

ACTIAM N.V.

CONSOLIDATED ANNUAL REPORT 2022

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REPORT OF THE BOARD OF DIRECTORS

Who we are

ACTIAM N.V. 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

ACTIAM N.V. (ACTIAM) is an Alternative Investment Fund Manager (AIFM) and asset manager and was, until the completion of the acquisition of ACTIAM by Cardano Risk Management B.V. on 1 January 2022, a wholly owned subsidiary of Athora Netherlands N.V. ACTIAM 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.

ACTIAM 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 (previously known as: ACTIAM Duurzaam Euro Obligatiefonds);
- 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;
- Zwitserleven Beleggingsfondsen;
- Zwitserleven Institutionele Beleggingsfondsen;
- Amerika Aandelenpool; and
- Global Emerging Markets Equity Pool.

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Key strengths

ACTIAM 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. ACTIAM's mission is to deliver relevant investment solutions, maximizing longer-term financial, environmental and social returns. At ACTIAM, financial and social return go together. This makes ACTIAM "Responsible for growth".

Headquarters

Rotterdam

Business review ACTIAM 2022

ACTIAM was successfully integrated into the Cardano NL organisation in the first half of 2022. Given that ACTIAM 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, ACTIAM continues to improve its disclosure and contribute to industry standards to increase transparency towards customers. For example, ACTIAM 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 ACTIAM

Already in 2015, just after the Paris Climate Agreement was agreed upon, ACTIAM 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, ACTIAM has surpassed this target.

Parallel, ACTIAM 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, ACTIAM 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).

ACTIAM 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. ACTIAM 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 ACTIAM's climate strategy document.

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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.

In 2022, we 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 ACTIAM'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 ACTIAM in January 2022. While we previously had strong sustainability commitments in place, ACTIAM places us firmly at the top of the league.

ACTIAM'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 ACTIAM'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.

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ACTIAM'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, ACTIAM 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 ACTIAM, 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 ACTIAM 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

In February 2022, 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, ACTIAM 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.

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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 ACTIAM, 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.

Remuneration policy

This section describes ACTIAM's remuneration policy and explains how the policy is implemented in practice. Due to the transfer of all shares in ACTIAM N.V. by Athora Netherlands N.V. ("Athora Netherlands") to Cardano Risk Management B.V. ("Cardano Risk Management") on 1 January 2022, ACTIAM's remuneration policy is now subject to Cardano Risk Management's remuneration policy.

The objective of the remuneration policy is to recruit and retain highly qualified staff and to motivate employees to perform at a high level, and, in this context, to provide appropriate remuneration that contributes to ACTIAM's sustainable business and human resources policies for all employees. ACTIAM aims to achieve long-term value creation and has therefore chosen to formulate Sustainable Development Goals ("SDGs") as a guideline for the further development of its Corporate Social Responsibility Policy. Based on the SDGs, ACTIAM's human resources policy principles are aimed at ensuring high performance of the employees and focus on their personal growth through development of their talents. This should enable the customers of ACTIAM to benefit from this growth.

ACTIAM operates a careful, controlled and sustainable remuneration policy which is in line with ACTIAM's business and risk management strategy, its risk profile, objectives and risk management practices. The remuneration policy is in accordance with and contributes to solid and effective risk management and does not encourage risktaking that is in breach of ACTIAM' policies and risk appetite. A guiding principle of the remuneration policy is that it does not encourage employees of ACTIAM to take more risks than considered responsible within the context of ensuring that the highest regard is provided to the interests of clients and investors in the funds that are managed by ACTIAM. The remuneration policy has been drawn up in compliance with existing legislation and regulation and takes into account the long-term interests of ACTIAM and its stakeholders.

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ACTIAM is aware of its position within the society, the crucial role of the financial sector in the society, and the importance of trust in this sector. As such, ACTIAM as part of Cardano Risk Management has a strong governance framework in place to ensure that employees are remunerated in a manner that is aligned with the interests of all stakeholders involved. In order to be able to recruit and retain sufficiently qualified staff to carry out fund and asset management activities, both the relevant bodies within ACTIAM and the Workers Council consider it important to offer variable remuneration.

In establishing the remuneration policy and the underlying remuneration policies, ACTIAM consulted with the Workers Council in order to establish a remuneration policy that finds support among all stakeholders and society at large.

Governance

The remuneration policy of ACTIAM is designed within the framework of Cardano Group Remuneration Policy, of which Cardano Risk Management is a part, whilst making allowance for rules and regulations governing ACTIAM in its capacity as a fund manager under the AIFM Directive. ACTIAM's remuneration policy is in that respect based on the Alternative Investment Fund Managers Directive 2011/61/EU ("AIFMD") and the ESMA Guidelines on sound remuneration policies under the AIFMD ("ESMA Guidelines").

