

# **CARDANO ASSET MANAGEMENT N.V.**

**CONSOLIDATED SEMI-ANNUAL REPORTS 2023**

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**REPORT OF THE BOARD OF DIRECTORS**

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**Who we are**

CARDANO ASSET MANAGEMENT N.V. (“CAM”) is part of the Cardano Group, a market-leading advisory and investment management specialist.

Our mission is to deliver better long-term savings solutions that benefit everyone. We do this by incorporating sustainability into the core of our business, by the products and services we offer our clients, most of which are pension funds and other long-term saving institutions.

To ensure that our clients, their members and their families enjoy financial resilience in a greener, fairer society, we do things differently as a Group.

Our exceptional multidisciplinary teams bring together a range of perspectives that give us a deeper, wider knowledge of the world, with all its financial and sustainability challenges and opportunities.

Our big picture thinking helps us better understand future risks, including climate risks. This includes embedding environmental, social and governance (ESG) considerations in the investments we make, the advice we give and the assets we manage on our clients’ behalf.

Integrating sustainability in all our activities is not just the right thing to do; it also helps us deliver better risk-adjusted returns, identify investment opportunities and anticipate and address sustainability-related regulations.

We are privately owned, which gives us the freedom, flexibility and independent mindset to translate our understanding into investment management and advisory strategies that help sustain futures for our clients and for the planet.

**Activities**

CAM is an Alternative Investment Fund Manager (AIFM) and asset manager and is a wholly owned subsidiary of Cardano Risk Management B.V. CAM has its registered office located in Utrecht, the Netherlands and has its principal place of business located at Weena 690 (21st floor), 3012 CN Rotterdam, the Netherlands.

CAM is the manager for the following funds:

- ACTIAM Beleggingsfondsen N.V. in liquidatie;
- ACTIAM Beleggingsfondsen I;
- ACTIAM Beleggingsfondsen II;
- ACTIAM Duurzaam Index Aandelenfonds Opkomende Landen;
- ACTIAM Impact Euro Credit Fund;
- ACTIAM Sustainable Investment Funds;
- ACTIAM Sustainable Index Fund Equity Europe;
- ACTIAM Sustainable Index Fund Equity North America;
- ACTIAM Sustainable Index Fund Equity Pacific;
- ACTIAM Sustainable Emerging Markets Debt Fund (H.C.);
- ACTIAM Financial Inclusion Fund;
- ACTIAM Impact Financial Inclusion Fund;
- ACTIAM-FMO SME Finance Fund I;
- Allianz Funds;
- Cardano Fixed Income Funds;
- Zwitserleven Beleggingsfondsen;
- Zwitserleven Institutionele Beleggingsfondsen;
- Amerika Aandelenpool; and
- Global Emerging Markets Equity Pool.

In July 2023, CAM has obtained a license as UCITS manager.

## REPORT OF THE BOARD OF DIRECTORS

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### Key strengths

CAM is a leading Dutch asset management company, with a long track record in sustainable investing, working on behalf of a wide range of investors including insurance companies, pension funds, banks and distribution partners, primarily in the Dutch market and Northern Europe. Actively and passively managed investment funds as well as mandates are part of this offering. CAM's mission is to deliver relevant investment solutions, maximizing longer-term financial, environmental and social returns. At CAM, financial and social return go together. This makes CAM "Responsible for growth".

### Headquarters

Rotterdam

### **Business review CAM H1 2023**

CAM was successfully integrated into the Cardano NL organisation. Given that CAM was primarily a captive asset manager with a strong internal focus a new sales team has been built since the acquisition to realize the growth ambition of the organisation.

### **Sustainable investment management**

Over the summer, The European Union (EU) detailed how it will reduce greenhouse gas emissions in the coming years, with the plan potentially revolutionizing many sectors from air travel to shipping. The 27-member bloc has vowed to become carbon neutral by 2050 and to reduce its greenhouse gas emissions by at least 55% by 2030 from 1990 levels. The financial sector has a critical role to play in this process in order to build a financial system that supports sustainable growth. To that end, the European Commission (EC) has developed a comprehensive Action Plan, including both legislative and non-legislative initiatives. Examples include new legislation on disclosures by fund managers and investors relating to sustainability risks and sustainable investments. To match these developments, CAM continues to improve its disclosure and contribute to industry standards to increase transparency towards customers. For example, CAM has engaged with investees on improving transparency against deforestation, published a new climate strategy with clear targets and classified its funds in line with the SFDR, which come with additional disclosures on impact indicators.

### **New climate strategy for CAM**

Already in 2015, just after the Paris Climate Agreement was agreed upon, CAM formulated a long-term climate target in line with that Agreement. At that moment, an intermediate target was formulated to reduce greenhouse gas emissions of its investments by 30% before 2030 compared to 2010. Already in 2020, CAM has surpassed this target.

