



VAN LANSCHOT  
KEMPEN

# 2023 half-year results

Van Lanschot Kempenn Investment Management NV

## Contents

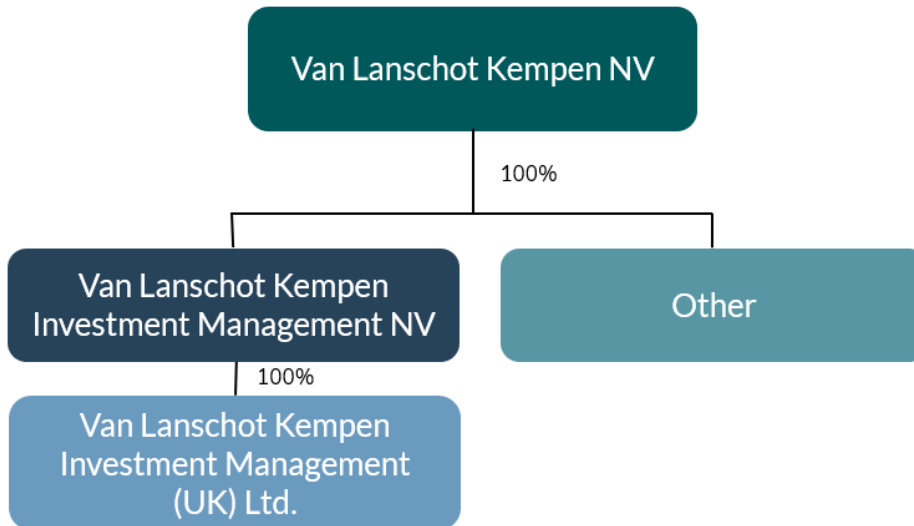
3	<b>Report of the Management Board</b>
3	Profile
3	Organisation
3	Financial performance
4	Sustainable and impact investing
6	Van Lanschot Kempen Investment Management
7	<b>Consolidated financial statements</b>
8	Consolidated balance sheet at 30 June 2023 (before result appropriation)
9	Consolidated profit and loss account at 30 June 2023
10	Summary of key accounting policies for the preparation of the consolidated financial statements
12	Accounting policies
14	Notes to the consolidated balance sheet and profit and loss account
20	<b>Company financial statements</b>
21	Company balance sheet at 30 June 2023 (before result appropriation)
22	Company profit and loss account at 30 June 2023
23	Notes to the company balance sheet and profit and loss account
25	<b>Other information</b>
26	Profit appropriation
26	Independent auditor's report

# 1. Report of the Management Board

## 1.1. Profile

Van Lanschot Kempen Investment Management NV (VLK Investment Management) is a full subsidiary of Van Lanschot Kempen NV (Van Lanschot Kempen).

Figure 1: Simplified legal structure



VLK Investment Management is a specialist investment manager with a strong focus on delivering stellar investment returns. It has offices in Amsterdam, London and Paris.

Our purpose is to preserve and create wealth for our clients and for society in a sustainable way. VLK Investment Management's clients can rely on us to be long-term stewards that take into account their financial and sustainability goals for the future, and to operate with a strong focus and clear investment outlook. In order to achieve our purpose, we seek to be a world-class, specialist investment manager and to exceed our clients' expectations. We work to create long-term partnerships built on the key pillars of transparency and trust with our clients and service providers. As part of this, we offer clients access to investments that would usually have a high entry threshold and demand a high degree of expertise and infrastructure, while also adding value over the long term.

VLK Investment Management follows Van Lanschot Kempen's Code of Conduct.

### Client solutions

VLK Investment Management offers two types of solutions to clients. Firstly, as a fund manager, we offer investment strategies, such as global and European equities (high-dividend equities, small-caps, infrastructure and sustainable equity), bonds (euro credits), real estate and alternative investments (private markets, hedge funds and alternative credit) for institutional and private clients in the form of mandates and investment funds. Secondly, as a fiduciary manager, we offer total investment solutions for private clients via Van Lanschot Kempen as well as directly to wholesale and institutional clients. In addition, we offer solutions that support institutional clients with their day-to-day investment management activities.

The individual client's objectives or commitments are leading in terms of the solutions we offer.

## 1.2. Organisation

The composition of the Management Board of VLK Investment Management did not change in the first half of 2023. The Management Board currently has two board members: Erik van Houwelingen (Chair) and Ernst Jansen. The Management Board is responsible for the management of VLK Investment Management.

Key to the strategy of Van Lanschot Kempen, and therefore also to that of VLK Investment Management, is to be a specialist wealth manager – focusing on private, wholesale, institutional and corporate clients. We have the ability to adapt quickly to changing client needs and market conditions, by investing in the quality of our organisation and products we offer. Van Lanschot Kempen (including VLK Investment Management) therefore steers and reports on its business according to client segment.

## 1.3. Financial performance

Operating profit before tax in the first half of 2023 amounted to €25.0 million – a sharp increase compared with the first half of 2022. Client assets increased to €94.0 billion (2022: €86.4 billion), which was driven by a positive market performance of €2.8 billion in the first half of 2023. Net inflow amounted to €4.8 billion.

### Management fees

Management fees grew by 43% compared with the first half of 2022, from €60.8 million to €87.1 million.