The remuneration policy is in line with the Dutch Financial Undertakings Remuneration Policy Act (Wet Beloningsbeleid Financiële Ondernemingen or "Wbfo") which is incorporated in the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht or "Wft / FMSA"), the Commission Delegated Regulation (EU) 2015/35 ("Solvency II") and the Guidelines on System of Governance of the European Insurance and Occupational Pensions Authority ("EIOPA Guidelines").

Control functions

Control functions are departments that are responsible for the control and supervision of operations as well as the risks arising from those operations, and in doing so operate independently from the organisation. Control functions play an active role in drafting, applying and monitoring ACTIAM's remuneration policy. For this reason, officers in control functions are subject to additional rules aimed at safeguarding their independence in case they are eligible to receive variable remuneration, as set out in the remuneration policies.

Identified staff

According to Article 20 of the ESMA Guidelines, unless it is demonstrated that they have no material impact on the AIFM's risk profile or on an AIF it manages, the following categories of staff should be defined as 'Identified Staff':

- Executive and non-executive members of the governing body of the AIFM, depending on the local legal structure of the AIFM, such as: directors, the chief executive officer and/ or executive and non-executive partners;
- Senior management;
- Control functions;
- Staff responsible for heading the portfolio management, administration, marketing, human resources;
- Other risk takers such as: staff members, whose professional activities – either individually or collectively, as members of a group (e.g. a unit or part of a department) – can exert material influence on the AIFM's risk profile or on an AIF it manages, including persons capable of entering into contracts/positions and taking decisions that materially affect the risk positions of the AIFM or of an AIF it manages. Such staff can include, for instance, sales persons, individual traders and specific trading desks.

Apart from certain specific requirements applicable to variable remuneration within ACTIAM, the provisions of the ACTIAM remuneration policy, the Personnel Manual of Cardano Risk Management B.V. and the ACTIAM Variable Remuneration Policies apply equally to Identified Staff and staff not qualifying as Identified Staff.

During 2022, the Remuneration Committee of the Cardano Group ("Remuneration Committee"), comprising of the Management Board members and/or specialists from HR, Legal and Finance, was involved in administering the remuneration policy. The members of the Remuneration Committee are able and expected to provide input upon request concerning decisions taken by the Management Board of ACTIAM on the following subjects: (i) the determination of the Identified Staff (as defined hereabove);

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(ii) the remuneration policy and other remuneration policies; (iii) the setting of Key Performance Indicators (“KPIs”), (iv) the processes concerning variable pay, and (v) *any other material remuneration matters*.

The Management Board of ACTIAM takes decisions regarding the hiring of applicants and the remuneration of ACTIAM's employees. As a result of Cardano Risk Management's acquisition of ACTIAM, governance was changed in 2022.

Emoluments

The remuneration of ACTIAM employees consists of a fixed annual salary, a variable remuneration, a pension scheme and other fringe benefits. ACTIAM has separate variable remuneration schemes for Identified Staff employees and non-Identified Staff employees.

ACTIAM periodically participates in market surveys, which maps out the remuneration policies of similar fund and asset managers. ACTIAM uses the outcomes of the surveys to gain an understanding of the competitiveness of its remuneration policy and to benchmark its remuneration policy against best practices in the market.

Fixed remuneration

The fixed annual gross salary consists of a fixed annual gross salary, which includes a holiday allowance of 8% and a 13th month payment of 8.33% and, to the extent applicable, other fixed allowances. The annual gross salary is based on the applicable salary scales. Employees are entitled, according to the CLA, to an annual increase. This periodic increase in salary is linked to the extent to which the employee is judged to have grown in his or her role (achievement on competences) and depends on the relative salary position. The precise link between the competence assessment and the pay rise, is as follows: Insufficient : 0.0%; Almost sufficient : 0.0%; Good : 2.6%; Very good : 3.3%; Excellent : 4.0%. Fixed remuneration should represent a sufficiently high proportion of the total direct compensation, which is in line with the level of expertise, years of experience and required skills. Job functions are independently evaluated per employee, the outcome of this evaluation results in a certain salary scale which will be applied to the employees in scope. As of 1 January 2023, changes to remuneration policies and (individual and group) performance and results will play a greater role in appraisals and related increases.