Parallel, CAM has made its investment policy more sustainable, by selecting issuers that reduce their greenhouse gas (GHG) emissions and by divesting from highly polluting issuers. So, it is time for new ambitions. Not only to formulate a pathway and agenda towards climate neutrality, but also to mitigate financial risks and exploit financial opportunities that climate change brings about. With these new ambitions, CAM will again be in line with the latest scientific insights and with the financial sector guidance on target-setting of the Science-Based Target Initiative (SBTI).

CAM aims to achieve net-zero greenhouse gas emissions across all assets under management by 2050 to limit global warming to a maximum of 1.5°C. CAM has defined two intermediate targets; to reach 50% emissions reduction by 2030 and 75% by 2040 compared to 2020. These are based on an average 7% annual greenhouse gas emissions reduction pathway in line with the 1.5°C trajectory with limited overshoot. To achieve these interim goals, an ambitious plan has been developed to encourage companies through stewardship to set climate goals and take related actions. The strategy is described in detail in CAM's climate strategy document.

## REPORT OF THE BOARD OF DIRECTORS

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### Sustainability

Sustainability, and in particular climate change and a fairer society, informs all our thinking and activities at Cardano – in investment management, advisory and DC.

Despite a short-term challenge to some sustainable funds, the long-term direction of travel is still firmly pointed towards greater investment in decarbonisation, and our view is that the fundamentals of climate change remain unchanged. Although policymakers have relied on fossil fuel in the near term in order to meet the scarce provision of energy, the long-term trends still apply.

We have committed to incorporating sustainability into how we invest. Sustainability transition is here to stay, so it makes clear sense to structure our portfolios to benefit from this transition.

We remain committed to embedding sustainability in our strategic priorities; not only is it the right thing to do for our business, our clients and society as a whole, but it also points the way towards a more prosperous and equitable society.

We are committed to achieve net zero in our investment portfolios by 2050. Since then we have introduced sustainable investments in our portfolios, and in 2022 we took significant strides in our work towards a global emissions reduction of 50% by 2030. After a challenging year, it is more important than ever that this principle guides Cardano's asset-class decarbonisation targets. With the addition of CAM's expertise in this area, we are well positioned to make further progress towards our sustainability goals in the months and years ahead.

### A uniquely challenging year

In its investment activities, Cardano has made progress on the process of decarbonising its portfolios over recent years, but 2022 represented perhaps the most significant challenge to our sustainability strategy yet. After we ended direct commodity exposure to oil and gas in 2021, the conflict in Ukraine and the consequent energy price shock saw fossil fuel companies generally outperform compared to the rest of our portfolio.

Our sustainability strategy, however, is built to withstand short-term market shocks. Through our engagement with clients and investee companies, we successfully navigated a year of disruption.

We operate in a political environment, and as such, the outcome of COP27 left us disappointed but not disheartened. While policymakers may struggle to introduce effective measures to address the pressing questions, we remain positive that private business has a vital part to play in designing, supporting and delivering solutions in the years ahead.

### An enhanced capability

Much of our work in this area was assisted by the game-changing acquisition of CAM in January 2022. While we previously had strong sustainability commitments in place, CAM places us firmly at the top of the league.

CAM's 30 years of expertise at the forefront of sustainable investment was a significant aspect of the acquisition, with its pioneering work on embedding sustainability across its operations already delivering benefits to the Cardano Group.

Our new, 20+-strong sustainability team has four key focuses: stewardship, research, challenging innovation and developing the commercial angle of sustainability. By creating a unified team, we can offer our clients a multidisciplinary approach that encompasses expertise in biodiversity, water management, land use and social impact.

Our commitment to innovating in the sustainability space led us to adopt CAM's sector-leading framework across all our operations and now applies to all our direct investment activities. There are several aspects that are new to Cardano, including social foundations and Planetary boundaries.

## REPORT OF THE BOARD OF DIRECTORS

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CAM's framework and ESG research capabilities allow us to better understand an individual company's sustainability footprint and performance. By combining a methodological approach with stock-specific analysis, CAM is helping add depth and breadth to our ability to assess the sustainability performance of those we invest in.

Developing our role in the social impact sphere has been a key feature of our work in 2022. As a result of the acquisition of CAM, our sustainability function now has experts in the UK and the Netherlands supporting our clients on their sustainability goals. With the increased in-house stewardship expertise, we are now a more integrated and responsive Group, ready to address the many sustainability challenges facing our stakeholders.

### **Focus on stewardship**

Prior to the CAM acquisition we had outsourced our stewardship, but our new dedicated in-house stewardship team now allows us to engage directly in a much more proactive way. The impact of the cost-of-living crisis has accelerated and intensified our efforts to embed good practice around social impact and fair practices. Having identified inequality as a key systemic risk, during 2022 our team engaged UK retailer Sainsbury's to develop a living wage strategy in response to the cost-of-living crisis. Naturally, environmental impact has also been a key strategic issue. Water use in particular has come to the fore; a fact reflected in our engagement with Domino's Pizza on its water footprint policy.

