2020; 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 Aescap 2.0 in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

**REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT**

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

- the general information, profile, overview (key figures) Aescap 2.0, profile & structure and management report;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code; and
- anex: Investment portfolio as per 31 December 2020.

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.

**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 he 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 fund'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 investment fund 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 investment fund's ability to continue as a going concern in the financial statements.

**Aescap 2.0*****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 investment fund'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 investment fund'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 an investment fund to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Amsterdam, 20 April 2021

**MAZARS ACCOUNTANTS N.V.**

Original was signed by L. Zuur MSc RA

**Aescap 2.0****Annex : Investment Portfolio as per December 31, 2020**

<b>Name</b>	<b>Currency</b>	<b>Holding</b>	<b>Market value (EUR)</b>	<b>Percentage</b>
Zealand Pharma	DKK	322,404	€ 9,557,397	4.56%
Galapagos NV	EUR	178,630	€ 14,376,142	6.87%
Oxford Biomedica	GBP	858,786	€ 9,894,572	4.72%
Hansa Biopharma	SEK	284,837	€ 6,813,550	3.25%
Allakos	USD	144,607	€ 16,571,155	7.90%
ALX Oncology	USD	2,385	€ 168,279	0.08%
Amarin	USD	2,475,782	€ 9,909,613	4.73%
Amicus Therapeutics	USD	300,759	€ 5,684,313	2.71%
Applied Genetic Technologies	USD	1,493,467	€ 4,999,820	2.38%
Arrowhead Pharmaceuticals	USD	190,505	€ 11,964,843	5.71%
Dicerna Pharmaceuticals	USD	833,894	€ 15,036,985	7.17%
Eiger Biopharmaceuticals	USD	828,232	€ 8,331,809	3.97%
Excicure	USD	3,141,326	€ 4,551,156	2.17%
Gilead Sciences	USD	36,750	€ 1,752,521	0.84%
Ionis Pharmaceuticals	USD	509,199	€ 23,565,614	11.23%
Merck	USD	135,000	€ 9,039,044	4.31%
Obseva	USD	866,627	€ 1,475,472	0.70%
PROQR Therapeutics	USD	3,147,483	€ 10,820,519	5.16%
Regenxbio	USD	163,308	€ 6,063,396	2.89%
Sio Gene Therapies	USD	1,016,542	€ 2,313,159	1.10%
Trillium Therapeutics	USD	402,729	€ 4,849,098	2.31%
uniQure NV	USD	162,759	€ 4,813,361	2.30%
Voyager Therapeutics	USD	161,738	€ 946,572	0.45%
Y-Mabs Therapeutics	USD	102,779	€ 4,165,170	1.99%
Zai Lab LTD - ADR	USD	172,495	€ 19,109,007	9.11%
<b>TOTAL INVESTMENTS</b>			<b>€ 206,772,567</b>	<b>98.61%</b>
<b>CASH AT BANKS, RECEIVABLES AND CURRENT LIABILITIES</b>			<b>€ 2,920,507</b>	<b>1.39%</b>
<b>TOTAL NET ASSET VALUE</b>			<b>€ 209,693,074</b>	<b>100.00%</b>

**Currency exposure investments**

DKK	4.62%
EUR	6.95%
GBP	4.79%
SEK	3.30%
USD	80.34%
	<u>100.00%</u>