Pension

All ACTIAM employees participated in the same pension scheme of Athora Netherlands in 2022. This scheme is a Collective Defined Contribution (“CDC”) pension scheme, which is based on a pension accrual including an employee contribution of 4,5%. The scheme qualifies as a defined contribution scheme for IAS 19 purposes. The contributions are paid by Cardano Risk Management B.V. and employees respectively as employer and employee contributions. For employees who were employed before December 31, 2017 and with a salary exceeding the maximum pensionable salary for pension accrual, a compensation for the loss of pension accrual is applied. The compensation will consist of a permanent supplement payment as long as a maximum pensionable salary applies. The annual compensation is 16.35% of the fixed annual gross pensionable salary (according to the CLA 2017) minus the maximum amount for pension accrual referred to in article 18ga of the Wage Tax Act 1964 (2015: € 100,000 gross; 2022: € 114,866). The permanent supplement payment is not pensionable and is not taken into account for the calculation of severance payments, including the transition fee (“transitievergoeding”) or any other wage components or benefits. ACTIAM does not award discretionary pensions. From 1 January 2023, all employees of ACTIAM will participate in a pension scheme through Zwitserleven PPI N.V.

Variable remuneration and performance targets

Variable remuneration in 2022 was based on achievements of pre-set performance targets for employees in scope. The performance cycle starts with setting the performance targets (“KPIs”) for the financial year. The performance targets set are in line with the company targets and ACTIAM's mission and vision. Under the variable remuneration schemes, clear and measurable KPIs are defined for the performance period. The award of variable remuneration is contingent upon these KPIs being achieved. The KPIs pertain to both financial (financial targets are maximised to up to 50%) and non-financial targets. The most important KPIs relate to the quality of ACTIAM's commercial results, financial results, ESG targets, investment performance, operating processes and risk management. The ACTIAM ESG

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targets incentivise portfolio managers to select investments in entities that better manage their sustainability risks and/or take advantage of sustainability related opportunities.

In the first quarter of 2022 KPIs were set on a company, department and individual level. Among other things, these KPIs relate to cost control, growth, ESG targets, customer satisfaction, leadership demonstrated, risk & control, solvency ratios, compliance, meeting licensing requirements and personal targets. More than 50% of the KPIs were set as non-financial KPIs.

In addition to the KPIs, competencies for personal development were established to which staff should adhere. These personal development skills (with a maximum of three) were chosen from the company's existing range of corporate values with two general skills, which are excellence and focus and a personal skill, that refers to development of one's own talent.

General premises KPIs

Where relevant and possible, in setting KPIs allowance is made for the following ACTIAM stakeholders:

- clients and/or investors in funds managed by ACTIAM;
- the employee;
- Cardano Risk Management B.V.;
- society at large.

A maximum of 50% of the KPIs may relate to financial targets. For employees in control and monitoring functions, such as the Risk Management department, non-financial KPIs are set. The maximum level of variable remuneration as defined by the Wbfo is applicable to all employees of ACTIAM. Pursuant to the Wbfo, the variable remuneration of an employee of a financial enterprise may not exceed 20% of the fixed remuneration.

However, this maximum does not apply to employees of alternative investment fund managers with a license under the AIFM Directive such as ACTIAM. The level of variable remuneration within ACTIAM is capped at 100% of the annual fixed salary for senior portfolio managers and is allowed only in the event of extraordinary performance, while a lower cap applies for other functions.

For Identified Staff, specific rules apply for setting performance targets and KPIs, determining the extent to which performance targets have been achieved, and setting and paying variable remuneration. The performance targets and KPIs are subject to an ex ante and ex post risk assessment.

In addition to being assigned KPIs, employees are expected to determine their own competence focus points, enabling and encouraging personal development. These personal development focus points are set for each individual employee and chosen for ACTIAM, with the two most important competencies being result driven and having customer focus.

Awarding variable remuneration

Variable remuneration is awarded after assessing the extent to which the pre-defined KPIs have been achieved. This assessment includes relevant input from, amongst others, the Risk Management department and the Compliance Officer as part of an ex-post risk assessment. For this process, the results and incentives are recorded in a centralised database. The final decision regarding the awarding of variable remuneration is made by the Management Board of ACTIAM, following approval by the Remuneration Committee. The guiding principles, including knockouts, are applied before any variable remuneration is granted.

Variable remuneration is awarded, when applicable, immediately in cash for non-identified staff. For Identified Staff variable remuneration is awarded in two parts: an immediate/unconditional part (60%) and a deferred/ conditional part (40%).

The deferred portion of the variable remuneration is granted three years later, provided specific conditions are met. For senior portfolio managers a three-year return target is set which has to be achieved before they become entitled to the deferred part. The deferred part of the variable remuneration may be adjusted downwards based on an ex post risk assessment.

The level of variable remuneration within ACTIAM is maximised at 100% of the annual fixed salary for senior portfolio managers and only in the event of stretched performances, where a lower maximum applies for other functions.

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Hold back & claw back

ACTIAM has the power to hold back or claw back all or part of any variable pay awarded in accordance with Article 2:135(6) & (8) of the Dutch Civil Code in conjunction with Section 1:127(2) & (3) Wft. Whole or partial hold back or claw back will take place in any case if the employee has not met relevant competence standards and standards of appropriate conduct, or was responsible for conduct that has led to a considerable deterioration of the financial position of ACTIAM.