### **Big Society Capital initiative**

Last year we announced a joint initiative with Big Society Capital to launch an RfP for a substantial investment in affordable housing. The scheme reflects our commitment to social impact investment and our determination to address the difficult issue of providing affordable homes to those who are on low incomes, have disabilities or are socially excluded in other ways. Following the RfP, we brought together four pension schemes that were ready to make a substantial commitment. While events intervened to delay the investment, we remain committed and expect it to be completed in 2023.

### **Incorporating leading-edge technology**

As part of our overall infrastructure investment programme, we are constantly adding new tools and systems to our capability in the sustainability space. Given its industry-leading position, CAM has had a significant impact in this area. We are now able to draw on more real-time monitoring data to help us track, measure and verify activity. One of these new tools, Satelligence, uses geospatial technology to map in real time incidences of illegal deforestation. This is particularly useful in Eastern Asia, Malaysia and Indonesia, as it allows us to assess companies' deforestation programmes in a more timely way.

We are also piloting an automated dashboard that will provide us with a single viewpoint on sustainability characteristics across our portfolio.

### **Zero tolerance of greenwashing**

The sustainability agenda remains a relatively young aspect of the long-term savings industry; as such, there are varying ways in which targets, metrics and performance can be presented to give a distorted picture. At Cardano, we take this seriously and recognise our responsibility to deliver accurate information across all our activities. We also recognise that transitioning to a low-carbon future is a difficult journey that will sometimes create contradictions and confusion, as well as leading to challenging conversations with clients.

### **Diversity and inclusion**

2022 proved to be a pivotal year in our efforts to build the most inclusive, supportive and dynamic workplace for our employees.

We recognise that the current working world can be a stressful place: with the effect of the pandemic still lingering, the cost-of-living crisis is the latest challenge facing our people. It has led to an even greater focus on well-being: making sure our people are supported at work and beyond.

**REPORT OF THE BOARD OF DIRECTORS**

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We welcomed many staff back into our offices and we continue to work with employees on designing working arrangements that are compatible with parenting, health and caring needs, as well as helping staff perform to their best.

Our work to support gender and cultural diversity continued throughout the year.

**Gender equality**

Within the Cardano Group we once again made valuable progress on gender equality. Having become the first female member of the Management Board, Group General Counsel Claire Bowyer was latterly named deputy CEO of NOW Pensions. In June the Group appointed our first female CFRO when Laura Gilbert arrived to take up her post. In the Netherlands Maureen Schlejen became Chief Commercial Director for our businesses.

**Broader engagement**

As the Cardano Group grew with the acquisition of CAM, so we extended the benefits of share ownership to a new cohort of employees.

Continuing our commitment to the 10,000 Black Interns programme, we welcomed seven interns into the scheme over the summer. We are delighted that one of the cohort returned as a full-time employee – hopefully the first of many. Cardano also became a founding member of 10,000 Able Interns, a programme that finds placements at companies for interns with disabilities.

Later in 2023, we will build on our efforts in this area by launching our first graduate programme. We hope this will become an important enabler of diversity and inclusion and offer another pathway to drive our social mobility.

The year also saw the growth of our popular employee resource groups. These now run across the business and have become integral to our efforts to improve employee well-being, engagement and representation.

**Outlook 2023**

Having hired a Head of Learning and Development at the end of 2022, for the year ahead we will be prioritising the retention of our talented workforce by supporting our people in becoming the best they can be. We will also continue our work on developing a framework for an ethnicity pay-gap report. Next to this, young professionals within Cardano-CAM have founded Young Cardano CAM. A society run for and by 'under-35 staff' within the organisation. In June 2023 CAM was rebranded to Cardano.

The aim is to diversify on products, client types and geographies. The initial focus is to leverage on existing relationships with institutional and wholesale clients in the Netherlands, the network of Cardano in the UK and from that to further build the business in the Nordics. Specific services and funds will be offered for each target group.

In the coming period, CAM is working to launch several new Impact Investing funds through strategic partnerships with other specialized investment firms. In addition to providing impact, this will also ensure that CAM meets the needs of (future) clients who are looking for a broader set of capabilities than CAM is currently offering.

And most importantly, we will continue to assist our clients in making sure they can deliver on their promise: safe pensions for everyone.

