

HALF-YEAR REPORT 2023



GAM
Investments

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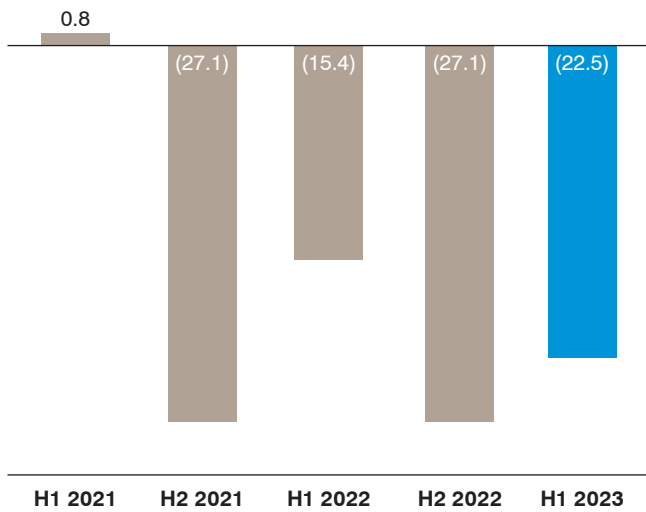
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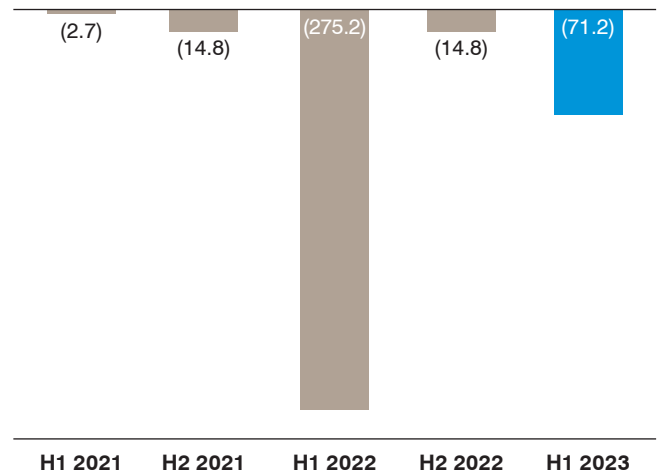
Underlying loss before taxes (CHF m)

CHF **(22.5)** m



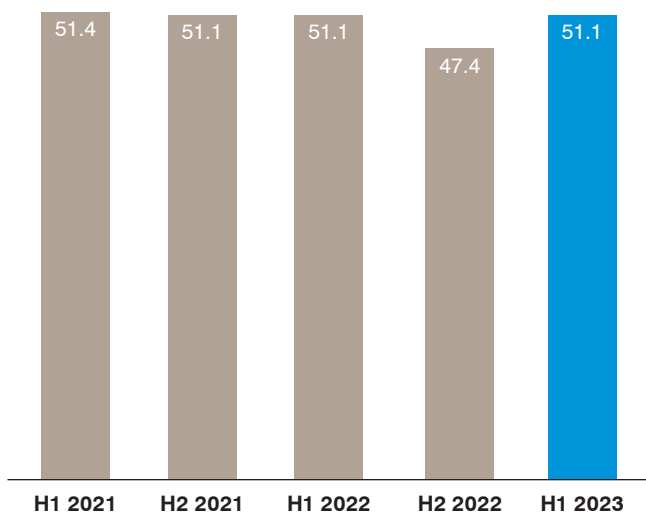
IFRS net loss (CHF m)

CHF **(71.2)** m



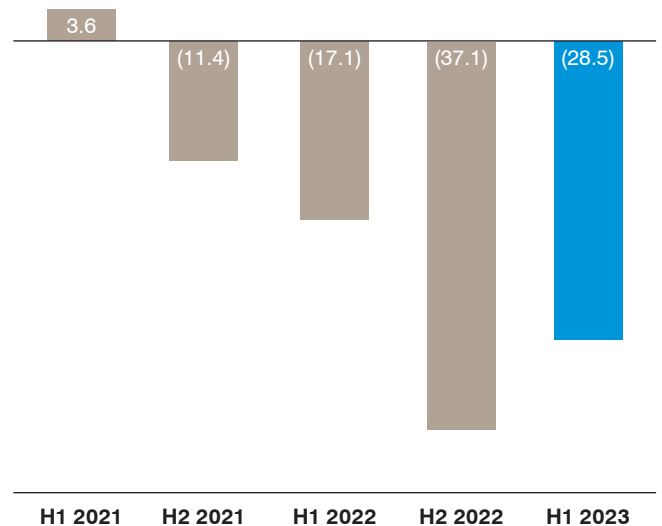
Management fee margin – investment management (bps)

51.1 bps



Operating margin (%)

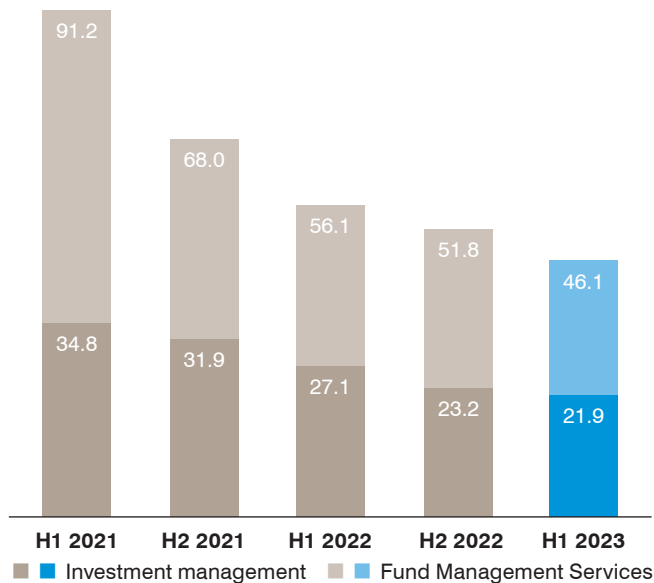
(28.5) %



KEY FIGURES

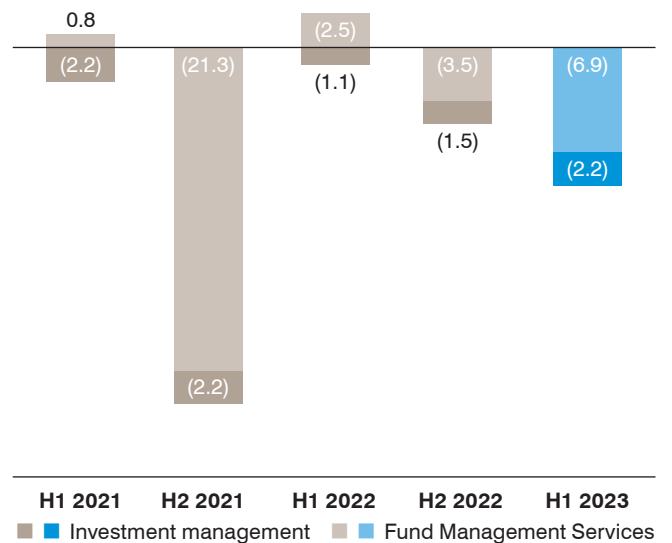
Assets under management (CHF bn)

CHF **68.0** bn



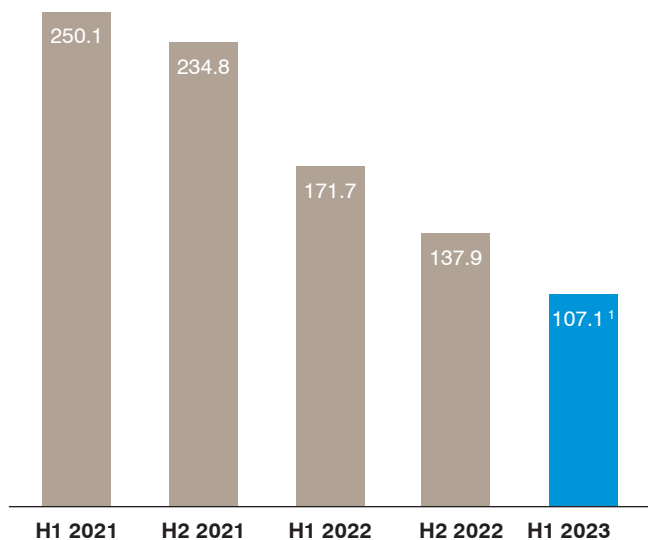
Net flows (CHF bn)

CHF **(9.1)** bn



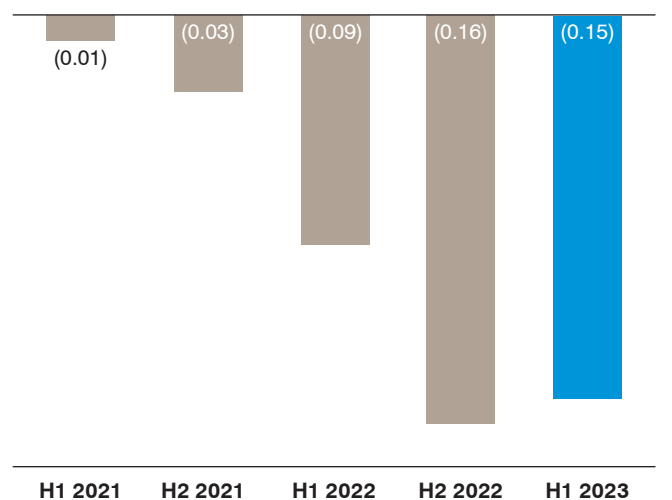
Net cash (CHF m)

CHF **107.1** m



Diluted underlying EPS (CHF)

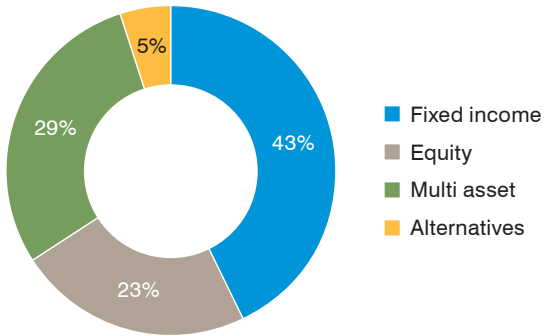
CHF **(0.15)**



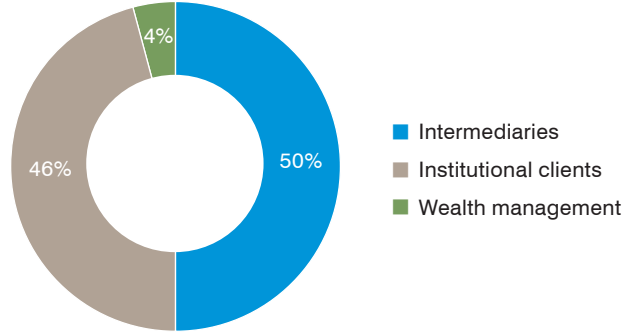
¹ Cash classified as assets held for sale of CHF 23.5 million is included as at 30 June 2023.