Sign-on bonus & retention bonus

ACTIAM exercises great restraint in offering such arrangements as a sign-on bonus or a retention bonus. Such arrangements may be agreed to only if they are in accordance with the legislation and regulations and in accordance with ACTIAM's governance.

Other benefits

Depending on the position on the salary scale, a number of senior managers within ACTIAM are eligible for a lease car or a lease car allowance. The cars to be leased should in this respect be 100% electric.

Severance payment

If and to the extent that an employee is entitled to severance pay, such payment will be equal to the transition fee ("transitievergoeding") within the meaning of Article 7:673 of the Dutch Civil Code, unless (i) the relevant employee is able to benefit from a different arrangement explicitly agreed during an advisory process with the Works Council or (ii) otherwise determined at the discretion of ACTIAM's Management Board and/or, as regards compensation for ACTIAM's Management Board or Identified Staff employees, the Management Board of ACTIAM has determined otherwise, and the payment has been approved by Cardano Risk Management B.V. No severance payment is due and payable if a contract is terminated at the employees own initiative, in case of severe misconduct or negligence on the part of the employee. A severance payment to day-to-day policy makers, which includes ACTIAM's Management Board, may not be in excess of 100% of the fixed annual gross salary.

Remuneration during the reporting period

In 2022, ACTIAM paid € 13.6 million in remuneration to its employees (in 2021: € 13.3 million). This breaks down into € 11.7 million as fixed remuneration (in 2021: € 11.7 million), while variable remuneration accounted for € 1.8 million (in 2021: € 1,6 million relating to the year 2021).

Fixed remuneration

According to the Collective Labour Agreement (Athora Netherlands 2021-2023 collective agreement), employees received a periodic salary increase on 1 February 2022, and a collective salary adjustment of 2.25% effective July 2022. For the Management Board ACTIAM (senior management) the previously mentioned was applied as well insofar the maximum of the scale was not reached.

Variable remuneration

The variable remuneration awarded in 2022 consisted of performance-based variable remuneration related to the fiscal year 2021 as well as deferred portions of variable pay from previous years.

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	IN CASH	IN SHARES	NET SHARES ¹	DEFERRED CASH PART ²	DEFERRED SHARES PART ³	DEFERRED SHARES NET ⁴
	2021	2021	2020	2018	2018	2017
Management	-	-	-	-	-	-
Identified Staff	€ 290,700	€ 290,700	€ 128,961	€ 165,332	€ 194,953	€ 67,687
Other employees	€ 684,000	-	-	-	-	-

¹ Cash distribution: net distribution of the value of the shares on which income tax was paid the previous year.

² Cash distribution (deferred portion)

³ Share distribution (deferred portion), where the recipient pays income tax on the value of the shares.

⁴ Cash distribution (deferred portion): net distribution of the value of the shares on which income tax was paid the previous

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ACTIAM has previously applied two retention schemes, the distribution on which may or may not be made in part during 2022.

Group 1: a deferred portion of a retention scheme offered in 2019 to specific employees of ACTIAM was implemented at the end of 2022, as the relevant conditions were met. The Identified Staff covered by this scheme were still entitled to a deferred portion of this retention scheme (3rd tranche), which was to be paid, in part, directly in cash and otherwise in the form of shares. In December 2022, this third tranche was distributed to five employees.

2022/group 1	ACTIAM RETAINED AMOUNT 2019 - IN SHARES	ACTIAM RETAINED AMOUNT 2019 - DIRECTLY IN CASH	TOTAL	TOTAL NUMBER OF EMPLOYEES
Identified Staff	€ 6,208	€ 12,279	€ 18,487	5

Group 2: a retention scheme offered in May 2021 to specific employees in view of the intended sale of ACTIAM during 2021 was partially paid out at the end of 2022, as the relevant conditions were met. Employees qualifying as Non-Identified Staff received this retention bonus directly in cash at the end of December 2022. Employees qualifying as Identified Staff therefore received their retention bonus in part in 2022 and will receive three more instalment payments up to 2025.

In December 2022, the following distributions were paid to 16 employees under this retention scheme.

2022/group 2 (Cardano)	ACTIAM RETAINED AMOUNT 2019 - IN SHARES	ACTIAM RETAINED AMOUNT 2019 - DIRECTLY IN CASH	TOTAL	TOTAL NUMBER OF EMPLOYEES
Identified Staff	€ 127,521	€ 127,521	€ 255,042	12
Non-Identified Staff	€ 56,532	-	€ 56,532	4
Total	€ 184,053	€ 127,521	€ 311,574	16

The table below shows statistics on the remuneration awarded in 2021 and 2022.