**REPORT OF THE BOARD OF DIRECTORS**

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Rotterdam, 30 August, 2023

\_\_\_\_\_  
Chief Executive Officer  
H.H.J.G. Naus

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Chief Finance and Risk Officer  
M.C. Strijbos

\_\_\_\_\_  
Chief Commercial Officer  
M.S. Schlejen

\_\_\_\_\_  
Head of Sustainable Asset Management  
J. Sunderman

\_\_\_\_\_  
Chief Investment Officer Public Markets  
H.S.R. Veelaert



**CONSOLIDATED BALANCE SHEET**

As at 30 June 2023 (before proposed allocation of result)

		<b>30 June 2023</b>	<b>31 December 2022</b>
		<b>€1,000</b>	<b>€1,000</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3	-	0
Financial assets	4	<u>24,470</u>	<u>24,152</u>
		24,470	24,152
<b>CURRENT ASSETS</b>			
Receivables	5	10,457	9,846
Cash and cash equivalents	6	<u>6,374</u>	<u>9,010</u>
		16,831	18,856
<b>TOTAL ASSETS</b>		<b><u>41,301</u></b>	<b><u>43,008</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
	7		
Share capital		45	45
Share premium reserve		29,777	29,777
Other reserves		17	4,271
Result for the year		<u>(1,740)</u>	<u>(4,254)</u>
		28,099	29,839
<b>CURRENT LIABILITIES</b>	8	13,202	13,169
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>41,301</u></b>	<b><u>43,008</u></b>

*The notes are an integral part of these consolidated semi-annual reports.*

**CONSOLIDATED INCOME STATEMENT**

For the financial period ended 30 June 2023

		<b>30 June 2023</b>	<b>2022</b>
		<b>€1,000</b>	<b>€1,000</b>
<b>Income</b>			
Asset management fee income	9	16,034	32,111
Asset management fee expenses	10	<u>2,627</u>	<u>5,871</u>
<b>Net fee income</b>		13,407	26,240
<b>Operating expenses</b>			
Employee benefits expenses	11	8,591	15,616
Depreciation non-current assets		-	4
Other operating expenses	12	<u>7,475</u>	<u>16,228</u>
<b>Total operating expenses</b>		<u>16,066</u>	<u>31,848</u>
<b>Operating result</b>		(2,659)	(5,608)
Net financial result	13	<u>314</u>	<u>(66)</u>
<b>Result before tax</b>		(2,345)	(5,674)
Corporate income tax income	14	605	1,420
<b>Net result after tax</b>		<u>(1,740)</u>	<u>(4,254)</u>

*The notes are an integral part of these consolidated semi-annual reports.*

**CONSOLIDATED CASH FLOW STATEMENT**

For the financial period ended 30 June 2023

		<b>30 June 2023</b>	<b>2022</b>
		<b>€1,000</b>	<b>€1,000</b>
<b>Cash flow from operating activities</b>	Note		
Operating result before tax		(2,345)	(5,674)
<i>Changes/modifications for:</i>			
Depreciation and amortisation of non-current assets		-	4
Taxes (paid) received		-	-
<i>Movements in working capital:</i>			
Receivables		(6)	1,569
Liabilities		33	1,050
		27	2,619
Interest paid		-	12
Corporate income tax paid		-	-
		-	12
<b>Net cash used in operating activities</b>		<b>(2,318)</b>	<b>(3,039)</b>
<b>Cash flow from investment activities</b>			
Sale and redemption of financial assets (shares and bonds)		(318)	5,311
<b>Net cash from investing activities</b>		<b>(318)</b>	<b>5,311</b>
<b>Increase in cash and cash equivalents</b>		<b>(2,636)</b>	<b>2,272</b>
<b>Movement in cash and bank</b>			
Balance as at January 1		9,010	6,789
Effect of exchange rate differences			(51)
Movement for the year		(2,636)	2,272
<b>Balance as at December 31</b>	6	<b>6,374</b>	<b>9,010</b>

*The notes are an integral part of these consolidated semi-annual reports.*

**NOTES TO THE CONSOLIDATED SEMI-ANNUAL REPORTS**

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**1. GENERAL**

**1.1 General information**

CARDANO ASSET MANAGEMENT N.V. (CAM or the Company) is a fund manager and asset manager. The registered and actual address of CAM is Weena 690 (21<sup>st</sup> and 22<sup>nd</sup> floor), P.O. Box 29088, 3001 GB Rotterdam and the Company is registered at the chamber of commerce under number 30143634.

**1.2 Group structure**

The immediate parent of the Company is Cardano Risk Management B.V. the ultimate parent of the group is Gerolamo Holding S.a.r.l, seated in Luxembourg. The financials of CAM are included in the consolidated financial statements of Gerolamo Holding S.a.r.l.

**1.3 General principles regarding the consolidated semi-annual reports**

The consolidated semi-annual reports have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board.

The consolidated semi-annual reports have been prepared on a historical cost basis, except for financial assets that have been measured at fair value.

**1.4 Going concern**

Management estimates that the organisation has the resources to continue the business for the foreseeable future. Management is not aware of any material uncertainties which could give rise to doubt about the continuity of the business. The consolidated semi-annual reports are therefore based on the assumption that the organisation will continue in business.