### Operating expenses

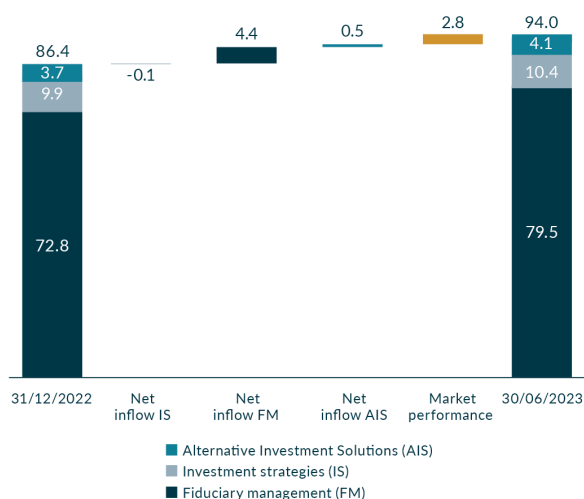
Compared with the first half of 2022, operating expenses increased by €7.1 million to €54.1 million. Other operating expenses grew by 31% to €31.2 million. Staff costs remained stable at €22.7 million in the first half of 2023 compared with €22.8 million in the first half of 2022. The average number of FTEs increased from 205 to 207.

The efficiency ratio – i.e. the ratio of operating expenses to income from operating activities – stood at 61.2%. This is an improvement compared with the efficiency ratio of 77.1% in the first half of 2022, mainly driven by higher income from operating activities.

### Client assets

Total client assets increased by 9% to €94.0 billion (2022: €86.4 billion), driven by net inflows of €4.8 billion and the positive market performance of €2.8 billion.

#### AuM client assets



Investment strategies showed a net outflow of €0.1 billion, driven by outflow in small-caps, which was partly offset by inflow in real estate. Driven by a positive market performance of €0.5 billion, investment strategies increased by €0.4 billion in the first half of 2023 compared with the same period in 2022.

Fiduciary management showed a net inflow of €4.4 billion, mainly coming from Merclin funds and existing clients. In the UK, assets under management (AuM) increased slightly to €4.9 billion (2022: €4.8 billion) due to a positive market performance.

In 2023, asset class solutions was renamed as alternative investment solutions (AIS): a total solution for clients to invest in illiquid asset classes, such as European private debt or farmland. Because of this change, private markets, farmland and private equity have all shifted from investment strategies to AIS. In the first half of 2023, AIS showed a net inflow of €0.5 billion, mainly coming from non-listed real estate and direct lending, with total funds of €4.1 billion.

Kempen Global Listed Infrastructure won the 2023 Lipper Fund Award for best performing fund over the past three years in the Equity Infrastructure category, and it continued its steady growth of assets into the first half of 2023.

### Trends: transition to the new pension contract

The transition to the new pension contract is an important topic for pension funds. We're in close dialogue with our clients on the developments surrounding the new pension system. For those on a flexible contract, this largely corresponds to the lifecycle modelling that we've been offering for some time. For those on a solidarity-based scheme, we've expanded this with a number of key choices, such as borrowing constraint, actual/theoretical protection return and the solidarity reserve. As choices crystallise, consequences for clients' investment policies also become clearer, such as hedging interest rate risk, the risk profile around transition date, and investing in asset classes with more stable expected returns.

The coming years will also be marked by the operational set-up of cooperation with the various parties involved. For many of our clients, we have already initiated tripartite consultations to agree on joint robust services in the chain. The main objective for us is to keep it simple for clients, to keep the costs for operational set-up relatively low and, above all, to strive for uniformity between custodians. VLK Investment Management is therefore actively participating in the "Standard for data exchange with asset managers" working group for the new pension contracts.

### Events after the reporting period

There have been no significant events since the reporting date.

## 1.4. Sustainable and impact investing

Our sustainable and impact investment policies are informed by our company purpose, external laws and regulations, the sustainability goals of our clients, and the international treaties that we and our clients endorse. During the first half of 2023, we implemented the EU Sustainable Finance Disclosure Regulation (SFDR), and made progress on the Markets in Financial Instruments Directive (MiFID II) and the EU Taxonomy. Our fiduciary clients have also implemented the applicable sustainability legislation. On average, they have made strides to align themselves more closely with the Paris Agreement and the UN SDGs.

For our discretionary AuM, our active, engaged ownership approach is shaped in different ways:

- **Integration of environmental, social and governance (ESG) criteria into investment processes** – ESG criteria are part of our funds' investment processes to ensure that sustainable investment risks and opportunities are appropriately reflected in the expected returns and that they contribute to investment decisions. In the first half of 2023, we continued the rollout of our proprietary ESG score for listed securities.
- **Engagement on controversial issues and exclusion in the absence of a favourable outcome** – We engage with companies involved in serious controversies and assess their alignment with the OECD Responsible Business Conduct approach and other relevant conventions on a case-by-case basis. By setting measurable engagement objectives and determining timelines for their achievement, we have an objective methodology for determining when an engagement is unsuccessful and

when divestment should follow. Furthermore, portfolio managers engage with companies on strategic, forward-looking ESG topics that are most material; several of our engagement fact sheets can be found on our website: [vanlanschotkempen.com/en-nl/investment-management/document-library](https://vanlanschotkempen.com/en-nl/investment-management/document-library).

- **Positive impact** – In addition to using Sustainable Development Goal (SDG) alignment scores internally for some of our funds, we are working to increase the sustainability credentials of all our funds. For the third year in a row, we reported on the SDG alignment of several of our funds. The Global Impact Pool also celebrated its fifth anniversary in the first quarter of 2023, which you can read more about on our website: [media.vanlanschot.nl/media/pdfs/stewardship-and-sustainable-investment-report-2022-van-lanschot-kempen.pdf](https://media.vanlanschot.nl/media/pdfs/stewardship-and-sustainable-investment-report-2022-van-lanschot-kempen.pdf).
- **Climate change** – We have clear net-zero targets, as explained in our climate policy:
  - By 2050: become a net-zero investor;
  - By 2030: align with a Paris Agreement pathway (listed and non-listed investments);
  - By 2025: align with a Paris Agreement pathway (listed investments). We align with the trajectory to achieve the goals of the Paris Agreement and Dutch *Klimaatakkoord*<sup>1</sup>. Since 2022, we've had an annual carbon footprint reduction target of 7% in place for all listed funds.
- **Exercising our voting rights** – In the first half of 2023, we voted at 329 annual and extraordinary general meetings of shareholders. We voted against, abstained or withheld our vote on proposed agenda items (put forward by both management and shareholders) in 15% of cases. Of the votes cast "against", around half related to director election, while one in eight related to compensation. A change compared with previous years was the percentage of agenda items tabled by shareholders: this rose from around 2% previously to almost 4.5% in the first half of 2023. We supported 60 shareholder proposals on environmental and social issues.