	NUMBER OF RECIPIENTS ¹		FIXED REMUNERATION IN EURO ²		VARIABLE REMUNERATION IN EURO	
	2022	2021	2022	2021	2022	2021
Members of the Management Board ³	5	3	€ 1,454,030	€ 1,102,151	-	€ 41,028
Identified Staff ⁴	31	35	€ 5,443,782	€ 5,422,618	€ 1,138,334	€ 836,909
Other employees	59	63	€ 4,833,929	€ 5,154,690	€ 684,000	€ 707,705
Total	95	101	€ 11,731,741	€ 11,679,459	€ 1,822,334	€ 1,585,642

¹ Due to the in and outflow of employees, the number of recipients is higher than the average staffing level.

² Including social security contributions, pension contributions and other remuneration paid.

³ Members of management are Identified Staff and are shown separately in this table.

⁴ Identified Staff includes employees subject to by Athora Netherlands' collective agreement.

Number of employees with remuneration exceeding € 1 million

REPORT OF THE BOARD OF DIRECTORS

In 2022, no ACTIAM employees received total remuneration exceeding € 1 million.

Outlook ACTIAM 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-ACTIAM have founded Young Cardano ACTIAM. A society run for and by 'under-35 staff' within the organisation. In June 2023 ACTIAM will be 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, ACTIAM 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 ACTIAM meets the needs of (future) clients who are looking for a broader set of capabilities than ACTIAM 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.

Rotterdam, 29 June, 2023

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

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 31 December 2022 (before proposed allocation of result)

		<u>31 December 2022</u>	<u>31 December 2021</u>
		€1,000	€1,000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	-	4
Financial assets	4	24,152	29,423
		<u>24,152</u>	<u>29,427</u>
CURRENT ASSETS			
Receivables	5	9,846	9,996
Cash and cash equivalents	6	9,010	6,789
		<u>18,856</u>	<u>16,785</u>
TOTAL ASSETS		<u>43,008</u>	<u>46,212</u>
EQUITY AND LIABILITIES			
EQUITY			
	7		
Share capital		45	45
Share premium reserve		29,777	29,777
Other reserves		4,271	5,527
Result for the year		(4,254)	(1,256)
		<u>29,839</u>	<u>34,093</u>
CURRENT LIABILITIES	8	13,169	12,119
TOTAL EQUITY AND LIABILITIES		<u>43,008</u>	<u>46,212</u>

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

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2022

		2022	2021
		€1,000	€1,000
Income			
Asset management fee income	9	32,111	41,432
Asset management fee expenses	10	<u>5,871</u>	<u>7,870</u>
Net fee income		26,240	33,562
Operating expenses			
Employee benefits expenses	11	15,616	19,236
Depreciation non-current assets		4	3
Other operating expenses	12	<u>16,228</u>	<u>15,801</u>
Total operating expenses		<u>31,848</u>	<u>35,040</u>
Operating result		(5,608)	(1,478)
Net financial result	13	<u>(66)</u>	<u>(204)</u>
Result before tax		(5,674)	(1,682)
Corporate income tax income	14	1,420	426
Net result after tax		<u>(4,254)</u>	<u>(1,256)</u>

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

CONSOLIDATED CASH FLOW STATEMENT
 For the financial year ended 31 December 2022

	2022	2021
	€1,000	€1,000
Cash flow from operating activities		
Operating result before tax	(5,674)	(1,682)
<i>Changes/modifications for:</i>		
Depreciation and amortisation of non-current assets	4	3
Taxes (paid) received	-	-
<i>Movements in working capital:</i>		
Receivables	1,569	(1,797)
Liabilities	1,050	(4,988)
	2,619	(6,785)
Interest paid	12	1
Corporate income tax paid	-	-
	12	1
Net cash used in operating activities	(3,039)	(8,463)
Cash flow from investment activities		
Sale and redemption of financial assets (shares and bonds)	5,311	12,500
Net cash from investing activities	5,311	12,500
Increase in cash and cash equivalents	2,272	4,037
Movement in cash and bank		
Balance as at January 1	6,789	2,752
Effect of exchange rate differences	(51)	0
Movement for the year	2,272	4,037
Balance as at December 31	9,010	6,789

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

1.1 General information

ACTIAM N.V. (ACTIAM or the Company) is a fund manager and asset manager. The registered and actual address of ACTIAM 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

As at 1 January 2022 the Company was sold by Athora Netherlands N.V. to Cardano Risk Management B.V. As of that date 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 ACTIAM are included in the consolidated financial statements of Gerolamo Holding S.a.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 which 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.