**1.5 Upcoming law and regulations**

The European Commission adopted on 6 April 2022 technical standards to be used by financial market participants when disclosing sustainability-related information under the Sustainable Finance Disclosures Regulation (SFDR). This Delegated Regulation specifies the exact content, methodology and presentation of the information to be disclosed, thereby improving its quality and comparability. Under these rules, financial market participants will provide detailed information about how they tackle and reduce any possible negative impacts that their investments may have on the environment and society in general. Moreover, these new requirements will help to assess the sustainability performances of financial products. Compliance with sustainability-related disclosures will contribute to strengthening investor protection and reduce greenwashing. This will ultimately support the financial system's transition towards a more sustainable economy.

**2. ACCOUNTING AND VALUATION PRINCIPLES**

**2.1 General principles regarding the consolidated semi-annual reports**

**Estimates**

The preparation of the consolidated semi-annual reports requires the management to make estimates and assumptions, which have a significant impact on the reported amounts of assets and liabilities at the reporting date, and on the reported income and expenses for the reporting period. Actual amounts may differ from these estimates.

**NOTES TO THE CONSOLIDATED SEMI-ANNUAL REPORTS**

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Estimates and underlying assumptions are reviewed on a regular basis. The impact of the adjustments is recognised in the period in which the estimate is revised or in the period of revision and future periods if the revision impacts both the reporting period and future periods. Management fees in the last period of the financial year are based on estimates.

**Related parties**

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities which can control the Company are considered a related party. In addition, statutory directors, other key management of Cardano Holding Limited and close relatives are regarded as related parties.

Significant transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is required for to provide the true and fair view.

**Basis for consolidation**

The consolidation includes the financial information of CAM, its group companies and other entities in which it exercises control or whose central management it conducts. Group companies are entities in which CAM exercises direct or indirect control based on a shareholding of more than one half of the voting rights, or of which it has the authority to govern otherwise their financial and operating policies. Potential voting rights that can be exercised directly from the balance sheet date are also taken into account.

Group companies and other entities in which CAM exercises control or whose central management it conducts are consolidated in full from the date on which control is transferred to CAM until the date this control ceases. Participating interests in group equity and group result are disclosed separately. Participating interests over which no control can be exercised (associates) are not included in the consolidation.

The consolidated semi-annual reports of these group companies are fully consolidated and aligned with the accounting policies applied by CAM. Intra-group transactions, intra-group balances and unrealised gains and losses arising from intra-group transactions are eliminated in the preparation of the consolidated semi-annual reports.

The consolidated semi-annual reports combine the consolidated semi-annual reports of CAM and its wholly owned subsidiary Cardano Sense B.V., which was established in November 2021. Cardano Sense B.V. has its registered office located in Amsterdam, the Netherlands.

**2.2 Foreign currencies**

**Functional currency**

Items included in the consolidated semi-annual reports of group companies are measured using the currency of the primary economic environment in which the respective group company operates (the functional currency). The consolidated semi-annual reports are presented in Euros, which is the functional and presentation currency.

**Transactions, receivables and liabilities**

Foreign currency transactions in the reporting period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognised in the income statement.

Translation differences on non-monetary assets held at cost are recognised using the exchange rates prevailing at the dates of the transactions (or the approximated rates).

### 2.3 Accounting policies for the consolidated balance sheet

#### **Property, plant and equipment**

Property, plant and equipment are valued at the historical cost including directly attributable costs, less straight-line depreciation based on the expected future life and impairments.

#### **Impairment of non-current assets**

At each balance sheet date, the Company tests whether there are any indications of assets being subject to impairment. If any such indications exist, the recoverable amount of the asset is determined. If this proves to be impossible, the recoverable amount of the cash generating unit to which the asset belongs is identified. An asset is subject to impairment if its carrying amount exceeds its recoverable amount; the recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is directly expensed in the income statement.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, the impairment loss is determined and recognised in the income statement.

#### **Financial Assets**

Financial assets comprise bonds and shares and are measured at fair value. At initial purchase, bonds are valued against fair value including accrued interest (dirty value). Unrealised gains and losses arising from changes in the fair value of these assets are recognised through profit and loss.

Financial assets also concern receivables from banks (deposits) with a remaining maturity of one month or more, not including interest-bearing securities. These receivables are measured at amortised cost using the effective interest method, less any impairment losses.

An investment in equity instruments is considered to have been subject to impairment if its carrying amount exceeds the recoverable value for an extended period, which means that its fair value:

Has decreased 25% or more below cost; or  
Has been at least 5% below cost for nine months or more.

Impairments on equity securities are never reversed.

#### **Receivables**

Receivables are presented at face value less an allowance for bad debts, if applicable.

#### **Cash at banks**

Cash at banks comprises bank balances at face value. Unless indicated otherwise, they are at the Company's free disposal.

#### **Equity**

##### *Issued capital*

The share capital comprises the issued and paid-up ordinary shares.

##### *Share premium reserve*

The share premium reserve concerns capital that has been paid-up over and above the nominal value of the issued ordinary shares. Costs directly attributable to the issue of equity instruments (net of tax) are deducted from the issue proceeds.