### Voting in H1 2023

Meeting overview		
Category	Number	Percentage
Number of votable meetings	345	
Number of meetings voted	329	95%
Number of meetings with at least one vote Against, Withheld or Abstained	251	73%

Proposal overview		
Category	Number	Percentage
Number of votable items	5,512	
Number of items voted	5,143	93%
Number of votes For	3,981	77%
Number of votes Against	683	13%
Number of votes Abstained	25	0%
Number of votes Withheld	38	1%

For more detailed information on our sustainable investment approach and policies, visit our website: [vanlanschotkempen.com/en-nl/investment-management/document-library#ESG](https://vanlanschotkempen.com/en-nl/investment-management/document-library#ESG).

### Fiduciary management: advising on sustainability themes

Our fiduciary clients are making a difference through their sustainable investment policies. Climate, decent working conditions and health & well-being are the key themes our clients use to shape their sustainable investment ambitions. Our fiduciary management team helps to translate these ambitions and the clients' sustainable investment beliefs into clear objectives. We provide advice at every step of the process, from drafting the responsible investment policy to evaluating external investment managers.

In the first half of 2023, several clients implemented new country policies, stipulating their preferences in investing in sovereign bonds. For example, clients can choose not to invest in countries that are not enshrined in sanctions lists, but are still involved in severe ESG-related violations, such

as human rights abuses or endemic corruption. Investing in these countries could involve high risks.

Clients have also made valuable progress in adjusting their investments in order to further reduce the carbon emissions of their total portfolios, aligning with their own climate goals or KPIs. Implementation and control is facilitated by customised indices. We have developed these indices for equity and credit strategies in developed and emerging markets and, in some cases, also for illiquid asset categories such as real estate, infrastructure and farmland.

In the first half of 2023, we further supported our clients in implementing the sustainability legislation that's applicable to them. We also helped our larger clients with a sustainable risk framework, which aims to help them focus on the material ESG risks and to define a more explicit risk attitude.

In addition, we have enhanced the opportunities for our pension fund clients to communicate with their participants, including by offering abbreviated versions of our clients' sustainability reports.

<sup>1</sup> We use carbon intensity as a metric for arriving at the pathway of net-zero emissions. As we care about the direction of travel and reduction of carbon emissions in the economy, it is possible that the actual reduction trend deviates from the suggested average trend line. The pathway is derived from the pathway of the EU Benchmarks.

In terms of overarching themes, we see that biodiversity loss is an additional ESG risk over time. In the first few months of 2023, we held several advisory sessions on the impact of biodiversity loss, including the first steps on how to mitigate parts of this risk in the future.

## 1.5 Van Lanschot Kempen Investment Management

The strong relative investment performance of our products and solutions, highly motivated employees and personal connection with our clients mean that there are sound prospects for further long-term growth at VLK Investment Management. At the time of publication, the Management Board does not foresee any material capital-intensive investments, nor does it expect any changes to current funding.

Amsterdam, 29 August 2023

### Management Board

W.H. van Houwelingen

E.J.G. Jansen

# Consolidated financial statements

## 2.1. Consolidated balance sheet at 30 June 2023 (before result appropriation)

Consolidated balance sheet		30/06/2023	31/12/2022
<b>Assets</b>			
Intangible assets	1	4,094	4,318
Tangible assets	2	111	123
Deferred tax assets	3	–	–
Receivables from related parties	4	72,827	48,345
<b>Current receivables, prepayments and accrued income</b>	5		
Management fees receivable		68,487	45,274
Tax and social insurance premiums		–	–
Other receivables, prepayments and accrued income		8,998	7,963
		<b>77,485</b>	<b>53,237</b>
<b>Cash and cash equivalents</b>	6	<b>194</b>	<b>245</b>
<b>Total assets</b>		<b>154,711</b>	<b>106,267</b>
<b>Equity &amp; liabilities</b>			
<b>Equity</b>			
	7		
Paid-up and called-up share capital		92	92
Premium reserve		6,700	6,700
Translation reserve		16	63
Other reserves		29,744	26,278
Undistributed profit		25,009	23,680
		<b>61,561</b>	<b>56,812</b>
<b>Provisions</b>			
	8		
Deferred tax liabilities		1,056	1,114
Other provisions		–	495
		<b>1,056</b>	<b>1,609</b>
<b>Current liabilities, accruals and deferred income</b>	9		
Management fees payable		10,140	10,821
Amounts owed to related parties		79,936	35,155
Tax and social insurance premiums		1,281	1,550
Other liabilities, accruals and deferred income		736	320
		<b>92,093</b>	<b>47,846</b>
<b>Total equity and liabilities</b>		<b>154,711</b>	<b>106,267</b>



