

CARDANO ASSET MANAGEMENT N.V.

CONSOLIDATED FINANCIAL REPORT

30 June 2024

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REPORT OF THE BOARD OF DIRECTORS

Who we are

Cardano Asset Management N.V. is part of the Cardano Group, a market-leading advisory and investment management specialist.

We want to be a trusted organisation providing solutions to our clients, who are mostly pension funds, and other long-term savings institutions. That means helping them to deliver on their promises and to secure better, more resilient and more sustainable long-term savings for individuals.

We do things differently at Cardano. Our multidisciplinary teams work together to offer a range of perspectives that serve to give us a deeper, wider knowledge of the world, with all its financial and sustainability challenges and opportunities.

As a leading company in both the UK and the Netherlands markets, we take a big-picture approach to the challenges facing the investment and pensions sector; we believe this allows us to better understand future risks, particularly those related to securing a more sustainable and resilient society. To address these risks, we embed environmental, social and governance (ESG) considerations into everything we do: the investments we make, the advice we give and the assets we manage on our clients' behalf.

This approach helps us to identify investment opportunities, anticipate and address sustainability-related issues, and deliver better risk-adjusted returns. 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 create a sustainable future for our clients and their customers.

Activities

Cardano Asset Management N.V. (CAM) is a management company of Undertakings for Collective Investment in Transferable Securities (UCITS ManCo) and an Alternative Investment Fund Manager (AIFM) licensed to perform discretionary asset management, investment advice and the transmission of orders. Now that the new legal structure and a single organisation to service our client base is in place, CAM also provides derivatives overlay and liability-driven investment (LDI) strategies to hedge unwanted risks on the balance sheet of some of the biggest institutional pension funds. Most of our clients are in the Netherlands but we have as well clients in Switzerland, Belgium and Denmark.

CAM has its registered office located in Rotterdam, the Netherlands and has its principal place of business located at Weena 690 (21st floor), 3012 CN Rotterdam, the Netherlands.

CAM acts as the manager of Dutch domiciled funds.

Key strengths

Cardano has been active in the Dutch pension sector since 2000 and has built a strong brand and strong track record in risk management, advisory, LDI & Overlay solutions and sustainable investing (actively and passively managed investment funds as well as mandates). Cardano has a deep knowledge and a thorough understanding of financial markets and the Dutch pension sector and its regulatory landscape. Servicing a wide range of investors including insurance companies, pension funds, banks and distribution partners, primarily in the Dutch market and continental Europe.

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

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Business review Cardano H1 2024

The first half year we have been onboarding new LDI clients, new solutions and products to service our clients and have completed the integration of our offering in the Netherlands.

We will continue to make significant investments and efforts in preparation for the new pension legislation ('WTP'), that is being introduced in the Netherlands. The WTP will have a significant impact on all aspects of and all parties active in the Dutch pension industry. Through a wide range of media (such as a whitepaper, lunch & learn sessions and direct client meetings) Cardano continues to shape and contribute to the future landscape of pensions in the Netherlands. Through a strategic internal project team, consisting of a multi-functional team of specialists, all aspects of WTP are being translated into concrete deliverables and incorporated in our core value propositions. One of the most tangible efforts regarding preparations for WTP starting in 2023, and continuing in the first half of 2024 was the significant number of requests made for Solvency Ratio protection solutions, using linear and non-linear instruments. We are seen as one of the few professional providers of such solutions, and we are actively involved in a number of commercial opportunities for the implementation of such solutions.

Sustainability

Sustainability, and in particular the need to transition to a sustainable society, informs all our thinking and activities at Cardano – in investment management, advisory and Defined Contribution (DC). While the short-term performance of ESG factors in sustainable funds may vary, the long-term direction of travel signals greater investment is needed in tackling environmental challenges like the climate crisis and biodiversity loss and social foundations like the provision of basic needs. Our view is that multiple transitions are needed to get to a sustainable society. While that presents unprecedented global challenges, it also creates opportunities for those ready and able to embrace them. During the first half of 2024 we were able to significantly progress our commitments through growing the allocation to sustainable investment strategies in many of our clients' portfolios, which include commitments not only around the climate crisis (targeting Net Zero by 2050 and a 50% reduction by 2030 from 2019 baseline) but also commitments to net zero deforestation by 2030 and water neutrality by 2030. 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. In the long-term we believe that these systemic issues will be as important for future financial performance of the market as a whole as they are for individual businesses within the market, hence financial and real-world objectives are mutually re-enforcing.