##### *Revaluation reserve*

Unrealised gains and losses arising from changes in the fair value of financial assets are recognised in the revaluation reserve (net of taxes), if their cumulative total is positive. If unrealised losses exceed the revaluation reserve, the excess is recognised in the consolidated income statement.

**NOTES TO THE CONSOLIDATED SEMI-ANNUAL REPORTS**

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*Other reserves*

The other reserves comprise retained earnings of prior years.

*Net result*

This concerns the result for the reporting period net of income tax.

**Current liabilities**

Upon initial recognition, the current liabilities are included at fair value and then valued at amortised cost. The fair value and amortised cost equal the face value.

**Taxes**

*Income tax expense*

Income tax relates to payable or recoverable tax on the taxable profit for the reporting period and taxes of previous periods, if any. Current tax receivables and payables are measured using the tax rate applicable at the reporting date or the tax rate applicable to the previous period the taxes due relate to.

*Deferred tax assets and liabilities*

Deferred tax assets and liabilities are recognised for tax losses carried forward and for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated semi-annual reports. This is based on the tax rates that will apply in the period in which the deferred tax assets or tax liabilities are settled.

Deferred tax assets and liabilities are measured at the undiscounted amount expected to be received or paid. Deferred tax assets are only recognised if sufficient taxable profits are expected to be available in the near future against which these temporary differences can be utilised. Deferred taxes are recognised for temporary differences between the carrying amount and the value for tax purposes.

Deferred tax assets are assessed at the reporting date; if it is no longer likely that the related taxable profit will be achieved, the asset is reduced to its recoverable value. Deferred tax assets and liabilities are presented on a net basis to the extent that they relate to the same tax authority and that they are settled simultaneously.

*Tax group*

Cardano Risk Management B.V. and Cardano Asset Management N.V., form a tax group for corporate income tax and value added tax (VAT) and as a result are jointly and severally liable for the fiscal unity's corporate income tax and VAT liabilities. Internal settlement of tax between Cardano Risk Management B.V. and CAM is executed upon receipt of an assessment after filing the corporate income tax return.

**2.4 Accounting policies for the consolidated income statement**

Income is recognised in the consolidated income statement when an increase in economic benefits in the form of inflows or enhancements of assets or a decrease in liabilities has arisen and the amount can be measured reliably. Expenses are recognised when decreases in the economic benefits related to outflows or depletions of assets or incurrences of liabilities have arisen, the amount of which can be measured reliably.

The consolidated income statement comprises the income and expense attributable to the reporting period.

Gains from transactions are recognised in the year in which they are generated; losses are recognised as soon as they are identified.

**Income**

Income consists of management fee less management fee rebates which are recognised in the reporting period in which the services are provided.

## NOTES TO THE CONSOLIDATED SEMI-ANNUAL REPORTS

**Expenses**

Operating expenses consist primarily of employee benefits expenses (in 2022, all employed personnel was hired by Cardano Risk Management B.V. and the employee benefits expenses were charged to CAM).

Employee benefits expenses consist of salaries, pension costs, social security contributions and other personnel expenses. The pension scheme to which the employees are entitled, is administrated by Zwitserleven (2022: Stichting Pensioenfonds SNS REAAL).

**Net finance costs**

Interest income and expenses is the interest received from, or paid to, third parties, respectively.

**2.5 Principles for the cash flow statement**

The cash flow statement is prepared using the indirect method. The cash items disclosed in the cash flow statement are comprised of cash and cash equivalents. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Interest paid and received, dividends received and income taxes are included in cash from operating activities.

**3. FINANCIAL ASSETS**

	30 June 2023	31 December 2022
	€1,000	€1,000
Shares	24,470	24,152

The portfolio consists of investments in a money market fund, which invests primarily in first-tier securities.

	30 June 2023	31 December 2022
	€1,000	€1,000
Balance at 1 January	24,152	29,423
Purchases and advances	-	29,163
Disposals and redemptions	-	(34,428)
Revaluations	318	(6)
Balance at 30 June	24,470	24,152

The fair value of financial assets is determined using bid quoted prices.



NOTES TO THE CONSOLIDATED SEMI-ANNUAL REPORTS

4. RECEIVABLES

	30 June 2023	31 December 2022
	€1,000	€1,000
Trade receivables	95	17
<i>Other receivables, prepayments and accrued income</i>		
- Asset management fees to be received	6,888	6,075
- Other receivables and prepaid expenses	389	358
- Corporate income tax	3,085	3,396
Total receivables	<u>10,457</u>	<u>9,846</u>

All receivables fall due within one year.

*Asset management fees to be received*

Asset management fees to be received consist of fees to be received from funds and third parties.

5. CASH AT BANKS

Cash at banks comprises of bank account balances at SNS Bank, BNP Paribas Bank and Rabobank. Cash at banks is at the Company's free disposal.