KEY FIGURES

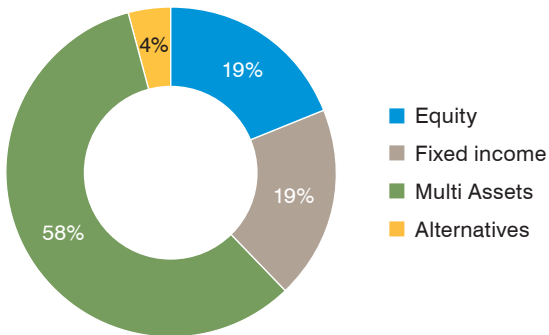
Investment management assets by capability



Investment management assets by client segment

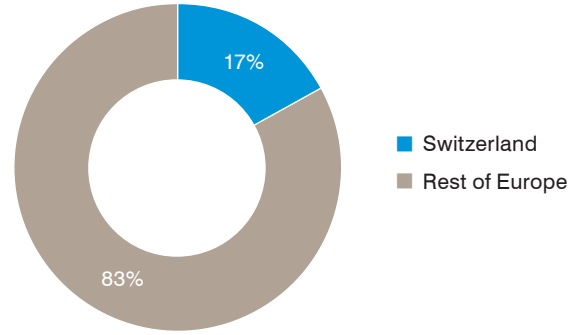


Fund Management Services assets by asset class¹



¹ Not including AuM managed for GAM funds.

Fund Management Services assets by fund domicile¹



¹ Not including AuM managed for GAM funds.

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Our businesses

Investment management

Assets under management totalled CHF 21.9 billion as at 30 June 2023, compared with CHF 23.2 billion as at 31 December 2022. The AuM reduction was driven by net outflows of CHF 2.2 billion partially offset by positive market movement and foreign exchange of CHF 0.9 billion.

Investment performance continues to be good. Year to date as at 30 June 2023, 71% of AuM in GAM funds outperformed their respective benchmarks. Over the three-year period to 30 June 2023, 90% of AuM in funds outperformed their respective benchmark, compared with 55% as at 31 December 2022. Over the five-year period to 30 June 2023, 56% of AuM in funds outperformed their respective benchmark,

compared with 55% as at 31 December 2022. Of GAM's AuM tracked by Morningstar, 69% and 71% outperformed their respective peer groups over the three- and five-year periods to 30 June 2023, respectively, compared with 66% and 67% as at 31 December 2022.

Our **fixed income** strategies saw net client outflows of CHF 1.0 billion.

In **equities**, net outflows amounted to CHF 0.2 billion

Our **multi asset** strategies saw outflows of CHF 0.6 billion.

Alternatives recorded net outflows of CHF 0.4 billion.

Investment management assets (CHF bn)

Asset Class	Opening AuM 1 Jan 2023	Net flows H1 2023	Market/FX H1 2023	Closing AuM 30 Jun 2023	Management fee margin H1 2023 (bps)
Fixed income	10.3	(1.0)	0.2	9.5	58.8
Multi asset	6.6	(0.6)	0.3	6.3	21.6
Equity	4.8	(0.2)	0.4	5.0	68.0
Alternatives	1.5	(0.4)	-	1.1	70.3
Total	23.2	(2.2)	0.9	21.9	51.1

Client segment	Opening AuM 1 Jan 2023	Net flows H1 2023	Market/FX H1 2023	Closing AuM 30 Jun 2023
Intermediaries	12.4	(1.3)	0.4	11.5
Institutional clients	9.7	(0.9)	0.6	9.4
Wealth management	1.1	-	(0.1)	1.0
Total	23.2	(2.2)	0.9	21.9

Investment performance¹

Asset Class	3 years 30 June 2023	3 years 31 Dec 2022	5 years 30 June 2023	5 years 31 Dec 2022
Fixed income	98%	48%	67%	48%
Equity	77%	68%	31%	68%
Alternatives	65%	59%	86%	67%
Total	90%	55%	56%	55%

¹ % of AuM in funds outperforming their benchmark (excluding mandates and segregated accounts). Three- and five-year investment performance based on applicable AuM of CHF 12.9 billion and CHF 12.9 billion, respectively.

Fund Management Services

As at 30 June 2023, AuM decreased to CHF 46.1 billion from CHF 51.8 billion as at 31 December 2022, with net outflows of CHF 6.9 billion partially offset by net positive market and foreign exchange movements of CHF 1.2 billion.

Wealth Management

Wealth Management assets under management in our Investment Management business, decreased to CHF 1.0 billion as at 30 June 2023 from CHF 1.1 billion as at 31 December 2022, driven by net negative market and foreign exchange movements of CHF 0.1 billion.

Financial review

Our financial result

In the first half of 2023, we reported an **IFRS net loss after tax of CHF 71.2 million**, compared with an IFRS net loss of CHF 275.2 million in the first half of 2022. The loss in the first half of 2023 was mainly driven by the **underlying net**

loss after tax of CHF 23.9 million and non-core items of CHF 47.1 million. Non-core items include the impairment of legacy brand intangible value of CHF 43.2 million which was originally created by the acquisition of GAM by Julius Baer in 2005.

Underlying net loss / IFRS net loss reconciliation

	H1 2023	H1 2022
IFRS net loss after tax	(71.2)	(275.2)
Income tax expense/(credit)	0.6	(0.7)
IFRS loss before taxes	(70.6)	(275.9)
Non-core items ¹	47.9	260.7
Acquisition-related items ²	0.2	(0.2)
Underlying loss before taxes	(22.5)	(15.4)
Underlying effective tax rate (%)	(6.2)%	9.1%

¹ Items which arise out of a business decision or an event outside the control of the business, resulting in a significant gain or loss being recognised in the P&L, which are not expected to be of a recurring nature.

² Items which are an accounting consequence of completed acquisitions, not directly relating to the operating activities of the acquired business.

Non-core and acquisition-related items excluded from underlying profits

The following items, all net of taxes, reflected in our results according to IFRS, are excluded from our underlying results:

Acquisition-related items, resulting in a net loss of CHF 0.2 million before taxes. In H1 2023, this includes adjustments to the financial liability relating to 40% of future GAM Systematic performance fees following the acquisition of GAM Systematic of CHF 0.1million and finance charges on the discounted liability of CHF 0.1 million. In the first half of 2022, the acquisition-related items resulted in a net gain of CHF 0.2 million, this included adjustments to the financial liability relating to 40% of future GAM Systematic performance fees following the acquisition of GAM Systematic of CHF 0.2 million, finance charges on the discounted liability of CHF 0.1 million and performance fees attributed to external interests of CHF 0.5 million.

Non-core items, resulting in a net loss of CHF 47.9 million before taxes were mainly related to the impairment of the legacy brand intangible value of CHF 43.2 million, net foreign exchange loss on pension loan note of CHF 1.1 million and CHF 3.5 million in respect of costs associated with the strategic review. In the first half of 2022, non-core items totalled CHF 260.7 million from a number of items, including the impairment of the legacy brand intangible value of CHF 263.6 million, net foreign exchange gains on pension loan note of CHF 4.5 million, and reorganisation charges of CHF 1.7 million in respect of redundancy payments.

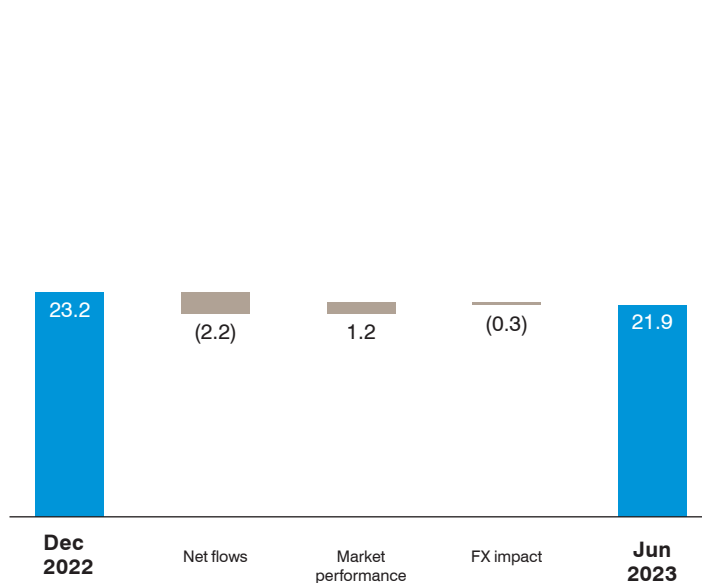
In order to ensure reader-friendliness, in the following chapter, we will be commenting on underlying Group KPIs. Whenever there is a difference relative to the IFRS numbers, these figures are disclosed and commented on separately.

How we report results

Our key performance indicators (KPIs) and business metrics reflect our internal approach to analysing our results and are disclosed externally. They guide us in managing the Group, making investment decisions and helping us gauge how successful we have been in the implementation of our strategy. See page 26 of our Annual Report 2022 for a summary of our Group KPIs.

Our results are reported in accordance with International Financial Reporting Standards (IFRS) but as in previous years, our internal analysis and external disclosure of our financial performance focuses on underlying profitability, which is considered by the Board of Directors as a better indicator of the performance and the future potential of our business. The adjustments we make from IFRS to underlying results are always related to specific non-core items or items related to acquisition activities, that in our view, are neither indicative of underlying performance of our business nor of its future potential. Where applicable, our KPIs are disclosed and discussed on the same adjusted basis.

Investment management AuM movements (CHF bn)



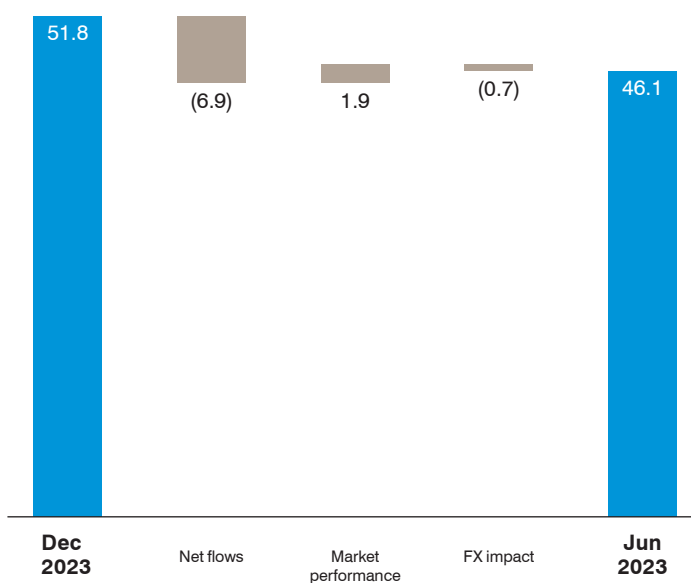
Assets under management and net flows

Group assets under management, including investment management and fund management services, were CHF 68.0 billion as at 30 June 2023, compared with CHF 75.0 billion as at 31 December 2022.