Meeting the regulatory challenge

The continuing impact of sustainable finance regulation has been felt across the industry, and at Cardano we remain fully engaged with implementing new rules and guidelines, as well as helping clients to understand the challenges and opportunities that regulatory reforms present. We have seen both the European Commission and, increasingly, the Financial Conduct Authority in the UK take a more proactive approach to governance in this area. The demands of Taskforce on Climate related Financial Disclosure (TCFD), Sustainable Finance Disclosure Regulation (SFDR), the Corporate Sustainability Reporting Directive (CSRD), Taxonomy and the UK Sustainability Disclosure Requirements (SDR) cannot be underestimated. These will inevitably serve as catalysts for our clients to engage more in the ESG agenda in the future. Rather than see this evolution as a burden, we have embraced the changes, which we view as the emergence of new opportunities in an evolving investment landscape.

An enhanced capability

We are investing in our sustainability capabilities, not only in terms of resources to deploy, but also to increase and improve the efficiency of how we work. In practice, that means continuing our high levels of investment in infrastructure in order to manage our clients' expectations, and also to be able to accommodate bespoke requests from clients for their own KPIs to be reported on. Delivering those value-added services relies heavily on acquiring, processing and extracting insight from data. Building on last year's technology investments, we are now in the process of becoming an entirely data-led organisation. While that delivers obvious benefits across the business, it also underpins our ground-breaking work in the sustainability area. Last year saw the launch of our new bio-acoustic data analysis tool, which helps us examine the levels of biodiversity in a given area. Following on from our innovative work with satellite data analysis, by using acoustic measurement to understand and measure the difference between areas we can more accurately analyse the levels of deforestation – and their effects

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– as well as understanding the impact of reforested land compared to pristine. In addition, by using geospatial data we can now gather information on global logistics and transport activities. By doing so, we are able to map out risk exposures and vulnerabilities. The technology has allowed us to drill into a whole map of risks that exist in a portfolio in a more substantial way, and that sets us on course to better understand the risk picture in the round.

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 and transparency across all our activities. We also recognise that transitioning to a low carbon and more sustainable future is a difficult journey that will require sometimes difficult trade-offs to be made. We believe our sustainable investing framework delivers a transparent approach in describing how investments are either failing or at risk of failing to adapt, successfully adapting or indeed already sustainable and making a positive contribution to the multiple transitions.

Enhancing biodiversity

Biodiversity loss is a systemic issue, with direct and indirect effects across the entirety of the economic and financial systems. Investors are highly exposed to systemic risks such as biodiversity loss, and universal owners and long-term investors have a limited ability to diversify their portfolios away from the impacts of such issues. During the year, we signed up to a Principles for Responsible Investment (PRI) initiative called Spring which is focused on deforestation, particularly in South America. In doing so, we were better able to identify the companies with most influence over policymakers in the region. Spring aims to develop a new collaborative stewardship initiative on nature, and we will participate with a group of investors who will use their voice and influence to drive positive outcomes for nature.

A commitment to social equity

A commitment to working towards a fairer society has been fundamental to everything we do throughout the life of the Cardano Group. From driving internal initiatives in the way we are run to working with companies to better serve their communities and stakeholders, that remains a core tenet of our mission. To that end, this year we have continued our engagement with corporates on their Living Wage performance, which remains an important issue to trustees and other stakeholders.

Risk Management

CAM complies with the risk management procedures of Cardano Group. With robust frameworks in place, the Group understands its risk profile and has the appropriate internal controls and expertise to manage risk on an ongoing basis.

Effective risk management enables the Group and Company to focus on delivering successful client outcomes and sustainable business growth, minimising potential adverse risk effects on the Group's and Company's performance.

To support effective risk management, the Group operates a three lines of defence model to ensure that risks are understood and appropriately managed. A strong risk culture is promoted across the Group and within each operating Company.

The Company's activities expose it to a variety of strategic, financial and non-financial risks.

Strategic risk

Strategic risk is managed by having an in-depth understanding of the markets in which the Company operates and, more broadly, influencing public policy through consultations and being prepared to adapt to a changing pensions landscape.