## 2.2. Consolidated profit and loss account at 30 June 2023

Consolidated profit and loss account		H1 2023	H1 2022
<b>Income</b>			
Management fees	10	87,120	60,816
Revaluation results		426	—
Other income	11	719	76
<b>Total income</b>		<b>88,265</b>	<b>60,891</b>
<b>Expenses</b>			
Staff costs	12	22,652	22,790
Amortisation of intangible assets	1	225	415
Depreciation of tangible assets	2	10	15
Other operating expenses	13	31,175	23,732
<b>Total expenses</b>		<b>54,062</b>	<b>46,952</b>
<b>Operating result</b>		<b>34,203</b>	<b>13,938</b>
<b>Interest result</b>			
Interest income		—	—
Interest expenses		29	68
<b>Interest result</b>	14	<b>-29</b>	<b>-68</b>
<b>Result before tax</b>		<b>34,174</b>	<b>13,870</b>
Tax	15	9,165	3,687
<b>Result after tax</b>		<b>25,009</b>	<b>10,183</b>

## 2.3. Summary of key accounting policies for the preparation of the consolidated financial statements

### General

The purpose of Van Lanschot Kempen Investment Management NV (VLK Investment Management or "the company") is to manage and administer the assets of third parties, and to provide advice to and invest in, manage and finance other enterprises and companies. VLK Investment Management has its registered office at Beethovenstraat 300, 1077 WZ Amsterdam, the Netherlands, and is registered under number 33181992 at the Chamber of Commerce.

The company belongs to a group. At the head of this group is Van Lanschot Kempen NV (Van Lanschot Kempen) in 's-Hertogenbosch. The company's annual accounts are included in the consolidated annual accounts of Van Lanschot Kempen NV in 's-Hertogenbosch.

The consolidated financial statements are prepared in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board.

The accounting principles have remained unchanged from the prior year.

### Currency

Items in the consolidated financial statements pertaining to each group company are stated in the currency of the economic environment in which the entity chiefly operates, i.e. the functional currency. Amounts in the consolidated financial statements are denominated in euros, the euro being both the functional and reporting currency. Unless stated otherwise, all amounts are presented in thousands of euros. The totals may not always match the sum of the individual values due to rounding.

Transactions in foreign currencies in the reporting period are recognised in the consolidated financial statements at the exchange rate prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the reporting date. Translation differences arising on the settlement of such transactions are recognised in consolidated profit or loss.

Assets and liabilities of consolidated subsidiaries with a functional currency different from the presentation currency are translated at the rate of exchange prevailing at the balance sheet date; income and expenses are translated at average exchange rates during the financial year. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of these subsidiaries and translated at the closing rate. Any resulting exchange differences are taken directly to the legal reserve for translation differences within equity.

### Estimates

In the process of applying the accounting policies, VLK Investment Management's Management Board uses estimates and assumptions which can have a significant impact on the amounts recognised in the consolidated financial statements. If necessary for the insight as required under Art. 2:360 sub 1 of the Dutch Civil Code, we include the nature of these judgements and estimates as well as their underlying assumptions in the notes to the relevant consolidated financial statements items.

### Intra-group relationships

VLK Investment Management is a 100% subsidiary of Van Lanschot Kempen. VLK Investment Management (UK) Limited (VLK Investment Management (UK)) is a 100% subsidiary of VLK Investment Management. Van Lanschot Kempen has its registered office at Hooge Steenweg 29, 's-Hertogenbosch.

VLK Investment Management's financial data are fully consolidated in the financial statements of Van Lanschot Kempen. Operationally, VLK Investment Management is closely associated with Van Lanschot Kempen. Consequently, virtually all expenses disclosed in the consolidated profit and loss account represent amounts charged on by Van Lanschot Kempen.

### Consolidation

The financial data of VLK Investment Management and its group companies are consolidated. A group company is a legal entity in which VLK Investment Management is able to exercise decisive control, directly or indirectly, because it holds the majority of the voting rights or is able to control the financial and operational activities in some other way.

Intercompany transactions and the ensuing results and intercompany receivables and payables are eliminated in the consolidation. The accounting policies of group companies and other legal entities included in the consolidation are adjusted where necessary to bring them into line with group accounting policies.

### Subsidiaries

Participating interests for which significant influence can be exercised over business and financial policy are valued at net asset value. If the valuation of a participating interest's net asset value is negative, it is valued at nil. If and in so far as VLK Investment Management in this situation fully or partially guarantees the debts of the participating interest, or has the firm intention to enable the participating interest to pay its debts, a provision is formed for this.

The share in the result of these participating interests is recognised as the result of participating interests in which significant influence is exercised on business and financial policy. This result is determined on the basis of the accounting principles applicable at VLK Investment Management for valuation and determination of the result.

### **Related parties**

Van Lanschot Kempen qualifies as a related party of VLK Investment Management and VLK Investment Management (UK). All related-party transactions take place on an arm's length basis.

### **Acquisitions and disposals of group companies**

The results and identifiable assets and liabilities of an acquired company are recognised in the consolidated financial statements from the acquisition date. The acquisition date is the date from which decisive control can be exercised in the relevant company.

The acquisition cost comprises the amount or the equivalent thereof that is agreed for the acquisition of the relevant company, plus any directly attributable costs. If the acquisition price exceeds the net fair value of the identifiable assets and liabilities, the surplus is capitalised as goodwill under intangible assets. If the acquisition price is below the net fair value of the identifiable assets and liabilities, the difference (negative goodwill) is recognised as an accrued liability.

### **Cash flow statement**

VLK Investment Management does not prepare a cash flow statement as it is consolidated in the cash flow statement of Van Lanschot Kempen, which is filed at the trade register and is available on Van Lanschot Kempen's website.

## 2.4. Accounting policies

### General

VLK Investment Management is an independent wealth manager specialising in the preservation and creation of wealth, in a sustainable way, for both its clients and the society of which it is part.

Assets and liabilities are generally stated at acquisition cost, unless another specific accounting policy is specified. The consolidated balance sheet and consolidated profit and loss account contain references to the notes in Section 2.5 below. All amounts are presented in thousands of euros.