Investment Management saw total net outflows during the first half of 2023 of CHF 2.2 billion and net negative market and foreign exchange movements of CHF 0.9 billion. As at 30 June 2023, assets under management totalled CHF 21.9 billion, compared with CHF 23.2 billion as at 31 December 2022.

Fund Management Services assets under management were CHF 46.1 billion as at 30 June 2023, compared with CHF 51.8 billion as at 31 December 2022. Net outflows totalled CHF 6.9 billion, net positive market movements CHF 1.9 billions and net negative foreign exchange movements CHF 0.7 billion.

Fund Management Services AuM movements (CHF bn)



Income drivers and developments

Management fee margins

The management fee margin earned on investment management assets in the first half of 2023 was 51.1 basis points, compared with the average margin for financial year 2022 of 51.0 and 51.1 basis points for the first half of 2022. The change in average management fee margin reflects the mix of assets under management across products and client segments.

In fund management services, the management fee margin decreased to 3.6 basis points in the first half of 2023, compared with 4.3 basis points for the full year 2022 and 4.6 basis points for the first half of 2022. The decrease is driven by the impact of outflows in the higher margin products in the first half of 2023.

Management fees

Net management fee fees and commissions in the first half of 2023 totalled CHF 68.0 million, down from CHF 90.9 million in the first half of 2022 due primarily to lower average assets under management.

Performance fees

Underlying net performance fees totalled CHF 3.3 million, increased from CHF 2.6 million in the first half of 2022.

Net other expense

Underlying net other expense includes the net interest income and expenses, the impact of foreign exchange movements, net gains and losses on seed capital investments and hedging, as well as fund-related fees and service charges. In the first half of 2023, a net loss of CHF 2.2 million was recognised, compared with a CHF 0.6 million net gain in the first half of 2022. This was mainly driven by net foreign exchange loss, compared with a net gain in the corresponding period last year. The IFRS net other expense amounts to CHF 3.5 million. The difference between the underlying and the IFRS net other expense of CHF 1.3 million relates to the net foreign exchange loss on pension loan note.

Expense drivers and developments

Personnel expenses

Underlying personnel expenses decreased by 21% to CHF 49.0 million in the first half of 2023, compared with CHF 62.1 million in first half of 2022. Fixed personnel costs decreased by 14%, driven by continued lower headcount. Headcount stood at 519 FTEs as at 30 June 2023, compared with 541 FTEs as at 31 December 2022 and 594 FTEs as at 30 June 2022. Variable compensation fell to CHF 6.4 million from CHF 12.5 million in the first half of 2022, mainly due to lower management fees. This compares to IFRS personnel expenses of CHF 49.2 million. The difference between the underlying and the IFRS personnel expenses of CHF 0.2 million relates to a reorganisation charge. (For further information, see note 7 of the consolidated financial statements).

Compensation ratio

Our compensation ratio increased to 68.7% from 66.4 % in the first half of 2023, primarily driven by a 22.2% fall in net fee and commission income only partially offset by the 21% decline in personnel expenses.

General expenses

Underlying general expenses in the first half of 2023 were CHF 34.3 million, down from CHF 37.9 million in the corresponding period last year. Decreases in costs related to technology, data and research and occupancy. Professional fees and consulting fees increased on the corresponding period due to certain one-off costs. This compares to IFRS general expenses of CHF 37.7 million. The difference between the underlying and the IFRS general expenses of CHF 3.4 million mainly relates to the professional and consulting fees.

Depreciation and amortisation

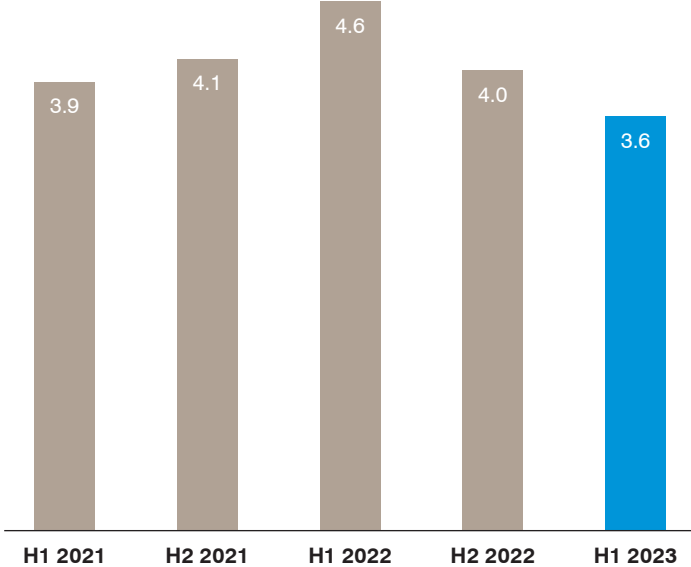
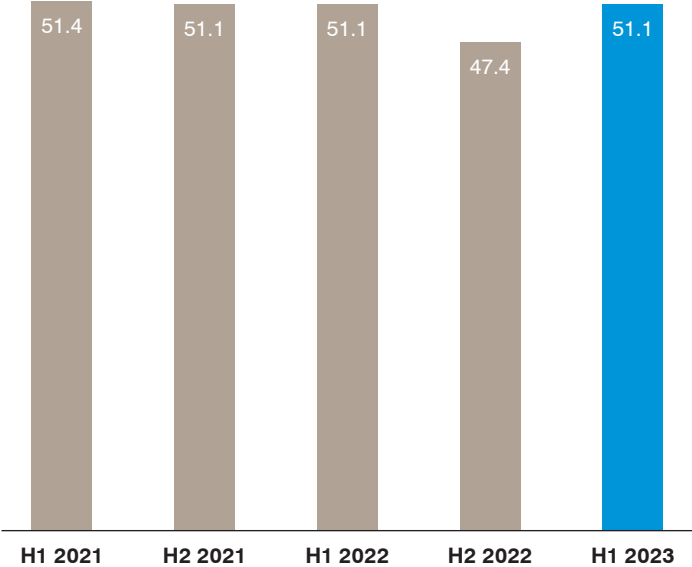
Underlying depreciation and amortisation charges were CHF 8.3 million, down 13% from CHF 9.5 million in the corresponding period last year. The IFRS depreciation and amortisation expenses are the same. (For further information, see note 7 of the consolidated financial statements).

Underlying operating margin

The underlying operating margin stood at negative 28.5%, compared with negative 17.1 % in the first half of 2022, primarily driven by a 22.2% fall in net fee and commission income, partially offset by the 21% decline in personnel and general expenses. The difference between the underlying and the IFRS operating margin mainly relates to higher IFRS expenses of CHF 138.4 million. (For further information, see note 7 of the consolidated financial statements).

Management fee margin – investment management (bps)

Management fee margin – fund management services (bps)



Profitability and earnings per share

Underlying loss before taxes

The underlying pre-tax loss in the first half of 2023 was CHF 22.5 million, compared to a CHF 15.4 million underlying pre-tax loss in the first half of 2022. The loss was driven mainly by lower net fee and commission income partially offset by lower personnel and lower general expenses. This compares to an IFRS net loss before tax of CHF 70.6 million. The difference between the underlying and the IFRS net loss before tax of CHF 48.1 million mainly relates to the impairment of the brand intangible of CHF 43.2 million, the reorganisation charges of CHF 3.7 million and net foreign exchange loss on pension loan note of CHF 1.1 million. (For further information, see note 7 of the consolidated financial statements).

Effective tax rate

The underlying income taxes in the first half of 2023 was a tax expense of CHF 1.4 million, representing effective tax rate of negative 6.2% compared to a tax credit of CHF 1.4 million the first half of 2022. The movement in the effective tax rate was primarily driven by changes in a tax credit between H1 2023 and a tax charge in H1 2022. (For further information, see note 7 of the consolidated financial statements).

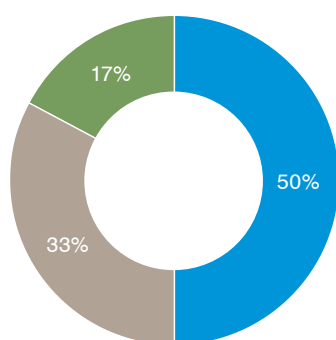
Underlying net loss after taxes

The underlying loss after taxes was CHF 23.9 million, compared with a CHF 14.0 million loss in the first half of 2022. The main driver for the increase was lower net fee and commission income and higher general expenses offset by lower personnel expenses. This compares to an IFRS net loss after tax of CHF 71.2 million. The difference between the underlying and the IFRS net loss after tax of CHF 47.3 million, mainly relates to the impairment of the brand intangible of CHF 43.2 million, the reorganisation charges of CHF 3.7 million and net foreign exchange loss on pension loan note of CHF 1.1 million, net of taxes. (For further information, see note 7 of the consolidated financial statements).

Earnings per share

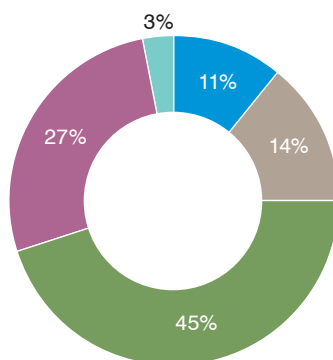
Diluted underlying losses per share were negative CHF 0.15, compared to negative of CHF 0.09 in the first half of 2022 resulting from the underlying net loss. This compares to a diluted IFRS earnings per share of negative CHF 0.45. The difference between the diluted underlying and the diluted IFRS earnings per share of CHF 0.3, mainly relates to the higher IFRS net loss of CHF 71.2 million compared to an underlying net loss of CHF 23.9 million. (For further information, see note 7 of the consolidated financial statements).