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 financial statements

Comparative numbers

The accounting and valuation principles applied have changed in respect to the previous year. The changes in fair value of the financial assets are designated through profit and loss instead of through equity which was applied in 2021. The presentation of the comparative period has been changed to align with the current period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following adjustments are made to the 2021 balances:

	NEW 2021	OLD 2021
	1,000	1,000
Adjustments per 01.01		
Revaluation reserve	-	22
Other reserves	10,185	10,163
Adjustments for the year		
Addition to the revaluation reserve	-	20
Loss for the year	(1,236)	(1,256)

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.

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 ACTIAM, its group companies and other entities in which it exercises control or whose central management it conducts. Group companies are entities in which ACTIAM 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 ACTIAM exercises control or whose central management it conducts are consolidated in full from the date on which control is transferred to ACTIAM 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 ACTIAM. 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 ACTIAM and its wholly owned subsidiary ACTIAM Sense B.V., which was established in November 2021. ACTIAM Sense B.V. has its registered office located in Amsterdam, the Netherlands.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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 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 ACTIAM 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 ACTIAM is executed upon receipt of an assessment after filing the corporate income tax return.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

Expenses

Operating expenses consist primarily of employee benefits expenses (in 2022, all employed personnel was hired by Cardano Risk Management B.V. (2021: by Athora Netherlands) and the employee benefits expenses were charged to ACTIAM).

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT

	31 December 2022	31 December 2021
	1,000	1,000
IT equipment	-	4
Accumulated acquisition costs	-	13
Accumulated depreciation	-	(9)
Total	-	4
At 1 January	4	7
Depreciation	(4)	(3)
Closing balance	-	4

4. FINANCIAL ASSETS

	31 December 2022	31 December 2021
	1,000	1,000
Shares	24,152	29,423

The portfolio consists of investments in a money market fund, which invests primarily in first-tier securities. At the end of 2021, additionally the shares portfolio consisted of investments in ACTIAM Duurzaam Mixfonds Neutraal.

	31 December 2022	31 December 2021
	1.000	1.000
Balance at 1 January	29.423	42.121
Purchases and advances	29.163	-
Disposals and redemptions	-34.428	-12.500
Revaluations	-6	-198
Impairments	-	-
Dividend received / negative distribution	-	-
Balance at 31 December	24.152	29.423

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. RECEIVABLES

	31 December 2022	31 December 2021
	1,000	1,000
Trade receivables	17	295
<i>Group companies</i>		
- Receivables from previous group companies	-	5,122
<i>Other receivables, prepayments and accrued income</i>		
- Asset management fees to be received	6,075	1,780
- Other receivables and prepaid expenses	358	822
- Corporate income tax	3,396	1,977
Total receivables	9,846	9,996

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.

Receivables from previous group companies

As at 31 December 2021, before the sale of the Company to the Cardano Group, the Company had receivables from SRLEV and Zwitserleven PPI, both belonging to the Athora Group. For the purpose of these financial statements they are presented as "Receivables from previous group companies".

6. 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.

7. EQUITY

	Share capital €1,000	Share premium €1,000	Other reserves €1,000	Result for the year €1,000	Total €1,000
Book value as at January 1, 2021	45	29,777	10,185	(4,658)	35,349
Addition to the reserve	-	-	(4,658)	4,658	-
Revaluation assets	-	-	-	-	-
Result for the year	-	-	-	(1,256)	(1,256)
Book value as at December 31, 2021	45	29,777	5,527	(1,256)	34,093
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	-	-	-	(4,254)	(4,254)
Book value as at December 31, 2022	45	29,777	4,271	(4,254)	29,839

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ACTIAM'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 € 17.588 million (31 December 2021: € 19.5 million) according to the 2022 ICLAAP performed by the Management Board in close cooperation with Risk Management. At the end of the reporting period ACTIAM's equity was € 30 million.

8. CURRENT LIABILITIES

	31 December 2022	31 December 2021
	1,000	1,000
Trade creditors	1,001	-
<i>Group companies</i>		
- Payables to previous group companies	-	2,906
- Cardano Risk Management BV	4,086	-
- Cardano Holding Limited	305	-
- Cardano Risk Management Limited	113	-
<i>Taxes and social securities</i>		
- Value Added Tax	443	-
<i>Other current liabilities</i>		
- Variable remuneration and allowances payable	4,925	2,991
- Management fees payable	-	1,969
- Other liabilities	2,296	4,253
Total current liabilities	<u>13,169</u>	<u>12,119</u>

Debts to group companies

Per 31 December 2022 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. As at 31 December 2021 ACTIAM still belonged to Athora Netherlands. For the purpose of these financial statements the intra-group balance with Athora Netherlands has been classified as "Payables to previous group companies".