### Intangible assets

Intangible assets with a limited useful life (such as client relationships) are valued at acquisition date on the basis of the present value of expected future cash flows and subsequently amortised over their estimated economic life.

With regard to the determination as to whether an intangible fixed asset is subject to an impairment, please see "Impairments", below.

### Tangible assets

Equipment used within VLK Investment Management is stated at acquisition cost less depreciation, calculated on the basis of the estimated economic life of the asset and taking into account any residual value. Account is taken of impairments expected to be recognised at the reporting date. If the depreciation method, estimated useful life and/or residual value change over time, these are disclosed as changes in estimates. Decommissioned equipment is stated at the lower of cost price or realisable value.

### Impairments

VLK Investment Management considers at every reporting date whether there are indications that a fixed asset may be subject to impairment. If such indications are found, the recoverable amount of the asset is determined. If it is impossible to determine a recoverable amount for the individual asset, the recoverable amount of its cash-generating unit is determined.

Asset impairment exists if the carrying value of the asset is greater than its recoverable amount; the recoverable value is the greater of the fair value less cost to sell and the value in use. An impairment loss is recognised in profit or loss and the carrying value of the asset is reduced simultaneously.

If it is established that an impairment recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset had been reported.

For financial assets recognised at amortised cost, the impairment is measured as the difference between the asset's carrying amount and the best available estimate of future cash flows, discounted at the financial asset's original effective interest rate upon initial recognition.

The impairment loss recognised must be reversed if the reduction of the impairment is related to an objective event after amortisation, up to a maximum of the amount needed to value the asset at amortised cost at the time of the

reversal if there had not been an impairment. The reversed loss is recognised in the consolidated profit and loss account.

### IFRS 16 Leases

VLK Investment Management applies IFRS 16, as allowed by the Dutch Accounting Standards Board. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

### Receivables

On initial recognition, receivables are valued at the fair value of the consideration. After initial recognition, receivables are carried at amortised cost. If the receipt of a receivable is deferred for reasons of an agreed extension of a payment term, its fair value is determined on the basis of the present value of the expected receipts and interest income is taken to the consolidated profit or loss based on the effective rate of interest. Provisions for uncollectable amounts are deducted from the carrying value of the receivable.

### Cash and cash equivalents

This item comprises bank balances with a term of less than 12 months. Bank overdrafts are disclosed under amounts owed to credit institutions. Cash and cash equivalents are stated at face value.

### Provisions

A provision is a commitment where there is uncertainty regarding its size or time of settlement. A provision is formed on the consolidated balance sheet if there is a commitment which arose in the past, if it is likely that settlement of the provision would require an outflow of funds and if a reliable estimate can be made. Other provisions are stated at the face value of expenditure necessary to settle obligations, unless stated otherwise. Provisions are discounted only if the time value of the cash or the commitment has a material influence.

Deferred tax is recognised using the temporary differences between the carrying amounts of assets and liabilities for tax reporting purposes and the carrying amounts recognised in these consolidated financial statements. Deferred tax is calculated at the tax rate in force at the end of the financial year, or at rates to be applied in future years, in so far as legally enacted. Deferred tax is recognised at nominal values. Deferred tax assets are only recognised in so far as it is probable that future taxable profits will be available to offset the temporary differences and available tax losses.

### Current liabilities, accruals and deferred income

On initial recognition, current liabilities are stated at fair value. After initial recognition, they are carried at amortised cost, being the amount received plus premiums or discounts and less transaction costs. This is typically the face value due to the short-term nature of these liabilities.

### Income and expenses

Income and expenses are attributed to the financial year to which they relate, regardless of whether they led to receipts and expenditure in that financial year. Losses and risks originating in a financial year are attributed to that financial year.

### Management fees

Management fees include fees earned for management activities, fiduciary and related activities by which VLK Investment Management holds or invests assets on behalf of its customers. Service fees are fees with the purpose of covering the operational costs of a fund. These operational costs include (but are not limited to) audit fees, regulatory costs, registration fees, depositary and administration agent fees.

### Other income

Other income comprises income not directly related to management fees or services as part of normal – not one-off – business activities.

### Staff costs

Wages, salaries and social security contributions are taken to profit or loss in accordance with employment conditions in so far as these are payable to staff or the tax authorities. Pension costs and variable remuneration for the period are charged on to VLK Investment Management by Van Lanschot Kempen.

### Share-based payments

Employees may be eligible to receive remuneration in the form of share-based payments. The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which the equity instruments are granted. The fair value is determined based on the share price on the grant date, taking into account the discounted value of expected dividends over the vesting period. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, in the period in which the employee's performance criteria are fulfilled, ending on the date on which the employee becomes fully entitled to the award (the vesting date).

### Interest result

Interest income and interest expenses are recognised as they accrue using the effective interest rates of the relevant assets and liabilities. Interest expenses are stated while taking account of the recognised transaction costs of loans received.

### Currency exchange differences

Currency exchange differences arising upon the settlement or conversion of monetary items are recognised in the consolidated profit and loss account in the period that they arise. Non-monetary assets measured at historical cost in a foreign currency are converted at the exchange rate on the transaction date (historical rate).

### Other operating expenses

These are costs charged to the year that are not directly attributable to the cost of goods or services. Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

### Taxation

Tax is calculated on the result before tax in the consolidated profit and loss, factoring in any available, unrecognised tax losses from previous financial years (in as much as these are not included in deferred tax) and tax-exempt profits plus non-deductible costs. For VAT purposes, VLK Investment Management forms a fiscal unity with Van Lanschot Kempen. For the purpose of corporate income tax, VLK Investment Management also forms a fiscal unity with

Van Lanschot Kempen. Settlement takes place between Van Lanschot Kempen and VLK Investment Management, based on the taxable result.