Group income¹



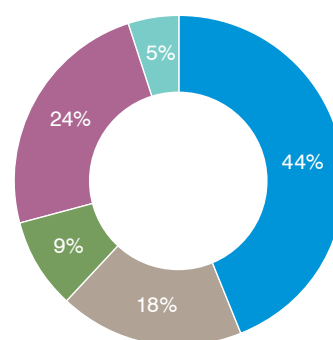
■ USD ■ GBP
■ EUR

Group expenses²



■ USD ■ GBP ■ Other
■ EUR ■ CHF

Investment management AuM



■ USD ■ GBP ■ Other
■ EUR ■ CHF

¹ Percentage splits are estimated based upon the currency exposure of the underlying AuM on which the revenues are earned.

² Percentage splits are estimated based upon the transactional currency, except for contractual bonuses which follow the same basis as revenue.

Underlying group income statement

This group income statement is mainly based on underlying numbers which differ to the IFRS income statement on

page 32. Further information about the reconciliation of the underlying net loss to the IFRS net loss can be found in note 7 of the consolidated financial statements.

	H1 2023 CHF m	H2 2022 CHF m	H1 2022 CHF m	Change from H2 2022 in %	Change from H1 2022 in %
Net management fees and commissions	68.0	70.9	90.9	(4)	(25)
Net performance fees	3.3	0.6	2.6	-	27
Net fee and commission income	71.3	71.5	93.5	-	(24)
Net other (expenses)/income	(2.2)	(0.6)	0.6	-	-
Income	69.1	70.9	94.1	(3)	(27)
Personnel expenses	49.0	51.6	62.1	(5)	(21)
Fixed personnel expenses	42.6	42.1	49.6	1	(14)
Variable personnel expenses	6.4	9.5	12.5	(33)	(49)
General expenses	34.3	37.9	37.9	(9)	(9)
Occupancy	2.0	1.7	2.8	18	(29)
Technology and communication	6.6	7.6	8.3	(13)	(20)
Data and research	8.9	11.3	9.9	(21)	(10)
Professional and consulting services	7.3	5.9	5.5	24	33
Marketing and travel	2.4	3.0	2.8	(20)	(14)
Administration	1.6	1.9	1.8	(16)	(11)
Other general expenses	5.5	6.5	6.8	(15)	(19)
Depreciation and amortisation	8.3	8.5	9.5	(2)	(13)
Expenses	91.6	98.0	109.5	(7)	(16)
Underlying (loss) before taxes	(22.5)	(27.1)	(15.4)	17	(46)
Underlying income tax expense/(credit)	1.4	(2.1)	(1.4)	-	-
Underlying net loss	(23.9)	(25.0)	(14.0)	4	(71)
Acquisition-related items	(0.2)	0.1	0.2	-	-
Non-core items	(47.9)	36.7	(260.7)	-	82
Tax on acquisition-related items	-	-	-	-	-
Tax on non-core items	0.8	0.6	(0.7)	(33)	-
Non-core tax item	-	(27.2)	-	-	-
IFRS net loss	(71.2)	(14.8)	(275.2)	-	74

Balance sheet and capital management

Assets and net cash

Total assets as at 30 June 2023 were CHF 286.8 million, compared with CHF 352.9 million as at 31 December 2022. The reduction reflects a non-cash impairment charge to the value of the GAM brand intangible which reduced intangible assets from CHF 83.2 million to CHF 37.7 million. The remaining brand value is CHF 6.3 million.

Cash and cash equivalents as at 30 June 2023 were CHF 83.6 million, down from CHF 137.9 million as at 31 December 2022 and CHF 171.7 million as at 30 June 2022. This reduction was driven by the underlying loss, annual bonus payments relating to 2022 and the impact of CHF 23.5 million being categorised as assets held for sale, see note 10 for more information.

Liabilities and tangible equity

Total liabilities as at 30 June 2023 were CHF 201.6 million, down from CHF 202.3 million as at 31 December 2022 and CHF 224.4 million as at 30 June 2022. The decrease in the first half of 2023 is mainly related to reductions in accrued expenses and lower pension deficit.

Adjusted tangible equity as at 30 June 2023 was CHF 47.9 million, down from CHF 68.7 million as at 31 December 2022 and CHF 164.3 million as at the end of 30 June 2022. The main contributors to this decrease were the IFRS net loss after tax (adjusted for intangibles), pension remeasurements, investment in the platform and foreign exchange movements. See page 26 of our Annual Report 2022 for full definition of adjusted tangible equity.

As at 30 June 2023, the Group had no financial debt, as in previous years. However, in July 2023 the Group drew down on its loan facilities with Liontrust Asset Management PLC.

Treasury shares

IFRS requires a company that holds its own shares for trading and non-trading purposes to record those shares as treasury shares and deduct them from shareholders' equity. As at 30 June 2023, the holding of 1.2 million own shares was equivalent to 0.8% of shares in issue. All of these shares were purchased over the regular trading line at the

SIX Swiss Exchange (the first trading line) and held to cover the obligations under share-based compensation plans. This position decreased by 3.1 million shares compared with full year 2022, reflecting shares delivered to settle obligations under share-based compensation.

Share buy-back programme 2020-2023

The new 2020-2023 share buy-back programme for the purpose of capital reduction came into effect on 5 May 2020. It allows for the purchase of a maximum of 16.0 million shares over a maximum period of three years. The programme is designed to purchase shares on the ordinary trading line to cover share-based payments and to purchase shares on the second trading line designated for cancellation. When shares are purchased over the second trading line on the SIX Swiss Exchange, GAM Holding AG acts as sole buyer. A total of 0.2 million shares were repurchased over the first trading line during the first half of 2023 to cover share-based payments. Since the programme commenced, no shares have been repurchased for cancellation.

Definitions of business metrics for Investment Management and Fund Management Services:

Net fee and commission income is defined as fee and commission income minus distribution fee and commission expenses. It includes performance fees, and excludes net other (expenses)/income.

Management fee margin is calculated as net management fees and commissions divided by average assets under management. For Investment Management, we additionally report a total fee margin that includes performance fees (ie net fee and commission income divided by average assets under management).

Assets under management in Investment Management are broken down by capability, client segment and currency. In Fund Management Services, assets are disclosed by fund domicile and asset class.

Net flows represent the net asset additions or redemptions by clients. For our Investment Management business, we additionally disclose the net flows by individual capability and client segment. These developments are discussed in the 'Our businesses' section on page 9.

CONDENSED INTERIM

CONSOLIDATED

FINANCIAL

STATEMENTS

(UNAUDITED)

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**CONDENSED CONSOLIDATED
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(SEE THE FOLLOWING PAGE FOR A DETAILED LIST)

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CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	H1 2023 CHF m (unaudited)	H1 2022 CHF m (unaudited)	Change in %
Investment management, advisory and other fees	2	180.6	255.0	(29)
Distribution, fee and commission expenses	2	(112.6)	(164.1)	(31)
Net management fees and commissions	2	68.0	90.9	(25)
Net performance fees	2	3.3	3.1	6
Net fee and commission income	2	71.3	94.0	(24)
Net other (expense)/income	3	(3.5)	5.1	-
Income		67.8	99.1	(32)
Personnel expenses	4	49.2	63.8	(23)
General expenses	5	37.7	38.1	(1)
Depreciation and amortisation		8.3	9.5	(13)
Impairment losses	7	43.2	263.6	(84)
Expenses		138.4	375.0	(63)
Loss before taxes		(70.6)	(275.9)	(74)
Income tax expense/(credit)		0.6	(0.7)	-
Net loss attributable to the shareholders of the Company		(71.2)	(275.2)	(74)
Loss per share				
Basic loss per share (CHF)	8	(0.45)	(1.76)	-
Diluted loss per share (CHF)	8	(0.45)	(1.76)	-

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	H1 2023 CHF m (unaudited)	H1 2022 CHF m (unaudited)	Change in %
Net loss attributable to the shareholders of the Company	(71.2)	(275.2)	(74)
Remeasurements of pension assets and liabilities	4.9	11.1	(56)
Income tax expense relating to remeasurements of pension liabilities	-	(3.1)	-
Items that will not be reclassified subsequently to the income statement, net of taxes	4.9	8.0	(39)
Translation differences	(0.2)	(8.4)	(98)
Items that may be reclassified subsequently to the income statement, net of taxes	(0.2)	(8.4)	(98)
Other comprehensive (loss)/income, net of taxes	4.7	(0.4)	-
Total comprehensive (loss) attributable to the shareholders of the Company	(66.5)	(275.6)	(76)

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	30.06.2023 CHF m (unaudited)	31.12.2022 CHF m (audited)	Change in %
Cash and cash equivalents		83.6	137.9	(39)
Trade and other receivables		47.8	27.1	76
Accrued income and prepaid expenses		29.9	47.7	(37)
Financial investments	9.1	0.6	4.7	(87)
Employee benefit asset		0.7	0.2	-
Pension current assets		0.2	-	-
Assets held for sale	10	39.5	0.1	-
Current assets		202.3	217.7	(7)
Financial investments and other financial assets	9.1	0.9	1.3	(31)
Employee benefit asset		1.6	1.4	14
Deferred tax assets		2.0	2.8	(29)
Property and equipment		42.3	45.4	(7)
Pension assets		-	1.1	-
Intangible assets		37.7	83.2	(55)
Non-current assets		84.5	135.2	(37)
Assets		286.8	352.9	(19)
Trade and other payables		51.6	17.8	-
Other financial liabilities	9.2	4.4	6.2	(29)
Accrued expenses and deferred income		43.0	102.2	(58)
Current tax liabilities		3.2	2.7	19
Provisions		1.4	1.8	(22)
Liabilities held for sale	10	39.2	-	-
Current liabilities		142.8	130.7	9
Financial liabilities	9.2	35.6	38.7	(8)
Provisions		3.1	3.1	0
Pension liabilities		20.1	28.4	(29)
Deferred tax liabilities		-	1.4	-
Non-current liabilities		58.8	71.6	(18)
Liabilities		201.6	202.3	0
Share capital		8.0	8.0	0
Capital reserves		893.4	893.4	0
Retained earnings		(666.6)	(593.8)	12
Foreign currency translation reserve		(143.4)	(143.2)	0
Treasury shares		(6.2)	(13.8)	(55)
Equity attributable to the shareholders of the Company		85.2	150.6	(43)
Liabilities and equity		286.8	352.9	(19)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital CHF m	Capital reserves CHF m	Retained earnings CHF m	Foreign currency translation reserve CHF m	Treasury shares CHF m	Equity attributable to the share- holders of the Company CHF m
Balance at 1 January 2022		8.0	893.4	(275.6)	(124.0)	(23.3)	478.5
Net loss attributable to the shareholders of the Company		-	-	(275.2)	-	-	(275.2)
Other comprehensive income, net of taxes ¹		-	-	8.0	(8.4)	-	(0.4)
Total comprehensive income		-	-	(267.2)	(8.4)	-	(275.6)
Share-based payment expenses, net of taxes ²		-	-	3.5	-	-	3.5
Acquisitions of own shares	14	-	-	-	-	(2.3)	(2.3)
Disposals of own shares	14	-	-	(11.9)	-	11.9	-
Total transactions with shareholders of the Company		-	-	(8.4)	-	9.6	1.2
Balance at 30 June 2022		8.0	893.4	(551.2)	(132.4)	(13.7)	204.1
Balance at 1 January 2023		8.0	893.4	(593.8)	(143.2)	(13.8)	150.6
Net loss attributable to the shareholders of the Company		-	-	(71.2)	-	-	(71.2)
Other comprehensive income/(loss), net of taxes ¹		-	-	4.9	(0.2)	-	4.7
Total comprehensive income/(loss)		-	-	(66.3)	(0.2)	-	(66.5)
Share-based payment expenses, net of taxes ²		-	-	1.3	-	-	1.3
Acquisitions of own shares	14	-	-	-	-	(0.2)	(0.2)
Disposals of own shares	14	-	-	(7.8)	-	7.8	-
Total transactions with shareholders of the Company		-	-	(6.5)	-	7.6	1.1
Balance at 30 June 2023		8.0	893.4	(666.6)	(143.4)	(6.2)	85.2

¹ Details of the line item 'other comprehensive income, net of taxes' are shown in the consolidated statement of comprehensive income.