Accrued liabilities

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

9. ASSET MANAGEMENT FEE INCOME

	2022	2021
	1,000	1,000
Net asset management fee income	<u>32,111</u>	<u>41,432</u>

Asset management fee income

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. ASSET MANAGEMENT FEE EXPENSES

	2022	2021
	1,000	1,000
Costs of outsourced asset management	3,318	4,946
Custodial fees	2,553	2,924
	<u>5,871</u>	<u>7,870</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.

11. EMPLOYEE BENEFITS EXPENSES

	2022	2021
	1,000	1,000
Wages and salaries	11,670	12,741
Pension costs	1,232	2,036
Social security contributions	788	1,534
Other personnel expenses	1,926	2,925
	<u>15,616</u>	<u>19,236</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 (2021: Athora Netherlands) payroll and indirect expenses recharged by Cardano Risk Management B.V. (2021: Athora Netherlands). ACTIAM's number of internal FTE's is 74 on 31 December 2022 (31 December 2021: 68).

12. OTHER OPERATING EXPENSES

	2022	2021
	1,000	1,000
Administrative, accounting and reporting costs	8,209	8,181
Cost data vendors	2,922	2,757
Recharged expenses	391	1,750
Costs external advisors	867	1,480
Automatisation	206	267
Other general expenses	3,633	1,366
	<u>16,228</u>	<u>15,801</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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**13. NET FINANCIAL RESULTS**

	2022	2021
	1,000	1,000
Bank costs and other interest expenses	12	224
Realised losses on investments	28	-
Unrealised gains on investments	6	(20)
Exchange rate differences	20	-
Total finance income and expenses	66	204

Interest expenses and result on financial assets

This concerns interest paid on bank charges and results on financial assets. In 2021 results on financial assets consist of results on the shares portfolio.

14. CORPORATE INCOME TAX

ACTIAM is in a fiscal unity with Cardano Risk Limited. The tax rate for NL is 15% (2021: 16.5%) over the fiscal result up to € 395,000. Fiscal results exceeding € 395.000 will be taxed at 25.8%.

15. RELATED PARTY TRANSACTIONS

In 2022 Cardano Holding Limited has allocated costs to ACTIAM for an amount of € 170,423 in relation to management charge and an amount of € 107,767 in relation to the group infrastructure.

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

In 2022 Cardano Risk Management B.V. charged an amount of € 113,260 to ACTIAM. The amount was charged for market data. The transactions were undertaken on an arm's length basis.

In 2022 Cardano Risk Management B.V. has recharged an amount of € 13,883,038 to ACTIAM N.V. Included in this amount is the recharge of € 13,408,181 relating to personnel costs.

16. AUDIT FEES

In the financial year, the following fees of the audit firm Deloitte Accountants B.V. (2021: Ernst & Young Accountants LLP) were charged to the Company.

	2022	2021
	€1,000	€1,000
Statutory audit of annual accounts	65	55

17. DIRECTORS' REMUNERATION

The key management personnel consists exclusively of the members of the ACTIAM Management Board. The ACTIAM Management Board comprised of five employees as at 31 December 2022 (31 December 2021: 3).

The remunerations awarded to the directors amounted to:

	2022	2021
	€1,000	€1,000
Current directors	2,102	1,102

There are no loans, advances and guarantees outstanding on 31 December 2022 (and 31 December 2021) and/or granted to key management personnel during 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. APPROPRIATION OF THE RESULT

The loss for the financial year 2022 was charged to the retained earnings.

19. SUBSEQUENT EVENTS

ACTIAM N.V. was rebranded Cardano Asset Management B.V. as per 1 June 2023.

Other than mentioned above there are no subsequent events after the reporting period that have an impact on the consolidated financial statements.

COMPANY BALANCE SHEET

As at 31 December 2022 (before proposed allocation of result)

	<u>31 December 2022</u>	<u>31 December 2021</u>
	€1,000	€1,000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	-	4
Subsidiaries	1 400	69
Financial assets	24,152	29,423
	<u>24,552</u>	<u>29,496</u>
CURRENT ASSETS		
Receivables	9,446	9,927
Cash and cash equivalents	9,010	6,789
	<u>18,456</u>	<u>16,716</u>
TOTAL ASSETS	<u>43,008</u>	<u>46,212</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	45	45
Share premium reserve	29,777	29,777
Other reserves	4,271	5,527
Result for the year	(4,254)	(1,256)
	<u>29,839</u>	<u>34,093</u>
CURRENT LIABILITIES	13,169	12,119
TOTAL EQUITY AND LIABILITIES	<u>43,008</u>	<u>46,212</u>