### Article 402

Since the profit and loss account of the company is included in the consolidated financial statements, an abridged profit and loss account has been disclosed (in the company financial statements) in accordance with Section 402, Book 2 of the Dutch Civil Code.

## 2.5. Notes to the consolidated balance sheet and profit and loss account

### Balance sheet

#### 1. Intangible assets

Changes in intangible assets can be broken down as follows:

Intangible assets	30/06/2023	31/12/2022
At start of year	4,320	5,050
Amortisation	-225	-730
At end of year	4,094	4,320
Historical cost	9,200	9,200
Accumulated amortisation	5,106	4,880
At end of year	4,094	4,320

Intangible assets represent the carrying value of the client relationships in respect of the acquisition of fiduciary management activities in the United Kingdom (€2.5 million in 2015) and VermogensParaplu Beheer BV (€6.7 million in 2017). These client relationships are valued at acquisition date on the basis of the present value of expected future

cash flows and subsequently amortised over the estimated economic life at a rate of 14.2% and 6.7% per annum respectively. No impairment to these assets was recognised in 2023 or 2022. The acquisition of the fiduciary management activities in the United Kingdom was fully written off in 2022.

#### 2. Tangible assets

Changes in equipment can be broken down as follows:

Tangible assets	30/06/2023	31/12/2022
At start of year	123	123
Investments	–	30
Depreciation	-12	-31
At end of period	111	123
Historical cost	657	2,352
Accumulated depreciation	-547	-2,229
At end of period	111	123

Tangible assets	Alterations & repairs	IT & communications equipment	Other	Total
At 1 January 2023	93	27	2	123
Investments	–	–	–	–
Disposals	–	–	–	–
Depreciation	7	14	10	31
At 30 June 2023	86	24	–	111

Cumulative	Alterations & repairs	IT & communications equipment	Other	Total
Acquisition costs	138	443	76	657
Cumulative depreciation	52	419	76	547
At 30 June 2023	86	24	–	111

Depreciation is applied at the following rates:

- Alterations & repairs: 20% per annum;
- IT & communications equipment: 20% per annum;
- Other: 20% per annum.

No impairments were recognised in 2022 and 2023.

### 3. Deferred tax assets

Changes in deferred tax assets were as follows:

Deferred tax assets	Tax losses
At 1 January 2022	1,218
(Charged/credited)	
- Revaluation	-84
- To profit and loss	-1,134
At 31 December 2022	—
(Charged/credited)	
- Revaluation	—
- To profit and loss	—
At 30 June 2023	—

Unrecognised tax losses amount to €10,751,351 and relate to carry forward losses incurred by VLK Investment Management (UK) as from 2021 until 30 June 2023. As the United Kingdom applies no time limit for offsetting losses, these tax losses can be carried forward indefinitely.

#### 4. Receivables from related parties

This item comprises receivables (Ioro accounts, current accounts, payable tax) from related party Van Lanschot Kempen with a term of less than one year. There are no relevant contractual terms that could have a material effect on these amounts or the risks to future cash flows. No interest is charged on the balance. The fair value approximates the carrying amount due to the short-term nature of these receivables; provisions for bad debts are recognised where necessary.

#### 5. Current receivables, prepayments and accrued income

There are no relevant contractual terms that could have a material effect on these amounts or the risks to future cash flows.

##### Management fees receivable

This relates to the balance of management fees receivable and discounts payable involving the same counterparties, which are settled simultaneously but had not yet been settled by 30 June 2023. Management fees receivable have a term of less than one year.

#### Tax and social insurance premiums

Tax and social insurance premiums have a term of less than one year.

#### Other receivables, prepayments and accrued income

This item relates mainly to prepaid costs. All other receivables, prepayments and accrued income have a term of less than one year.

#### 6. Cash and cash equivalents

This item comprises bank balances with a term of less than 12 months which are readily available to VLK Investment Management.

#### 7. Equity

##### Paid-up and called-up share capital

The authorised share capital amounts to €454,000 (2022: €454,000) and is divided into 1,000 (2022: 1,000) ordinary shares, each having a nominal value of €454 (2022: €454). Of this total, 202 (2022: 202) shares have been issued and fully paid up.

##### Share premium reserve

The share premium reserve did not change in 2023. The share premium reserve is freely distributable.

##### Currency translation reserves

Changes in the currency translation reserve relate to VLK Investment Management (UK) Ltd. and can be broken down as follows:

Currency translation reserves	30/06/2023	31/12/2022
At start of year	63	151
Currency exchange difference on translation	-46	-88
At end of period	16	63

## Other reserves

Changes in reserves can be broken down as follows:

Other reserves	30/06/2023	31/12/2022
At start of year	26,278	23,410
Profit distribution (undistributed profit previous year)	23,680	27,509
Dividend payments	-20,000	-25,000
Share plans	20	-20
Other changes	—	38
Foreign exchange difference	-233	341
At end of period	29,744	26,278

### Undistributed profit

The undistributed profit for the current financial year amounts to €25,009,200. The Management Board is proposing to distribute a dividend in the amount of €20,000,000, equivalent to € 99,009.90 per share.

The difference between the result after tax of €25,009,200 and the dividend to be distributed, amounting to €5,009,200, will be added to Other reserves. The financial statements do not yet reflect this proposal.