² Equity settled share-based payment expenses, net of taxes

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	H1 2023 CHF m (unaudited)	H1 2022 CHF m (unaudited)
Net loss attributable to the shareholders of the Company		(71.2)	(275.2)
Adjustments to reconcile net loss to cash flow from operating activities			
Non-cash items included in net loss:			
– Impairment losses	7	43.2	263.6
– Depreciation and amortisation		8.3	9.3
– Share-based payment expenses		1.3	3.5
– Other non-cash items		5.3	(2.0)
Net changes in:			
– Financial investments and other financial assets	10	27.8	7.4
– Trade and other receivables (excluding tax receivable)		(17.3)	(8.2)
– Accrued income and prepaid expenses (excluding accrued interest)	10	17.9	19.0
– Trade and other payables		26.8	7.1
– Accrued expenses and deferred income (excluding accrued interest)	10	(59.2)	(36.7)
– Other liabilities		(0.3)	(5.7)
Fund unit purchases for contractual bonuses ¹		(1.8)	(4.6)
Pension payment ¹		(6.7)	(9.3)
Payment of FCA fine ¹		-	(11.3)
Net interest expenses		0.5	(0.3)
Interest received		0.5	-
Interest paid		(0.1)	(0.2)
Income tax expense		0.6	(0.7)
Income taxes paid		(0.4)	(0.2)
Cash flow from operating activities		(24.8)	(44.5)
Purchase of property, equipment and intangible assets		(2.2)	(6.9)
Cash balance within assets held for sale	10	(23.5)	-
Cash flow from investing activities		(25.7)	(6.9)
Purchase of treasury shares	14	(0.2)	(2.3)
Principal payment of lease liabilities ¹		(2.0)	(6.7)
Interest payment of lease liabilities ¹		(0.4)	(0.2)
Cash flow from financing activities		(2.6)	(9.2)
Effects of exchange rate changes on cash and cash equivalents		(1.2)	(2.5)
Net (decrease) in cash and cash equivalents		(54.3)	(63.1)
Cash and cash equivalents at the beginning of the period		137.9	234.8
Cash and cash equivalents at the end of the period		83.6	171.7

¹ Comparative numbers for H1 2022 for these cash flow items have been reclassified in line with the presentation used in the Group's published consolidated financial statements for the year ended 31 December 2022, as set out in note 28, Basis of preparation, of those statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation

GAM Holding AG (the Company) is a Swiss corporation domiciled in Zurich and listed on the SIX Swiss Exchange. The Group provides asset management services. The core investment management business is complemented by fund management services, which include management company and other support services to third-party asset managers.

This condensed set of interim consolidated financial statements ('interim financial statements') present the results of the Company and all its subsidiaries (together referred to as 'the Group') including structured entities under the Group's control for the six month period to 30 June 2023 ('H1 2023').

These interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, applying the same accounting policies and presentation that were applied in the preparation of the Group's published consolidated financial statements for the year ended 31 December 2022 except for the adoption of new standards effective as of 1 January 2023. Several amendments apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial statements of the Group. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Except where otherwise indicated in these consolidated financial statements, all financial information is presented in millions of Swiss francs. Percentage movements between current and prior year amounts reported in the Consolidated Income Statement and Consolidated Statement of Comprehensive Income are shown where the change is below a threshold of +/- 100%.

Going Concern

In making their assessment of the appropriateness of adopting the going concern basis of accounting, the Directors have prepared profitability, liquidity and regulatory capital forecasts ("Group forecasts") and have undertaken an assessment, for a period of at least 12 months from the date of approval of these financial statements, to determine whether there are any material uncertainties arising that could cast significant doubt on the ability of the Group to continue as a going concern.

In order to support the financial position of the Group and a return to profitability, on 4 May 2023 GAM Holding AG agreed with Liontrust Asset Management Plc ("Liontrust") to enter into a transaction agreement ("Agreement", "Transaction") for a public share offer for 100% of the equity share capital of GAM Holding AG. In addition, GAM Holding AG have entered into a short-term financing agreement (the "Loan") with Liontrust for up to approximately CHF 20 million (GBP 17.8 million). The loan will be available in two equal tranches, the first tranche became available at signing of the Agreement and the second will become available on the successful conclusion of the Liontrust shareholder vote and successful tender of the GAM Holding AG shareholders, to enable the acceleration of restructuring activity within GAM, including facilitating the fund management services ("FMS") exit, and cash management between group entities with a term up to the earlier of 31 December 2023 or when the Transaction closes. The Agreement together with the Loan provides a clear pathway to resolve the financial position of the Group going forward and support the application of the going concern basis of preparation in these consolidated financial statements. The Loan provides external funding through the period to completion of the Transaction, and GAM Holding AG will gain the resources and parental support of Liontrust once the transaction has been completed. The Board anticipates the completion of the shareholder tender process, regulatory approvals and satisfaction of other conditions in the Agreement by the end of December 2023.

The Agreement is contingent on the conditions of the shareholder tender process, Liontrust shareholder approval and regulatory approvals. The inclusion of these conditions in the Agreement creates material uncertainties regarding the completion of the Transaction.

The Directors have concluded that based on the anticipated timeline for completion of the Transaction by end of December 2023 and current Group forecasts, the Loan provides the Group with sufficient funding to operate as a going concern through to the completion of the Transaction. However, the Directors recognise that if there is material deterioration of market conditions or revenues of the Group, the amount of funding available by way of the Loan may not be sufficient for the Group to be able to meet its financial obligations. In such an instance, the Group would need to obtain a greater level of funding under the Loan or other sources of funding to provide sufficient funds to meet its financial obligations. This creates a material uncertainty on the ability of the Group to continue as a going concern.

While the Directors acknowledge these material uncertainties, they have taken appropriate steps to mitigate their impact, and have concluded that the going concern basis remains the appropriate basis for the preparation of these interim financial statements.

Use of accounting estimates and judgements affected by the volatile market environment

GAM has continued to consider the uncertainties resulting from the current volatile market environment and has applied appropriate judgements when determining the effects of this uncertainty, for example by applying probability-weighted estimates. The following estimates and assumptions have been specifically considered, given the significant uncertainty that still exists, in particular when assessing the macroeconomic and financial impact on assets under management, and subsequently the related fee income and the Group's budget and forecasts, which serve as the basis for the measurement of various assets and liabilities:

- utilisation of tax losses and measurement of deferred tax assets (see note 6);
- measurement of the recoverable amount of intangible assets (see note 13);
- determining the carrying amount of the financial liability for performance fees attributable to external interests.

Volatility of earnings

Management fees are recognised throughout the period and can vary, among other things, due to fluctuations in the levels of assets under management. However, performance fees are only recognised if performance hurdles have been achieved at certain defined dates when it is highly probable that a significant reversal will not occur. As a result, the earnings of the Group can be volatile and therefore the income and the related expenses generated in the second half of the year may vary from those generated in the first half.

2. Net fee and commission income

	H1 2023 CHF m	H1 2022 CHF m	Change in %
Investment management, advisory and other fees	180.6	255.0	(29)
of which investment management	87.4	113.4	(23)
of which fund management services	93.2	141.6	(34)
Distribution, fee and commission expenses	(112.6)	(164.1)	(31)
of which investment management	(28.1)	(37.1)	(24)
of which fund management services	(84.5)	(127.0)	(33)
Net management fees and commissions	68.0	90.9	(25)
Performance fees	3.3	3.7	(11)
Performance fees paid to external investment managers	-	(0.6)	(100)
Net performance fees	3.3	3.1	6
Net fee and commission income	71.3	94.0	(24)

3. Net other income

	H1 2023 CHF m	H1 2022 CHF m	Change in %
Net foreign exchange (losses)/gains	(3.3)	7.4	-
Interest income	0.5	-	-
Interest expense	(0.5)	(0.3)	67
Net loss on financial instruments at fair value through profit or loss	-	(1.4)	100
Adjustment to financial liability for performance fees attributable to external interests	(0.1)	(0.2)	-
Other	(0.1)	(0.4)	-
Net other (expense)/income	(3.5)	5.1	-

Interest expense shown above includes negative interest on cash and cash equivalents of CHF 0.1 million (H1 2022: CHF 0.4 million), finance charges of CHF 0.1 million (H1 2023: CHF 0.1 million) on the discounted financial liability for performance fees attributable to external interests.

4. Personnel expenses

	H1 2023 CHF m	H1 2022 CHF m	Change in %
Salaries and bonuses	37.0	46.5	(20)
Social security expenses	6.0	6.0	0
Defined benefit pension plan expenses	2.4	2.5	(4)
Defined contribution pension plan expenses	2.5	2.5	0
Share-based payment expenses	(0.4)	3.6	-
Other personnel expenses	1.7	2.7	(37)
Personnel expenses	49.2	63.8	(23)

In H1 2023, in respect of the Group's restructuring, CHF 0.2 million in total were included in salaries and bonuses (H1 2022: CHF 1.7 million) and there were no other expenses in respect of the Group's restructuring

5. General expenses

	H1 2023 CHF m	H1 2022 CHF m	Change in %
Occupancy	2.0	2.8	(29)
Technology and communication	6.5	8.3	(22)
Data and research	8.9	9.9	(10)
Professional and consulting services	10.8	5.7	89
Marketing and travel	2.4	2.8	(14)
Administration	1.6	1.8	(11)
Other general expenses	5.5	6.8	(19)
General expenses	37.7	38.1	(1)

Administration expenses represent outsourcing fees paid to the external service provider for back office and middle office functions.