Market risk

The Company does not hold any trading positions in its own account or name and adheres to strict risk management policies. The Company is exposed to market risk because it receives revenues based on assets under management (AUM).

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Currency risk

The Group has operating companies in the UK and the Netherlands. Given that the functional currency of CAM is euro, and for the UK pound sterling, CAM has some currency exposure. However, management has determined, based on a risk assessment, that none of these currency risks need to be hedged.

Interest rate and cash flow risk

The Company incurs interest rate risk on cash balances held with the Company's banks, where floating interest rates lead to risk regarding future cash flows. The Company has no debt funding, and no interest-bearing liabilities other than lease liabilities where changes in the market rate of interest do not affect cash flows.

The Company does not hold any derivatives in relation to interest rate risk for its own balance sheet, as management has determined that the interest rate risk does not need to be hedged.

Credit risk

The Company does not have any significant credit risk concerns. Services are provided to institutional, regulated clients, such as pension funds, that meet the Company's credit-rating requirements. Services are sold subject to payment deadlines ranging between 14 and 90 days.

Liquidity risk

At the end of the reporting year, the Company held cash and cash equivalents that are readily available for managing liquidity risk. Management monitors rolling forecasts of the Company's liquidity reserve, cash and cash equivalents, on the basis of expected cash flows.

Operational risk

The Company does not hold any trading positions in its own account or name and adheres to strict risk management policies. The main risk is operational risk, which results from implementing transactions, handling and reporting on financial instruments. This risk is mitigated by strict procedures and processes, which are included in its ISAE 3402 type II reports.

Cyber risk

As a Group, Cardano takes a multi-layered approach to cybersecurity with a focus on cyber controls, employee training and Group-wide policies. Throughout the Group we maintain high-level physical preventions through device management, firewalls and filters. All infrastructure and systems are subject to penetration tests across the Group, in addition to operating system updates for newly discovered security vulnerabilities to help minimise the risk of cyber-attacks.

Regulatory requirements

CAM is authorised as an AIFM and UCITS ManCo regulated by the AFM. In addition to managing investment funds, CAM is allowed to provide the following MiFID services to professional clients: discretionary investment management, investment advice and transmission of orders. The Dutch Central Bank (DNB) is responsible for the prudential supervision of the Company.

In accordance with the regulatory minimum capital requirements, the Company is required to maintain a minimum level of capital based on prescribed formulae and an internal assessment of risks, which is reported periodically to the DNB. In 30 June 2024, the Company retained sufficient capital to meet the regulatory requirements.

Outlook CAM 2024

On 11 June 2024 it was announced that subject to regulatory approvals, Mercer, a business of Marsh McLennan will acquire Gerolamo Holding S.à r.l., the ultimate holding company of CAM.

The developments will not affect the current activities and the aim to diversify on products, client types and geographies remains. 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 strengthen its position on Impact Investing through strategic

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partnerships with other specialized investment firms and combining the knowledge within the group. 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.

In addition, we will continue our efforts and investments in a number of key areas: integration of sustainability into our core value propositions; preparation and implementation of WTP into our core LDI & Overlay solutions; enhancement of the security, scalability and stability of our core solutions delivery platform; expanding our partnership with HNPF; the continuous development of our most valuable asset – our people.

And most importantly, we will continue to assist our clients in making sure they can deliver on their promise: jointly achieving the long investment goals of our clients.

Board

At the time of publication of the semi-annual report, the five-member Management Board of Cardano consists of H.H.J.G. Naus (Chief Executive Officer, CEO), M.C. Strijbos (Chief Finance and Risk Officer, CFRO), J. Sunderman (Head of Sustainable Asset Management), E.R. de Beijer-van der Vorst (Chief Commercial Officer, CCO) and M.E. Petit (Head of Investment Solutions). The board members have extensive experience and expertise in the asset and fund management industry at management level.