## 8. Provisions

### Deferred tax liabilities

Change to deferred tax liabilities can be specified as follows:

Deferred tax liabilities	30/06/2023	31/12/2022
At start of year	1,114	1,230
Additions	—	—
Amortisation Intangible assets	-58	-115
Corporate income tax charge	—	—
Rate change	—	—
At end of period	1,056	1,114

Upon the acquisition of VermogensParaplu Beheer BV, a deferred tax liability of €1,675,000 was recognised in 2017, which is being amortised on a straight-line basis over a period of 15 years. Of this provision, €949,050 can be classified as longer than one year.

### Other provisions

Changes in other provisions can be broken down as follows:

Other provisions	30/06/2023	31/12/2022
At start of year	495	523
Additions	—	—
Foreign exchange difference	-2	-28
Release	-493	—
At end of period	—	495

A provision is a liability of uncertain timing or amount. A provision is included in the balance sheet if we have an obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made.

Provisions are discounted if the time value of money for the liability has a material effect. The provision relates to a received legal claim.



## 9. Current liabilities, accruals and deferred income

All current liabilities, accruals and deferred income have a term of less than one year. There are no relevant contractual terms that could have a material effect on the amounts or the risks of future cash flows. The fair values approximate the carrying amounts due to their short-term character.

### Management fees payable

This item concerns management fees that had not yet been settled at 30 June 2023 and that cannot be set off against outstanding receivables.

### Amounts owed to related parties

This item concerns a current account with related party Van Lanschot Kempen with a maturity of less than one year. No interest is charged or credited on the current account balance.

### Tax and social insurance premiums

This relates to value added tax payable in respect of 2023

### Other liabilities, accruals and deferred income

This relates to accruals, human resources and accounts payable to suppliers.

## Profit and loss account

### 10. Management fees

Total management fees increased by 43% in the first half of 2023 compared with the first half of 2022 and can be broken down as follows:

Management fees	H1 2023	H1 2022
Management fees	77,231	52,917
Service fee income	11,663	10,784
Service fee expenses	-1,774	-2,885
<b>Total management fees</b>	<b>87,120</b>	<b>60,816</b>

### 11. Other income

Other income comprises other advice fees.

### 12. Staff costs

Staff costs	H1 2023	H1 2022
Salaries	16,384	17,753
Pension costs	2,039	1,933
Social security contributions	1,518	1,470
Other staff costs	2,710	1,634
<b>Total staff costs</b>	<b>22,652</b>	<b>22,790</b>

Staff costs comprise salaries, market value allowances, expenses, travel allowances, social security costs, employer's pension costs and variable remuneration charged on by Van Lanschot Kempen.

Pension costs allocated to the reporting period are charged on to VLK Investment Management by Van Lanschot Kempen based on the number of staff employed. Van Lanschot Kempen is responsible for the commitments ensuring from the pension scheme agreed with employees.

In 2023, share-based payments had an impact on equity of -€19,563 (2022 : -€19,813). Of the total expenses arising from share-based payments, €0 is included in salaries (2022: €0).

Employees may be eligible to receive remuneration in the form of share-based payments. The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which the equity instruments are granted. The fair value is determined based on the share price on the grant date, taking into account the discounted value of expected dividends over the vesting period. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, in the period in which the employee's performance criteria are fulfilled, ending on the date on which the employee becomes fully entitled to the award (the vesting date).

The fair value is determined based on the volume-weighted day price for depositary receipts for Class A ordinary shares on the second trading day after release of Van Lanschot Kempen's annual figures. The fair value is equal to the share price less the discounted value of expected dividends during the vesting period.

Conditional depositary receipts for shares will vest if:

- Van Lanschot Kempen's financial position allows this in the year of vesting;
- Risks have been reviewed and no material, unforeseen risks have occurred; and
- The individual has not left the company in the three or four-year period.

#### Average number of staff

Staff working at VLK Investment Management are employed by Van Lanschot Kempen. The average number of staff employed on a full-time basis between 1 January and 30 June 2023 was 206 (2022: 205). The average number of staff working outside the Netherlands was 34 (2022: 32).

#### Management Board remuneration

VLK Investment Management's Management Board comprised two members in the first half year 2023. Management Board remuneration in the first half of 2023 amounted to €541,559, compared with €85,356 in the first half of 2022, reflecting a change in our organisational structure. The Management Board members hold positions within Van Lanschot Kempen and are part of the allocated internal costs for VLK Investment Management, with a percentage of the Management Board remuneration being allocated to VLK Investment Management.

### 13. Other operating expenses

Other operating expenses	H1 2023	H1 2022
ICT costs	6,998	6,075
Charged-on overheads	13,708	9,314
News services	2,781	2,866
Accommodation costs	2,038	1,717
Commercial costs	554	258
Consultancy fees	2,522	1,680
Fund costs	761	547
Office costs	1,082	1,211
Administration costs	–	–
Other	46	65
<b>Total other operating expenses</b>	<b>30,490</b>	<b>23,732</b>

### 14. Interest result

Total interest income includes €0 from group companies (2022: €0). Total interest expenses from group companies amounted to €28,921 (2022: €67,968).

### 15. Tax

Tax	H1 2023	H1 2022
Deferred taxes	–	–
Income tax expense from previous years	-251	-44
Income tax expense for the current financial year	9,415	3,731
	<b>9,165</b>	<b>3,687</b>
	%	%
Effective tax rate	26,8%	26,6%
Applicable tax rate	25,8%	25,8%

The effective tax rate exceeds 25.8% mainly because of unrecognised deferred tax assets in the UK for 2023 fiscal losses, which is included in 'Other' in the table overleaf.