Professional and consulting services expenses include the cost of CHF 3.5 million relating to strategic review during 2023.

The line item 'other general expenses' includes irrecoverable taxes of CHF 1.5 million (H1 2022: CHF 0.7 million) and CHF 2.7 million (H1 2022: CHF 0.8 million) for regulatory fees, insurance premiums and fund-related expenses.

6. Income taxes

6.1 Tax effects recognised in the income statement

Deferred tax assets of CHF 2.0m recognised in H1 2023 relate to the Group businesses in Luxembourg and Ireland.

6.2. Tax effects recognised in other comprehensive income

For further information refer to the consolidated statement of comprehensive income.

6.3 Tax effects recognised directly in equity

In H1 2023, tax effects on share-based payments resulted in a debit to equity of nil (H1 2022: nil).

7. Reconciliation between net profit (IFRS) and underlying net profit

	H1 2023			H1 2022		
	IFRS CHF m	Reconciling items CHF m	Underlying CHF m	IFRS CHF m	Reconciling items CHF m	Underlying CHF m
Net management fees and commissions	68.0	-	68.0	90.9	-	90.9
Net performance fees	3.3	-	3.3	3.1	(0.5)	2.6
Net fee and commission income	71.3	-	71.3	94.0	(0.5)	93.5
Net other (expense) / income	(3.5)	1.3	(2.2)	5.1	(4.5)	0.6
Income	67.8	1.3	69.1	99.1	(5.0)	94.1
Personnel expenses	49.2	(0.2)	49.0	63.8	(1.7)	62.1
General expenses	37.7	(3.4)	34.3	38.1	(0.2)	37.9
Depreciation and amortisation	8.3	-	8.3	9.5	-	9.5
Impairment losses	43.2	(43.2)	-	263.6	(263.6)	-
Expenses	138.4	(46.8)	91.6	375.0	(265.5)	109.5
Loss before taxes	(70.6)	48.1	(22.5)	(275.9)	260.5	(15.4)
Income tax expense / (credit)	0.6	0.8	1.4	(0.7)	(0.7)	(1.4)
Net loss	(71.2)	47.3	(23.9)	(275.2)	261.2	(14.0)
Loss per share						
Basic loss per share (CHF)	(0.45)		(0.15)	(1.76)		(0.09)
Diluted loss per share (CHF)	(0.45)		(0.15)	(1.76)		(0.09)

Reconciling items

	Acquisition- related items CHF m	Non- core items CHF m	H1 2023 Total reconciling items CHF m	Acquisition- related items CHF m	Non- core items CHF m	H1 2022 Total reconciling items CHF m
Performance fees attributed to external interests	-	-	-	(0.5)	-	(0.5)
Net fee and commission income	-	-	-	(0.5)	-	(0.5)
Net foreign exchange (loss) / gains on pension loan note	-	1.1	1.1	-	(4.5)	(4.5)
Adjustment to financial liability for performance fees attributable to external interests	0.1	-	0.1	0.2	-	0.2
Other Income	-	-	-	-	(0.3)	(0.3)
Finance charges on discounted liabilities	0.1	-	0.1	0.1	-	0.1
Net other (expense) / income	0.2	1.1	1.3	0.3	(4.8)	(4.5)
Reorganisation charge	-	(0.2)	(0.2)	-	(1.7)	(1.7)
Personnel expenses	-	(0.2)	(0.2)	-	(1.7)	(1.7)
Reorganisation charge	-	(3.5)	(3.5)	-	-	-
Other expenses	-	0.1	0.1	-	(0.2)	(0.2)
General expenses	-	(3.4)	(3.4)	-	(0.2)	(0.2)
Depreciation and amortisation	-	-	-	-	-	-
Impairment of intangible asset	-	(43.2)	(43.2)	-	(263.6)	(263.6)
Total reconciling items before taxes	0.2	47.9	48.1	(0.2)	260.7	260.5
Income tax expense / (credit)	-	0.8	0.8	-	(0.7)	(0.7)
Total reconciling items after taxes	0.2	47.1	47.3	(0.2)	261.4	261.2

The Group has defined principles for reporting non-IFRS profit information – including labelling, transparency, prominence and presentation, comparability, consistency and materiality – which are considered to be appropriate to meet the needs of users of financial information. The Group discloses underlying profit before and after taxes as alternative performance measures representing a measure of earnings adjusted to exclude items which are not viewed as part of the Group's underlying operating activities. This enables better comparison of business performance across periods.

According to its policy, the Group distinguishes between two categories of excluded items, in adherence to the principles mentioned above, being acquisition-related items and non-core items.

Below items are stated before taxes.

Acquisition-related items

Performance fees attributed to external interests

The Group has a contractual obligation, through the agreement to acquire GAM Systematic LLP (formerly Cantab Capital Partners LLP), to pay 40% of performance fees received by GAM Systematic LLP to employees (in the first five years and capped at USD 50 million as determined by previous partners) and previous partners thereafter indefinitely. The performance fees payable in relation to GAM Systematic amount to nil (H1 2022: CHF 0.5 million).

Adjustment to financial liability for performance fees attributable to external interests

The remeasurement of the financial liability for performance fees attributable to external interests resulted in a loss of CHF 0.1 million (H1 2022: gain of CHF 0.2 million).

Finance charges on discounted liabilities

H1 2023 includes finance charges of CHF 0.1 million on the discounted financial liability for performance fees attributable to external interests (H1 2022: CHF 0.1 million).

Non-core items

Net foreign exchange gains pension loan note

In H1 2023 a gain of CHF 1.1 million relates to the revaluation of the GBP 70.7 million non-transferable loan note for the UK pension scheme (H1 2022: loss CHF 4.5 million).

Reorganisation charge

In H1 2023 the CHF 0.2 million was recognised in respect of the Group's reorganisation programme in the line item 'personnel expenses' (H1 2022: CHF 1.7 million) (for further information see note 4). In H1 2023 'general expenses' include CHF 3.5 million in respect of the Group's strategic review.

Impairment of intangible asset

For further information on the CHF 43.2 million impairment loss on brand see note 13.

8. Earnings per share and shares outstanding

8.1. Earnings per share

	H1 2023	H1 2022
Basic loss per share		
Net loss attributable to the shareholders of the Company (CHF m)	(71.2)	(275.2)
Weighted average number of shares outstanding (millions)	157.2	156.5
Basic loss per share (CHF)	(0.45)	(1.76)
Diluted loss per share		
Net loss attributable to the shareholders of the Company for diluted EPS (CHF m)	(71.2)	(275.2)
Weighted average number of shares outstanding (millions)	157.2	156.5
Dilution effect (millions)	-	-
Weighted average number of shares outstanding for diluted EPS (millions)	157.2	156.5
Diluted loss per share (CHF)	(0.45)	(1.76)

At 30 June 2023, 4.8 million potential shares were excluded from the weighted average number of shares outstanding for diluted EPS calculation as their effect would have been anti-dilutive due to the net loss recognised in 2023 (H1 2022: 4.8 million potential shares were excluded).

8.2. Shares outstanding

	H1 2023	H1 2022
Shares issued at the end of the period	159,682,531	159,682,531
Treasury shares – share-based payment plans	(1,237,042)	(3,445,495)
Shares outstanding at the end of the period	158,445,489	156,237,036

NOTES TO THE CONDENSED CONSOLIDATED BALANCE SHEET

9. Financial instruments – fair value determination

9.1. Financial investments and other financial assets

	Note	30.06.2023 CHF m	31.12.2022 CHF m	Change in %
Seed capital and product management investments at fair value through profit or loss		0.7	4.5	(84)
Derivative financial instruments	9.3	-	0.3	(100)
Other financial assets		0.8	1.2	(33)
Financial investments and other financial assets		1.5	6.0	(75)
Current		0.6	11.1	(95)
Non-current		0.9	2.6	(65)
Financial investments and other financial assets		1.5	13.7	(89)

9.2. Other and non-current financial liabilities

	Note	30.06.2023 CHF m	31.12.2022 CHF m	Change in %
Derivative financial instruments	9.3	-	0.1	(100)
Lease liabilities		34.9	39.7	(12)
Financial liabilities measured at amortised cost		5.1	5.1	0
Other and non-current financial liabilities		40.0	44.9	(11)
Current		4.4	6.2	(29)
Non-current		35.6	38.7	(8)
Other and non-current financial liabilities		40.0	44.9	(11)

9.3. Derivative financial instruments

As at 30 June 2023 and 31 December 2022, there were no derivative financial instruments designated as hedging instruments.

9.4. Financial instruments by category

	Note	30.06.2023 Carrying amount CHF m	31.12.2022 Carrying amount CHF m
Cash and cash equivalents		83.6	137.9
Trade and other receivables (excluding tax receivables)		24.4	7.5
Accrued income		36.6	38.7
Other financial assets		0.4	0.8
Financial assets measured at amortised cost		145.0	184.9
Financial assets at fair value through profit or loss		1.1	1.0
Derivative financial instruments held for trading	9.3	-	0.3
Financial assets measured at fair value		1.1	1.3
Financial assets		146.1	186.2
Trade and other payables		51.6	17.8
Accrued expenses		82.1	102.2
Lease liabilities		34.9	39.7
Other financial liabilities		5.1	5.1
Financial liabilities measured at amortised cost		173.7	164.8
Derivative financial instruments held for trading	9.3	-	0.1
Financial liabilities measured at fair value		-	0.1
Financial liabilities		173.7	164.9

The Group has not disclosed the fair values for cash and cash equivalents, accrued income and expenses, trade and other receivables and payables, other financial assets and other financial liabilities as their carrying amounts are a reasonable approximation of fair values. Details of the level of the fair value hierarchy used to measure financial assets and liabilities measured at fair value are given in note 9.5.

Financial liabilities measured at amortised cost include the financial liability for uncrystallised performance fees of GAM Systematic attributable to external interests which represents the contractual obligation to pay future performance fees and is estimated to amount to CHF 0.4 million as at 30 June 2023 (31 December 2022: CHF 1.3 million). This financial liability is measured at the present value of expected performance fee payments, determined by considering the forecasted performance fee revenue, using a risk-adjusted effective interest rate of 25%.

The category 'financial assets at fair value through profit or loss' includes the controlled funds' direct investments of CHF 0.3 million (31 December 2022: CHF 0.1 million), representing investments into financial instruments which are included within the balance sheet line item 'assets held for sale' (see note 10).