Rotterdam, 23 August 2024



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



Chief Finance and Risk Officer
M.C. Strijbos



Chief Commercial Officer
E.R. de Beijer-van der Vorst



Head of Sustainable Asset Management
J. Sunderman



Head of Investment Solutions
M.E. Petit

CONSOLIDATED BALANCE SHEET

As at 30 June 2024

		30 June 2024	31 December 2023
		€1,000	€1,000
ASSETS			
CURRENT ASSETS			
Financial assets	3	34,208	21,885
Receivables	4	15,768	13,739
Cash and cash equivalents	5	503	4,154
TOTAL ASSETS		50,479	39,778
EQUITY AND LIABILITIES			
EQUITY	6		
Share capital		45	45
Share premium reserve		29,777	29,777
Other reserves		(2,239)	17
Result for the year		1,028	(2,256)
		28,611	27,583
CURRENT LIABILITIES	7	21,868	12,195
TOTAL EQUITY AND LIABILITIES		50,479	39,778

The notes are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

For the financial period ended 30 June 2024

		Period till 30 June 2024	2023
		€1,000	€1,000
Income			
Asset management fee income	8	23,821	33,562
Asset management fee expenses	9	<u>3,124</u>	<u>5,868</u>
Net fee income		20,697	27,694
Operating expenses			
Employee benefits expenses	10	10,453	17,130
Other operating expenses	11	<u>9,357</u>	<u>14,351</u>
Total operating expenses		<u>19,810</u>	<u>31,481</u>
Operating result		887	(3,787)
Net financial result	12	<u>499</u>	<u>747</u>
Result before tax		1,386	(3,040)
Corporate income tax income	13	(358)	784
Net result after tax		<u>1,028</u>	<u>(2,256)</u>

The notes are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial period ended 30 June 2024

		Period till 30 June 2024	2023
		€1,000	€1,000
Cash flow from operating activities	Note		
Operating result before tax		1,386	(3,040)
<i>Changes/modifications for:</i>			
Unrealized results	3	(823)	(733)
<i>Movements in working capital:</i>			
Receivables		(2,029)	(3,109)
Liabilities		9,315	(974)
		7,286	(4,083)
Interest paid		-	-
Net cash used in operating activities		7,849	(7,856)
Cash flow from investment activities	3		
Sale and redemption of financial assets (shares and bonds)		(11,500)	3,000
Net cash from investing activities		(11,500)	3,000
Increase in cash and cash equivalents		(3,651)	(4,856)
Movement in cash and bank			
Balance as at January 1		4,154	9,010
Effect of exchange rate differences			
Movement for the year		(3,651)	(4,856)
Balance as at December 31		503	4,154

The notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 (21st and 22nd 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

CAM holds 100% of the shares in Cardano Sense B.V. As of 1 July 2024, Cardano Sense B.V. has become dormant and no longer performs any activities.

As of 29 February 2024 the shares of the Company have been transferred by Cardano Risk Management B.V. to Cardano Nederland B.V., the newly incorporated investment holding company in the Netherlands. 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.

On 11 June 2024 it was announced that subject to regulatory approvals, Mercer, a business of Marsh McLennan will acquire Gerolamo Holding S.à r.l.

1.3 General principles regarding the consolidated financial statements

The consolidated financial statements 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 financial statements 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 that could give rise to doubt about the continuity of the business. The consolidated financial statements are therefore based on the assumption that the organisation will continue in business.

2. ACCOUNTING AND VALUATION PRINCIPLES

2.1 General principles regarding the consolidated financial statements

Estimates

The preparation of the consolidated financial statements 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 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 of 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 financial statements 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 financial statements.

The consolidated financial statements combine the consolidated financial statements 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 financial statements 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 financial statements 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

Financial assets

Financial assets comprise bonds and shares and are measured at fair value. At initial purchase, bonds are valued at 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Receivables

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

Cash and cash equivalents

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.

Other reserves

The other reserves comprise retained earnings of prior years.

Result for the year

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 financial statements. 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 CAM, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

Expenses

Operating expenses consist primarily of employee benefits expenses. All employed personnel is employed by Cardano Risk Management B.V. and are 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.

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 2024	31 December 2023
	€1,000	€1,000
Shares	34,208	21,885

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

	30 June 2024	31 December 2023
	€1,000	€1,000
Balance at 1 January	21,885	24,152
Purchases and advances	11,500	-
Disposals and redemptions	-	(3,000)
Revaluations	823	733
Balance at 31 December	34,208	21,885

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. RECEIVABLES

	30 June 2024	31 December 2023
	€1,000	€1,000
Trade receivables	563	111
<i>Group companies</i>		
- Cardano Holding Limited	-	205
<i>Other receivables, prepayments and accrued income</i>		
- Asset management fees to be received	12,815	11,529
- Other receivables and prepaid expenses	1,068	606
- Deferred tax asset	1,322	1,288
Total receivables	15,768	13,739

All receivables fall due within one year.