The notes are an integral part of these company financial statements

COMPANY INCOME STATEMENT

For the financial year ended 31 December 2022

		2022	2021
		€1,000	€1,000
Income			
Asset management fee income		31,011	41,253
Asset management fee expenses		<u>5,871</u>	<u>7,870</u>
Net fee income		25,140	33,383
Share in result subsidiaries	3	<u>331</u>	<u>59</u>
Total income		25,471	33,442
Operating expenses			
Employee benefits expenses		14,957	19,136
Depreciation non-current assets		4	3
Other operating expenses		<u>16,228</u>	<u>15,801</u>
Total operating expenses		<u>31,189</u>	<u>34,940</u>
Operating result		(5,718)	(1,498)
Net financial result		<u>(66)</u>	<u>(184)</u>
Result before tax		(5,784)	(1,682)
Corporate income tax income		1,530	426
Net result after tax		<u>(4,254)</u>	<u>(1,256)</u>

The notes are an integral part of these company financial statements

ACCOUNTING POLICIES TO 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 ACTIAM N.V. has the power, directly or indirectly, to govern the financial and operating policies and that are controlled by ACTIAM N.V. 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 ACTIAM N.V. in the income statement. The distributable reserves of subsidiaries are recognised in retained earnings.

1. SUBSIDIARIES

	2022	2021
	€1,000	€1,000
Balance as at 1 January	69	-
Acquisitions	-	10
Result	331	59
Balance	<u>400</u>	<u>69</u>

2. RELATED PARTIES*Intra-group balances and transactions between ACTIAM and its subsidiary ACTIAM Sense*

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

3. SHARE IN RESULT OF SUBSIDIARIES

The share in result of subsidiaries consist of the net result of ACTIAM Sense B.V. 2022 of € 331 thousand (2021: € 59 thousand).

Rotterdam, June 29, 2023

ACTIAM N.V.

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

INDEPENDENT AUDITORS' REPORT

The independent auditors' report is enclosed on the next page.

INDEPENDENT AUDITOR'S REPORT

To the shareholders of ACTIAM N.V.

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

Our opinion

We have audited the financial statements 2022 of ACTIAM N.V., based in Rotterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of ACTIAM N.V. as at 31 December 2022, and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. The consolidated and company balance sheet as at 31 December 2022.
2. The consolidated and company profit and loss account for 2022.
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 ACTIAM N.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the board exercises oversight, as well as the outcomes.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due fraud is present.

We identified the following fraud risks and performed the following specific procedures:

Management override of controls:

We presume a risk of material misstatement due to fraud related to management override of controls. Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Procedures:

- Test related party relationships and transactions.
- Test appropriateness of journal entries.
- Test accounting estimates for bias.
- Test business rationale for significant or unusual transactions.
- Identified significant related party transactions outside the entity's normal course of business.
- Read minutes of the entity's meetings relevant to the audit.

Our procedures performed did not indicate that there is a materially misstatement due to fraud related to management override of controls.

We considered available information and made enquiries of relevant executives.

We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

We evaluated whether the selection and application of accounting policies by the entity, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.

We evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in the financial statements. We performed a retrospective review of management judgments and assumptions related to significant accounting estimates reflected in prior year financial statements. Impairment testing of intangible and fixed assets is a significant area to our audit as the determination whether these assets are not carried at more than their recoverable amounts is subject to significant management judgment.

For significant transactions we evaluated whether the business rationale of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.

This did not lead to indications for fraud potentially resulting in material misstatements.

Audit approach compliance with laws and regulations

We assessed the laws and regulations relevant to the entity through discussion with management and reading minutes.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: (corporate) tax law and the requirements under Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

Apart from these, the entity is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Given the nature of the entity's business and the complexity of these other laws and regulations, there is a risk of non-compliance with the requirements of such laws and regulations.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to the entity's ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of management and others within the entity as to whether the entity is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Audit approach going concern

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern.

We have prepared the following specific procedures to evaluate managements going concern estimate:

- We evaluated management's assessment of the entity's ability to continue as a going concern, for and also beyond the period of management's assessment. We performed a retrospective review of management judgments and assumptions related to going concern estimates reflected in prior year financial statements.
- We evaluated whether or conditions exist that may cast significant doubt on the entity's ability to continue as a going concern.

These procedures did not lead to indications that the company is not able to continue as a going concern, which is in line with management's assessment.

Report on the other information included in the annual report

The annual report contain other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of:

- Management Board's Report.
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Board is responsible for the preparation of the other information.

Description of responsibilities regarding the financial statements

Responsibilities of the Board for the financial statements

The Board 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, the Board is responsible for such internal control as the Board 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, the Board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board should prepare the financial statements using the going concern basis of accounting unless the Board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

- Concluding on the appropriateness of the Board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure, and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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 identified during our audit.

Amsterdam, 29 June 2023

Deloitte Accountants B.V.

Signed on the original: M. van Luijk