9.5. Financial instruments – fair value determination

For financial instruments for which quoted market prices are not directly available, fair values are estimated using valuation techniques or models based, where possible, on assumptions supported by observable market prices or rates existing at the balance sheet date. This is the case for the majority of OTC derivatives, most unlisted financial instruments and other items that are not traded in active markets. The main pricing models and valuation techniques applied include forward pricing and swap

models using present-value calculations and option models. The values derived from applying these models and techniques are significantly impacted by the choice of the valuation model used and the underlying assumptions made, such as the amounts and timing of future cash flows, discount rates, volatility and credit risk.

Financial instruments measured at fair value subsequent to initial recognition are grouped into levels 1 to 3 based on the degree to which the fair value is observable, ie:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of forward foreign exchange contracts is determined by discounting the difference between the contractual forward exchange rate and the current forward exchange rate at the balance sheet date for the residual maturity of the contract.
- Other techniques, such as discounted cash flow analysis, are used to determine the fair value for the remaining financial instruments.

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level 1	Level 2	Level 3	30.06.2023
	CHF m	CHF m	CHF m	Total CHF m
Derivative financial instruments	-	-	-	-
Seed capital and product management investments at fair value through profit or loss	0.2	0.5	-	0.7
Other financial assets at fair value through profit or loss	-	0.4	-	0.4
Financial assets measured at fair value	0.2	0.9	-	1.1
Derivative financial instruments	-	-	-	-
Financial liabilities at fair value through profit or loss	-	-	-	-
Financial liabilities measured at fair value	-	-	-	-
	Level 1	Level 2	Level 3	31.12.2022
	CHF m	CHF m	CHF m	Total CHF m
Derivative financial instruments	-	0.3	-	0.3
Seed capital and product management investments at fair value through profit or loss	-	4.6	-	4.6
Other financial assets at fair value through profit or loss	-	0.4	-	0.4
Financial assets measured at fair value	-	5.3	-	5.3
Derivative financial instruments	-	0.1	-	0.1
Financial liabilities at fair value through profit or loss	-	-	-	-
Financial liabilities measured at fair value	-	0.1	-	0.1

The categories 'seed capital and product management investments at fair value through profit or loss' and 'financial liabilities at fair value through profit or loss' include the balance sheet line items 'assets held for sale', which solely contains the controlled funds' direct investments, and 'liabilities held for sale', which contains the direct liabilities of those controlled funds. Further details are set out in note 9.4.

Transfers into and transfers out of the fair value hierarchy levels are recognised as of the date of the event or change in circumstances that caused the transfer. As at 31 December 2022 and 30 June 2023, no financial assets were transferred between levels.

10. Assets and liabilities held for sale

Disposal of Fund Management Services business

On 29 June 2023 the GAM Group entered into definitive agreements to sell its FMS business to Carne Group, for a purchase price of EUR 2.25 million for the Luxembourg business and CHF 0.5 million for the Swiss business, both subject to adjustment based on revenue run rates at closing. As part of the sale GAM will transfer the associated assets and liabilities of the respective contracts and cash, to the extent the net position is a net liability, so that the resulting transfer is a net asset of € 1 for the Luxembourg business and a net CHF 1 for the Switzerland business. The Group has reclassified the assets and liabilities of the FMS business which are to be disposed as a disposal group in the 30 June 2023 Group balance sheet, in line with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations. The sale is expected to complete during the fourth quarter 2023.

At 30 June 2023 the disposal group has been stated at the lower of the carrying value of the net assets to be disposed and their fair value less costs to sell (subject to adjustment to the purchase price, based on revenue run rates at closing) and comprises the following assets and liabilities:

	H1 2022 CHF m (unaudited)
Accrued fee and commission income	15.5
Prepayments	0.2
Cash	23.5
Total Assets held for sale	39.2
Employee Liabilities	0.1
Accrued fee expenses	39.1
Total Liabilities held for sale	39.2

Seed capital investments

Also included within assets and liabilities held for sale are seed capital investments in certain fund products which the Group makes in order to establish track records for new products, as disclosed in note 9.1. As at 30 June 2023 seed capital investments held for sale included assets of CHF 0.3 million (31 December 2022: assets of CHF 0.1 million).

11. Provisions

	30.06.2023		
	Reinstatement of leasehold improvements CHF m	Other CHF m	Total CHF m
Balance at the beginning of the period	2.7	2.2	4.9
Reversed during the period	-	(0.2)	(0.2)
Translation differences	0.1	(0.3)	(0.2)
Balance at the end of the period	2.8	1.7	4.5
Current	0.2	1.2	1.4
Non-current	2.6	0.5	3.1
Balance at the end of the period	2.8	1.7	4.5

Reinstatement of leasehold improvements

The Group leases a number of buildings and provides for the reinstatement costs of these based on the lease agreements. This provision is expected to remain until 2033.

Other provisions

In 2023, other provisions include a provision of CHF 0.8 million for onerous software contracts, CHF 0.2 million for errors and omissions and CHF 0.5 million for the water damage in one of our premises.

12. Pension plans

The Group maintains a number of defined contribution pension plans, primarily outside Switzerland. In the case of defined contribution pension plans, the pension expenses are charged to the income statement in the corresponding financial period.

The Group also maintains various defined benefit pension plans, mainly in Switzerland and the UK. The plans are exposed to actuarial risks based on the legal provisions in each country. Main risks include investment, interest, disability and longevity risk. GAM has updated the measurement of its defined benefit obligations and plan assets at 30 June 2023, which has resulted in a gain of CHF 4.9 million in other comprehensive income in the six months to 30 June 2023.

The principal assumptions adopted for the valuation at 30 June 2023 are the same as those adopted at 31 December 2022, other than changes to the discount rate for the Swiss plan (from 2.2% to 1.95%) and for the UK plan (from 4.71% to 5.09%).

13. Impairment losses

In line with IAS 36 the brand is valued at its recoverable amount, which is calculated as the higher of its fair value less costs of disposal and its value in use. At 31 December 2022 and 30 June 2023 the recoverable amount was based on its fair value less costs of disposal, which was calculated from the market capitalisation of the Company. An impairment charge of CHF 43.2m was booked in H1 2023, reflecting the decrease in the share price in the period.

14. Treasury shares

As at 30 June 2023, the Group held 1.2 million treasury shares to meet the Group's obligation to deliver shares for the various share-based payment plans (30 June 2022: 3.4 million), all of which are expected to be net equity settled.

No treasury shares were acquired under the Company's 2020–2023 share buy-back programme, which commenced on 5 May 2020 and completed on 28 April 2023 (the period to 30 June 2022: no treasury shares acquired), for the purpose of capital reduction.

	Shares	CHF m
Balance at 1 January 2022	4,028,783	23.3
Acquisition of own shares	2,205,000	2.3
Disposals of own shares	(2,788,288)	(11.9)
Balance at 30 June 2022	3,445,495	13.7
Acquisition of own shares	1,782,504	1.6
Disposals of own shares	(896,701)	(1.5)
Balance at 31 December 2022	4,331,298	13.8
Acquisition of own shares	210,000	0.2
Disposals of own shares	(3,304,256)	(7.8)
Balance at 30 June 2023	1,237,042	6.2

The purpose of the GAM Employee Benefit Trust (EBT) is to encourage, motivate and retain the Group's employees by providing benefits, through a trust, to such employees. As a result, the EBT holds shares in the Company. Generally, the funding for current and future plans will be provided by the Company. As the EBT is under control of the Group in accordance with IFRS 10, the EBT is fully consolidated. As at 30 June 2023, of the 1.2 million treasury shares (30 June 2022: 3.4 million), GAM Holding AG holds 0.5 million (30 June 2022: 2.2 million) and the EBT holds 0.7 million (30 June 2022: 1.2 million).

ADDITIONAL NOTES

15. Share-based payments

Bonus deferrals

2022 Bonus deferral

In line with the compensation framework, deferral of variable compensation applies to all employees.

On 31 May 2023, the Group granted to relevant employees 849,898 GAM Holding AG shares with a fair value CHF 0.55 per share. These shares will vest and be delivered in three equal tranches on the first three anniversaries of the grant date subject to recipients continuing to be employed with the Group on the vesting date. For some employees, the deferred component of their variable compensation is granted in form of fund units.

As at the date of grant, the aggregate fair value of these deferrals amounted to CHF 0.5 million and are recognised as an expense over the relevant vesting period starting 1 January 2022. In H1 2023 an expense of CHF 0.2 million was recognised (H1 2022: CHF 0.1 million).

16. Events after the reporting period

As discussed in note 1 above, on 4 May 2023 the Company agreed with Liontrust to enter into a transaction agreement for a public share exchange offer by Liontrust for 100% of the equity share capital of the Company. The agreement is contingent on the conditions of the GAM shareholder tender process, Liontrust shareholder approval and regulatory approvals. As at 3 August 2023 the tender offer remains open. In July 2023 GAM Holding AG drew down on the Liontrust loan facility to fund the ordinary operating activities of the Group.

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FIVE-YEAR FINANCIAL SUMMARY

	H1 2023 CHF m	H2 2022 CHF m	H1 2022 CHF m	2022 CHF m	2021 CHF m	2020 CHF m	2019 CHF m
Net management fees and commissions	68.0	70.9	90.9	161.8	208.0	230.4	317.1
Net performance fees	3.3	0.6	2.6	3.2	19.3	2.8	12.8
Net fee and commission income	71.3	71.5	93.5	165.0	227.3	233.2	329.9
Net other income/(expenses)	(2.2)	(0.6)	0.6	-	(2.4)	(4.0)	(3.7)
Income	69.1	70.9	94.1	165.0	224.9	229.2	326.2
Personnel expenses	49.0	51.6	62.1	113.7	143.1	150.5	197.0
Fixed personnel expenses	42.6	42.1	49.6	91.7	104.8	118.3	139.9
Variable personnel expenses	6.4	9.5	12.5	22.0	38.3	32.2	57.1
General expenses	34.3	37.9	37.9	75.8	73.2	75.0	99.6
Occupancy	2.0	1.7	2.8	4.5	6.2	5.6	8.0
Technology and communication	6.6	7.6	8.3	15.9	16.3	15.2	19.0
Data and research	8.9	11.3	9.9	21.2	20.0	20.6	20.7
Professional and consulting services	7.3	5.9	5.5	11.4	7.8	8.3	18.1
Marketing and travel	2.4	3.0	2.8	5.8	5.8	7.0	13.9
Administration	1.6	1.9	1.8	3.7	5.2	5.5	7.0
Other general expenses	5.5	6.5	6.8	13.3	11.9	12.8	12.9
Depreciation and amortisation	8.3	8.5	9.5	18.0	18.2	18.6	19.1
Expenses	91.6	98.0	109.5	207.5	234.5	244.1	315.7
Underlying (loss)/profit before taxes	(22.5)	(27.1)	(15.4)	(42.5)	(9.6)	(14.9)	10.5
Underlying income tax (credit)/expense	1.4	(2.1)	(1.4)	(3.5)	(2.1)	-	5.6
Underlying net (loss)/profit	(23.9)	(25.0)	(14.0)	(39.0)	(7.5)	(14.9)	4.9
Acquisition-related items	(0.2)	0.1	0.2	0.3	8.1	19.8	(12.5)
Non-core items	(47.9)	36.7	(260.7)	(224.0)	(13.7)	(402.4)	3.2
Tax on acquisition-related items	-	-	-	-	0.1	0.6	1.3
Tax on non-core items	0.8	0.6	(0.7)	(0.1)	0.4	1.7	0.3
Non-core tax item	-	(27.2)	-	(27.2)	(10.7)	6.8	(0.7)
IFRS net (loss)/profit	(71.2)	(14.8)	(275.2)	(290.0)	(23.3)	(388.4)	(3.5)
Operating margin (%) ¹	(28.5)	(37.1)	(17.1)	(25.8)	(3.2)	(4.7)	4.3
Compensation ratio (%) ²	68.7	72.2	66.4	68.9	63.0	64.5	59.7
Average personnel (FTEs)	538	566	602	583	657	767	872

¹ (Net fee and commission income – expenses) / net fee and commission income.