Asset management fees to be received

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

Corporate income tax

The corporate income tax comprises of the accumulated tax receivable of the Company on a standalone basis. The receivable will be settled by the other companies in the fiscal unity when the final return has been received.

5. CASH AND CASH EQUIVALENTS

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 reserve	Other reserves	Result for the year	Total
	€1,000	€1,000	€1,000	€1,000	€1,000
Book value as at January 1, 2023	45	29,777	4,271	(4,254)	29,839
Addition to the reserve	-	-	(4,254)	4,254	-
Result for the year	-	-	-	(2,256)	(2,256)
Book value as at December 31, 2023	45	29,777	17	(2,256)	27,583
Book value as at January 1, 2024	45	29,777	17	(2,256)	27,583
Addition to the reserve	-	-	(2,256)	2,256	-
Result for the period	-	-	-	1,028	1,028
Book value as at June 30, 2024	45	29,777	(2,239)	1,028	28,611

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 2023: € 17.3 million) according to the 30 June 2023 ICLAAP performed by the Management Board in close cooperation with Risk Management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. CURRENT LIABILITIES

	30 June 2024	31 December 2023
	€1,000	€1,000
Trade creditors	910	2,609
<i>Group companies</i>		
- Cardano Risk Management BV	10,058	1,653
- Cardano Holding Limited	670	365
- Cardano Risk Management Limited	135	41
- Cardano Nederland B.V.	1,448	-
<i>Taxes</i>		
- Corporate income tax payable	391	-
- Value Added Tax	846	375
<i>Other current liabilities</i>		
- Variable remuneration and allowances payable	3,198	3,521
- Deferred revenue	264	172
- Other liabilities	3,948	3,459
Total current liabilities	21,868	12,195

Debts to group companies

Per 30 June 2024 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.

Other 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

	Period till 30 June 2024	2023
	€1,000	€1,000
Fee income	23,821	33,562

Asset management fee income

This concerns all-in fees received from investment funds and fees received for asset management and administration services. As part of the corporate restructuring in the Netherlands Cardano Risk Management B.V. transferred part of its activities to the Company as per 1 April 2024.

9. ASSET MANAGEMENT FEE EXPENSES

	Period till 30 June 2024	2023
	€1,000	€1,000
Costs of outsourced asset management	1,316	2,848
Custodial fees	1,808	3,020
	3,124	5,868

Costs of outsourced asset management

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

Custodial fees

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**10. EMPLOYEE BENEFITS EXPENSES**

	Period till 30 June 2024	2023
	€1,000	€1,000
Wages and salaries	8,189	13,404
Pension costs	985	1,280
Social security contributions	783	1,038
Other personnel expenses	496	1,408
	<u>10,453</u>	<u>17,130</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.

During the period ended 31 December 30 June 2024, the average number of employees employed amounted to 176 (31 december 2023: 80). No employees were employed outside of the Netherlands (2022: 0).

11. OTHER OPERATING EXPENSES

	Period till 30 June 2024	2023
	€1,000	€1,000
Administrative, accounting and reporting costs	2,830	5,552
Cost data vendors	2,069	3,200
Recharged expenses	1,808	710
Costs external advisors	647	1,553
Automatisation	68	191
Other general expenses	1,935	3,145
	<u>9,357</u>	<u>14,351</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.

Other general expenses

Other general expenses comprise, amongst others, of marketing, housing, insurance and travel costs and unrecoverable VAT.

12. NET FINANCIAL RESULT

	Period till 30 June 2024	2023
	€1,000	€1,000
Other interest (income) / expenses	(4)	(42)
Realised loss on investments	82	36
Unrealised gains on investments	(582)	(803)
Exchange rate differences	5	62
Net financial results	<u>(499)</u>	<u>(747)</u>

Interest expenses and result on financial assets

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. CORPORATE INCOME TAX

CAM forms in a fiscal unity with Cardano Risk Management B.V. and Cardano Nederland B.V. The tax rate for NL is 19% (2023: 19%) over the fiscal result up to € 200,000 (2023: € 200,000). Fiscal results exceeding € 200.000 will be taxed at 25.8%.