6. EQUITY

	Share capital	Share premium	Other reserves	Result for the year	Total
	€1,000	€1,000	€1,000	€1,000	€1,000
Book value as at January 1, 2022	45	29,777	5,527	(1,256)	34,093
Addition to the reserve	-	-	(1,256)	1,256	-
Result for the year	0	0	0	(4,254)	(4,254)
Book value as at December 31, 2022	<u>45</u>	<u>29,777</u>	<u>4,271</u>	<u>(4,254)</u>	<u>29,839</u>
Book value as at January 1, 2022	45	29,777	4,271	(4,254)	29,839
Addition to the reserve	-	-	(4,254)	4,254	-
Result for the period	-	-	-	(1,740)	(1,740)
Book value as at June 30, 2023	<u>45</u>	<u>29,777</u>	<u>17</u>	<u>(1,740)</u>	<u>28,099</u>

The authorised capital of € 227 thousand consists of 500 shares of € 453.79 nominal each. Of these, 100 shares have been issued and paid up.

CAM's equity capital requirement stems from the provisions of Section 3:53 of the Dutch Financial Supervision Act (Wft) in conjunction with Section 48(c)(63) and (63b) of the Dutch Prudential Rules Decree (Financial Supervision Act).

The required internal minimum capital was € 17.3 million (31 December 2022: € 17.588 million) according to the 2023 ICLAAP performed by the Management Board in close cooperation with Risk Management. At the end of the reporting period CAM's equity was € 28 million.

NOTES TO THE CONSOLIDATED SEMI-ANNUAL REPORTS

7. CURRENT LIABILITIES

	30 June 2023	31 December 2022
	€1,000	€1,000
Trade creditors	624	1,001
<i>Group companies</i>		
- Cardano Risk Management BV	5,312	4,086
- Cardano Holding Limited	174	305
- Cardano Risk Management Limited	55	113
<i>Taxes and social securities</i>		
- Value Added Tax	1,132	443
<i>Other current liabilities</i>		
- Variable remuneration and allowances payable	2,407	4,925
- Other liabilities	3,498	2,296
Total current liabilities	<u>13,202</u>	<u>13,169</u>

*Debts to group companies*

Per 31 December 2023 the current accounts with the Cardano group companies are settled on a quarterly basis. There have been no agreements made (in writing) in relation to the redemption and interest of these current accounts.”.

*Accrued liabilities*

This relates to other costs payable, such as costs for data, advisory services, external employees, outsourcing and other operating expenses payable.

8. ASSET MANAGEMENT FEE INCOME

	30 June 2023	2022
	€1,000	€1,000
Net asset management fee income	<u>16,034</u>	<u>32,111</u>

*Asset management fee income*

This concerns all-in fees received from investment funds and fees received for asset management and administration services.

9. ASSET MANAGEMENT FEE EXPENSES

	30 June 2023	2022
	€1,000	€1,000
Costs of outsourced asset management	1,470	3,318
Custodial fees	1,157	2,553
	<u>2,627</u>	<u>5,871</u>

*Costs of outsourced asset management*

This concerns costs of asset management services outsourced to third parties.

*Custodial fees*

This concerns costs as paid to the custodian, amongst other things for keeping securities in safe custody.

## NOTES TO THE CONSOLIDATED SEMI-ANNUAL REPORTS

## 10. EMPLOYEE BENEFITS EXPENSES

	30 June 2023	2022
	€1,000	€1,000
Wages and salaries	6,670	11,670
Pension costs	516	1,232
Social security contributions	509	788
Other personnel expenses	896	1,926
	<u>8,591</u>	<u>15,616</u>

The employee benefits expenses are comprised of personnel expenses, directly associated with employees and the members of the Management Board, who are on Cardano Risk Management B.V.'s payroll and indirect expenses recharged by Cardano Risk Management B.V. CAM's number of internal FTE's is 95 on 30 June 2023 (31 December 2022: 74).

## 11. OTHER OPERATING EXPENSES

	30 June 2023	2022
	€1,000	€1,000
Administrative, accounting and reporting costs	2,783	8,209
Cost data vendors	1,667	2,922
Recharged expenses	455	391
Costs external advisors	668	867
Automatisation	85	206
Other general expenses	1,817	3,633
	<u>7,475</u>	<u>16,228</u>

*Administrative, accounting and reporting Costs*

Included within administrative, accounting and reporting costs are amounts paid in respect of outsourcing of certain mid and back office asset management operations, fund and investment accounting and reporting services.

## 12. NET FINANCIAL RESULTS

	30 June 2023	2022
	€1,000	€1,000
Bank costs and other interest expenses	(6)	12
Realised losses on investments	3	28
Unrealised gains on investments	(345)	6
Exchange rate differences	34	20
Total finance income and expenses	<u>(314)</u>	<u>66</u>

*Interest expenses and result on financial assets*

This concerns interest paid on bank charges and results on financial assets.