² Personnel expenses / net fee and commission income.

	H1 2023	H2 2022	H1 2022	2022	2021	2020	2019
Assets under management at the end of the period (CHF bn)	68.0	75.0	83.2	75.0	99.0	120.7	131.1
in investment management	21.9	23.2 ⁵	27.1 ⁵	23.2 ⁵	31.0 ⁵	34.6 ^{1,5}	46.8 ^{1,5}
in fund management services	46.1	51.8	56.1	51.8	68.0	86.1	84.3
Average assets under management (CHF bn)	71.9	78.9	93.3	85.4	114.5	120.0	134.0
in investment management	23.2	25.4 ⁵	29.9 ⁵	26.8 ⁵	33.3 ⁵	36.6 ⁵	51.0 ^{2,5}
in fund management services	48.7	53.5	63.4	58.6	81.2	83.4	83.0
Net flows (CHF bn)	(9.1)	(5.0)	(3.6)	(8.6)	(24.9)	(11.0)	(10.0)
in investment management	(2.2)	(1.5)	(1.1)	(2.6)	(4.4)	(10.6)	(11.1) ³
in fund management services	(6.9)	(3.5)	(2.5)	(6.0)	(20.5)	(0.4)	1.1
Net management fees and commissions (CHF m)	68.0	70.9	90.9	161.8	208.0	230.4	317.1
in investment management	59.3	60.3	76.3	136.6	175.6	196.5	284.9
in fund management services	8.7	10.6	14.6	25.2	32.4	33.9	32.2
Total fee margin in investment management (bps)	54.0	47.9 ⁵	52.9 ⁵	52.2 ⁵	58.5 ⁵	54.4 ⁵	58.3 ⁵
Management fee margin in investment management (bps)	51.1	47.4 ⁵	51.1 ⁵	51.0 ⁵	52.7 ⁵	53.6 ⁵	55.8 ⁵
Management fee margin in fund management services (bps)	3.6	4.0	4.6	4.3	4.0	4.1	3.9
Weighted average number of shares outstanding for basic EPS (m)	157.2 ⁴	156.0 ⁴	156.5 ⁴	156.3 ⁴	156.1 ⁴	156.6 ⁴	155.5 ⁴
Basic underlying EPS (CHF)	(0.15)	(0.16)	(0.09)	(0.25)	(0.05)	(0.10)	0.03
Basic IFRS EPS (CHF)	(0.45)	(0.09)	(1.76)	(1.86)	(0.15)	(2.48)	(0.02)
Weighted average number of shares outstanding for diluted EPS (m)	157.2 ⁴	162.5 ⁴	156.5 ⁴	163.0 ⁴	162.0 ⁴	161.3 ⁴	157.0 ⁴
Diluted underlying EPS (CHF)	(0.15)	(0.16)	(0.09)	(0.25)	(0.05)	(0.10)	0.03
Diluted IFRS EPS (CHF)	(0.45)	(0.09)	(1.76)	(1.86)	(0.15)	(2.48)	(0.02)
Dividend per share for the financial year (CHF)	-	-	-	-	-	-	-

¹ Including CHF 0.3 billion of money market funds as at 30 June 2020 and 31 December 2019, which GAM agreed to sell to ZKB as announced with the H1 2019 results and which were sold in Q4 2020.

² Excluding ARBF-related assets under management in liquidation from August 2018 to June 2019.

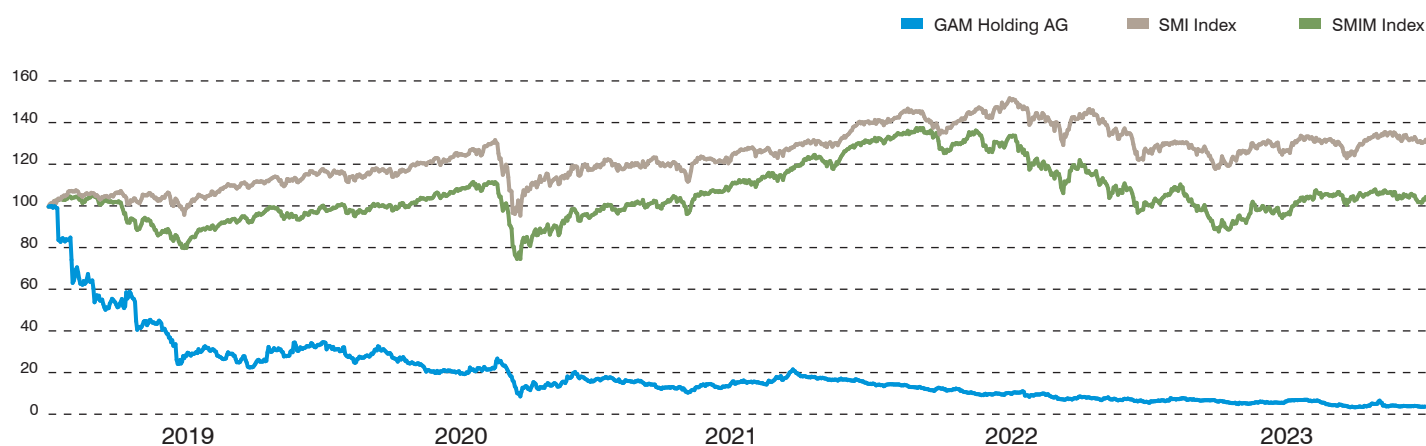
³ Including ARBF-related net inflows in H1 2018 of CHF 0.3 billion, excluding ARBF-related net flows in H2 2018 and 2019, and excluding fund assets liquidated as at 31 December 2018 and 30 December 2019.

⁴ For periods reporting an underlying net loss or IFRS net loss, for the calculation of the diluted underlying EPS and diluted IFRS EPS respectively, the weighted average number of shares outstanding for diluted EPS equals the weighted average number of shares outstanding for basic EPS.

⁵ The method of presentation of the Group's AuM has been adjusted in 2022 and comparatives presented for prior periods have been adjusted on a consistent basis. For further details on changes in methodology see Annual Report 2022 page 16.

SHARE INFORMATION

Share price performance (indexed)



Listing information

Swiss securities number	10265962
ISIN	CH0102659627
Listing	SIX Swiss Exchange

Share information CHF

	H1 2023	H2 2022	H1 2022	Change from H2 2022 in %	Change from H1 2022 in %
Closing price at the end of the period	0.54	0.94	0.79	(43)	(32)
Highest price	1.01	1.10	1.56	(8)	(35)
Lowest price	0.48	0.69	0.77	(30)	(38)
Market capitalisation at the end of the period (CHF m) ¹	86	150	126	(43)	(32)

Treasury shares

	30.06.2023	31.12.2022	30.06.2022	Change from 31.12.2022 in %	Change from 30.06.2022 in %
Shares issued	159,682,531	159,682,531	159,682,531	0	0
Treasury shares	(1,037,042)	(4,331,298)	(3,445,495)	(76)	(70)
Shares outstanding	158,645,489	155,351,233	156,237,036	2	2

¹ Based on shares issued.

‘Forward-looking statements’

This half-year report contains statements that constitute ‘forward-looking statements’, including statements of the future financial performance of the Company, its plans and objectives and their anticipated effect on the Company’s future business and development, as well as other projections and statements that are forward-looking or contain subjective assessments, regarding the intent, belief or current expectations of the Company. The Company has tried to identify those forward-looking statements by using words such as ‘may’, ‘will’, ‘would’, ‘should’, ‘expect’, ‘intend’, ‘estimate’, ‘anticipate’, ‘project’, ‘believe’, ‘predict’ and similar expressions. Such statements are made on the basis of assumptions, estimates and expectations which, although the Company believes them to be reasonable at this time, may prove to be erroneous or unfounded in the future, as forward-looking statements are subject to risks and uncertainties that could cause the actual development, results and financial position of the Company to differ materially from the information presented herein. These risks and uncertainties facing the Company, which could affect the future accuracy of these forward-looking statements, include, but are not limited to, the effects of, and changes in, fiscal, monetary and tax policies; currency fluctuations; the effect of the current economic environment on the financial position or creditworthiness of the Company’s clients and counterparties; the Company’s ability to retain and attract the employees that are necessary to generate revenues and to manage its businesses effectively; possible political, legal and regulatory developments, including the effect of more stringent capital and liquidity requirements; changes in accounting standards or policies; limitations on the effectiveness of the Company’s internal risk management processes, including the occurrence of operational failures; political and social developments, including war, civil unrest or terrorist activity; the adverse resolution of litigation and other contingencies; and changes in the size, capabilities and effectiveness of the Company’s competitors. If one of these risks or uncertainties materialises or if underlying assumptions prove to be incorrect, actual outcomes may vary materially from those indicated in the forward-looking statements. Other than in accordance with the ad-hoc publicity rules of the SIX Swiss Exchange, the Company undertakes no obligation to release publicly any revisions or updates to any forward-looking statements herein to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events or to reflect any change in the Company’s expectations

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Further information

Our website provides further information on GAM Holding AG, including share price data, details of our share buy-back programmes, media releases, historical financial information and an events calendar.

www.gam.com