14. RELATED PARTY TRANSACTIONS

During the period till 30 June 2024 Cardano Holding Limited has allocated costs to CAM for an amount of € 119,862 (2023: € 222,823) in relation to management charge, an amount of € 187,496 (2023: € 318,595) in relation to the group infrastructure and an amount of € 51,182 (2023: € 0) in relation to sustainability recharges.

During the period till 30 June 2024 Cardano Risk Management Limited has charged to CAM an amount of € 193,945 (2023: € 0) in relation to management services.

During the period till 30 June 2024 Cardano Risk Management B.V. has recharged an amount of € 11,668,847 (2023: € 18,133,338) to CAM. Included in this amount is the recharge of € 10,201,339 (2023: € 14,140,896) relating to personnel costs.

During the period Cardano Nederland B.V. has recharged an amount of € 1,448,070 (2023: € 0) to CAM in relation to management and shared services.

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

15. DIRECTORS' REMUNERATION

The key management personnel consists exclusively of the members of the CAM Management Board. The CAM Management Board comprised of 5 employees as of 30 June 2024 (31 December 2023: 4).

There are no loans, advances and guarantees outstanding on 30 June 2024 (and 31 December 2023) granted to key management personnel.

16. SUBSEQUENT EVENTS

In July 2024 the Company has paid a dividend of €8 million.

COMPANY BALANCE SHEET

As at 30 June 2024 (before proposed allocation of result)

		30 June 2024	31 December 2023
		€1,000	€1,000
ASSETS			
NON-CURRENT ASSETS			
Subsidiaries	1	592	515
CURRENT ASSETS			
Financial assets		34,208	21,885
Receivables		15,768	13,739
Cash and cash equivalents		503	4,154
		50,479	39,778
TOTAL ASSETS		51,071	40,293
EQUITY AND LIABILITIES			
EQUITY			
Share capital		45	45
Share premium reserve		29,777	29,777
Other reserves		(2,239)	17
Result for the year		1,028	(2,256)
		28,611	27,583
CURRENT LIABILITIES		22,460	12,710
TOTAL EQUITY AND LIABILITIES		51,071	40,293

The notes are an integral part of these company financial statements

COMPANY INCOME STATEMENT

For the financial year ended 30 June 2024

		Period till 30 June 2024	2023
		€1,000	€1,000
Income			
Asset management fee income		23,200	32,372
Asset management fee expenses		<u>3,124</u>	<u>5,868</u>
Net fee income		20,076	26,504
Share in result subsidiaries	3	<u>77</u>	<u>115</u>
Total income		20,153	26,619
Operating expenses			
Employee benefits expenses		9,935	16,095
Other operating expenses		<u>9,358</u>	<u>14,351</u>
Total operating expenses		<u>19,293</u>	<u>30,446</u>
Operating result		860	(3,827)
Net financial result		<u>499</u>	<u>747</u>
Result before tax		1,359	(3,080)
Corporate income tax income		(331)	824
Net result after tax		<u>1,028</u>	<u>(2,256)</u>

The notes are an integral part of these company financial statements

NOTES TO THE COMPANY FINANCIAL STATEMENTS

ACCOUNTING POLICIES FOR THE COMPANY FINANCIAL STATEMENTS

General

Where applicable, for items not described in this section, the accounting policies applied for the company financial statements are the same as those described in the section 2 “Accounting policies and valuation principles” of the consolidated financial statements.

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 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

	30 June 2024	2023
	€1,000	€1,000
Balance as at 1 January	515	400
Result	<u>77</u>	<u>115</u>
Balance	<u>592</u>	<u>515</u>

2. RELATED PARTIES

Intra-group balances and transactions between CAM and its subsidiary, Cardano Sense B.V.

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. 30 June 2024 of € 77 thousand (2023: € 115 thousand).

Rotterdam, 23 August 2024

CARDANO ASSET MANAGEMENT N.V.

H.H.J.G. Naus, CEO

E.R. de Beijer-van der Vorst, CCO

M.C. Strijbos, CFRO

J. Sunderman, Head of Sustainable Asset Management

M.E. Petit, Head of Investment Solutions