The reconciliation between the statutory and effective tax rate is as follows:

The reconciliation between the statutory and effective tax	
Result before tax according to the financial statements	34,174
CIT based on statutory rate of 25.8%	8,817
Tax non-deductible costs	83
Income tax previous years	-251
Change in deferred income tax	—
Tax rate difference foreign operations	—
Other	515
<b>Corporate income tax</b>	<b>9,165</b>
Effective corporate tax rate	26,8%

## 16. Contingent liabilities

### Off-balance sheet liabilities relating to fiscal unity

For VAT and Corporate Income Tax purposes, VLK Investment Management NV forms a fiscal unity with Van Lanschot Kempen. VLK Investment Management and Van Lanschot Kempen are both severally and jointly liable for the tax liabilities of the combination.

### Liabilities not recognised in balance sheet:

Contingent liabilities	30/06/2023	31/12/2022
<b>Office rental obligations</b>		
< 1 year	84	325
≥ 1 year < 5 years	—	—
≥ 5 years	—	—
<b>Total</b>	<b>84</b>	<b>325</b>

The remaining term of the rental agreement is two months as from 30 June 2023.

### Events after the reporting period

There have been no significant events since the reporting date.

# Company financial statements

### 3.1. Company balance sheet at 30 June 2023 (before result appropriation)

Company balance sheet		30/06/2023	31/12/2022
<b>Assets</b>			
Financial assets	1	4,975	1,061
Intangible assets		4,094	4,318
Tangible assets		86	94
Deferred tax assets		—	60
Receivables from related parties		63,323	43,179
<b>Current receivables, prepayments and accrued income</b>			
Management fees receivable		66,570	43,486
Other receivables, prepayments and accrued income		9,277	5,628
		75,847	49,114
<b>Cash and cash equivalents</b>		<b>7</b>	<b>132</b>
<b>Total assets</b>		<b>148,333</b>	<b>97,959</b>
<b>Equity &amp; liabilities</b>			
<b>Equity</b>	7		
Paid-up and called-up share capital		92	92
Premium reserve		6,700	6,700
Other reserves		29,744	26,278
Translation reserve		16	63
Undistributed profit		25,009	23,680
		61,561	56,812
<b>Provisions</b>			
Deferred tax liabilities		1,091	1,143
		1,091	1,143
<b>Current liabilities, accruals and deferred income</b>			
Management fees payable		8,451	8,708
Amounts owed to related parties		74,363	29,001
Tax and social insurance premiums		1,274	1,366
Other liabilities, accruals and deferred income		1,592	930
		85,681	40,004
<b>Total equity and liabilities</b>		<b>148,333</b>	<b>97,959</b>

## 3.2. Company profit and loss account at 30 June 2023

Company profit and loss account		H1 2023	H1 2022
Result from participating interests	1	-1,955	-1,249
Company result after tax	1	26,964	11,433
<b>Result after tax</b>		<b>25,009</b>	<b>10,184</b>

## 3.3. Notes to the company balance sheet and profit and loss account

### Basis of preparation

#### General

The company financial statements are prepared in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board (Raad voor de Jaarverslaggeving).

The accounting principles are the same for both the company financial statements and the consolidated financial statements. Investments in group companies are recognised at net asset value. For the accounting principles, please refer to the accounting policies of the consolidated financial statements.

#### Participating interests

Participating interests in which the company is able to exercise a material influence are stated using the net asset value method. If able to exercise 20% or more of the voting rights, the company is assumed to have material influence.

### 1. Financial assets

Participating interests include the following company:

- VLK Investment Management (UK), in which 100% of paid-up capital is held.

Changes in financial assets break down as follows:

Financial assets	30/06/2023	2022
At 1 January 2023	1,061	1,828
Adjustments prior year	–	–
Capital addition	5,684	5,295
Result from participating interests	-1,955	-5,888
Share plans	-20	20
Currency translation differences	204	-193
At 30 June 2023	4,975	1,061

### 7. Equity

#### Paid-up and called-up share capital

The authorised share capital amounts to €454,000 (2022: €454,000) and is divided into 1,000 (2022: 1,000) shares, each having a nominal value of €454 (2022: €454). Of this total, 202 (2022: 202) shares have been issued and fully paid up.

#### Share premium reserve

The share premium reserve did not change in 2023. The premium reserve is freely distributable.

The net asset value is calculated in keeping with the accounting principles governing these financial statements; with regard to participating interests in which insufficient data is available for adopting these principles, the valuation principles of the respective participating interest are applied.

Initial measurement of purchased participating interests is based on the fair value of the identifiable assets and liabilities at the time of purchase. For subsequent valuations, the principles that apply for these financial statements are used, with the values upon their initial recognition as the basis.

#### Notes to individual items in the company financial statements

For the other individual items, the disclosure is included as per the consolidated financial statements.

## Other reserves

Changes in other reserves can be broken down as follows:

Other reserves	30/06/2023	2022
At start of year	26,278	23,410
Profit distribution (undistributed profit previous year)	23,680	27,509
Dividend payments	-20,000	-25,000
Share plans	20	-20
Other changes	–	38
Translation differences	-233	341
At end of period	29,744	26,278

## Undistributed profit

Undistributed profit	30/06/2023	2022
At start of year	23,680	27,509
Profit distribution	-23,680	-27,509
Result for the financial year	34,174	23,680
At end of period	34,174	23,680

## Staff

### Average number of staff

Staff working at VLK Investment Management are employed by Van Lanschot Kempen. The average number of staff employed on a full-time basis between 1 January and 30 June 2023 was 174 (2022: 174). The average number of staff working outside the Netherlands was 2 (2022: 2).

Amsterdam, 29 August 2023

### Management Board

W.H. van Houwelingen

E.J.G. Jansen



# Other information

## 4. Other information

### 4.1. Profit appropriation

Pursuant to Article 31, paragraph 1 of VLK Investment Management's Articles of Association, the profit is at the free disposal of the general meeting of shareholders in so far as the reserves are adequate for this purpose.

### 4.2. Independent auditor's report

This half-year report had not been audited.