## 13. CORPORATE INCOME TAX

CAM is in a fiscal unity with Cardano Risk Management B.V. The tax rate for NL is 19% over the fiscal result up to € 200,000 (2021: 15% over the fiscal result up to € 395,000). Fiscal results exceeding €200.000 will be taxed at 25.8% (2022: 25.8% over results exceeding € 395,000).

**14. RELATED PARTY TRANSACTIONS**

Cardano Holding Limited has allocated costs to CAM in relation to management charge and to the group infrastructure.

All transactions were undertaken on an arm's length basis.

Cardano Risk Management B.V. charges CAM for market data and personnel costs. The transactions were undertaken on an arm's length basis.

**15. SUBSEQUENT EVENTS**

There are no subsequent events after the reporting period that have an impact on the consolidated semi-annual report.

**CARDANO ASSET MANAGEMENT N.V.****COMPANY BALANCE SHEET**

As at 30 June 2023 (before proposed allocation of result)

	<b>30 June 2023</b>	<b>31 December 2022</b>
	<b>€1,000</b>	<b>€1,000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Subsidiaries	1 541	400
Financial assets	24,470	24,152
	<u>25,011</u>	<u>24,552</u>
<b>CURRENT ASSETS</b>		
Receivables	9,916	9,446
Cash and cash equivalents	6,374	9,010
	<u>16,290</u>	<u>18,456</u>
<b>TOTAL ASSETS</b>	<b><u>41,301</u></b>	<b><u>43,008</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	45	45
Share premium reserve	29,777	29,777
Other reserves	17	4,271
Result for the year	(1,740)	(4,254)
	<u>28,099</u>	<u>29,839</u>
<b>CURRENT LIABILITIES</b>	<b>13,202</b>	<b>13,169</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>41,301</u></b>	<b><u>43,008</u></b>

*The notes are an integral part of these company semi-annual reports*

**COMPANY INCOME STATEMENT**

For the financial period ended 30 June 2023

		<b>30 June 2023</b>	<b>2022</b>
		<b>€1,000</b>	<b>€1,000</b>
<b>Income</b>			
Asset management fee income		15,326	31,011
Asset management fee expenses		<u>2,627</u>	<u>5,871</u>
<b>Net fee income</b>		12,699	25,140
Share in result subsidiaries	3	<u>141</u>	<u>331</u>
<b>Total income</b>		12,840	25,471
<b>Operating expenses</b>			
Employee benefits expenses		8,073	14,957
Depreciation non-current assets		-	4
Other operating expenses		<u>7,475</u>	<u>16,228</u>
<b>Total operating expenses</b>		<u>15,548</u>	<u>31,189</u>
<b>Operating result</b>		(2,708)	(5,718)
Net financial result		<u>314</u>	<u>(66)</u>
<b>Result before tax</b>		(2,394)	(5,784)
Corporate income tax income		654	1,530
<b>Net result after tax</b>		<u>(1,740)</u>	<u>(4,254)</u>

*The notes are an integral part of these company semi-annual reports*

## ACCOUNTING POLICIES TO THE COMPANY Semi-annual Reports

### *General*

Where applicable, for items not described in this section, the accounting policies applied for the company semi-annual reports are the same as those described in the section 2 "Accounting policies and valuation principles" of the consolidated semi-annual reports.

### *Subsidiaries*

Subsidiaries are companies and other entities in which CAM has the power, directly or indirectly, to govern the financial and operating policies and that are controlled by CAM. Subsidiaries are recognised using the equity method of accounting. Movements in the carrying amounts of subsidiaries due to changes in their revaluation reserves are recognised in shareholders' equity. Movements in the carrying amounts arising from the share of result of subsidiaries are recognised in accordance with the accounting policies of CAM. in the income statement. The distributable reserves of subsidiaries are recognised in retained earnings.

## 1. SUBSIDIARIES

	<u>30 June 2023</u>	<u>2022</u>
	€1,000	€1,000
Balance as at 1 January	400	69
Acquisitions	-	-
Result	<u>141</u>	<u>331</u>
Balance	<u>541</u>	<u>400</u>

## 2. RELATED PARTIES

*Intra-group balances and transactions between CAM and its subsidiary Cardano Sense*

Unless stated otherwise, transactions with related parties are conducted at arm's length as part of CAM's normal operations.

## 3. SHARE IN RESULT OF SUBSIDIARIES

The share in result of subsidiaries consist of the net result of Cardano Sense B.V. for the period ending 30 June 2023 of €141 thousand (2021: € 331 thousand).

**Rotterdam, 30 August, 2023**

**CARDANO ASSET MANAGEMENT N.V.**

H.H.J.G. Naus, CEO  
M.S. Schlejen, CCO  
M.C. Strijbos, CFRO  
J. Sunderman, COO  
H.S.R. Veelaert, CIO