



VAN LANSCHOT
KEMPEN

2024 half-year results

Van Lanschot Kempenn Investment Management NV

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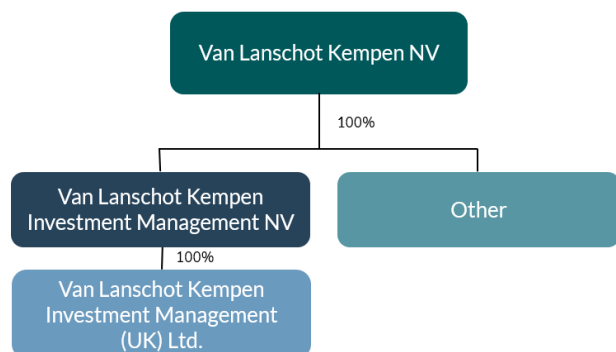
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1. Report of the Management Board

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 keen focus on delivering strong investment returns. We serve clients from our 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, 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 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 in the long run. 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 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 2024. On 15 July 2024, Damla Hendriks was appointed member of the Management Board of VLK Investment Management. The Management Board currently has three members: Erik van Houwelingen (Chair), Ernst Jansen (COO) and Damla Hendriks (CRO). The Management Board is responsible for the management of VLK Investment Management.

Key to the strategy of Van Lanschot Kempen – and thus also to that of VLK Investment Management – is to be a specialist wealth manager – focusing on private, wholesale and institutional clients. We have the ability to adapt quickly to changing client needs and market conditions, by investing in the quality of our organisation and the products and solutions we offer.

1.3. Financial performance

Operating profit before tax in the first half of 2024 amounted to €46.4 million – up steeply from the €34.2 million recorded in the first half of 2023. Client assets grew to €112.9 billion (FY 2023: €104.7 billion), driven by a positive market performance of €3.6 billion in the first half of 2024 (H1 2023: €2.8 billion). Net inflows amounted to €4.5 billion (H1 2023: €4.8 billion).

Management fees

Management fees were 12% higher than in the first half of 2023, at €97.9 million (H1 2023: €87.1 million).

Operating expenses

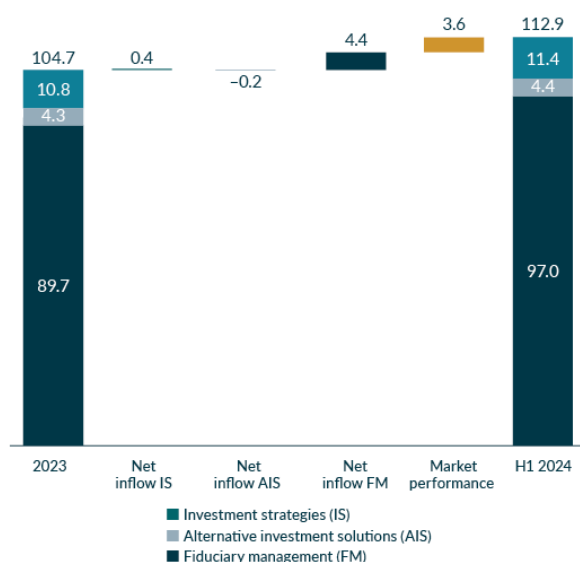
Compared with the first half of 2023, operating expenses decreased by €1.5 million, to €51.9 million. Other operating expenses were 14% lower, at €26.2 million. Staff costs rose 11% to €25.2 million in the first half of 2024 as against €22.7 million in the first half of 2023. The average number of FTEs decreased from 274 to 258.

The cost/income ratio – i.e. the ratio of operating expenses to income from operating activities stood at 52.8%. This is a marked improvement on the 61.0% figure for the first half of 2023, mainly on the back of higher income from operating activities.

Client assets

Total client assets grew by 8% to €112.9 billion (FY 2023: €104.7 billion), driven by net inflows of €8.1 billion and the positive market performance of €3.6 billion in the first half of 2024.

Client assets



Investment strategies recorded net inflows of €0.4 billion, driven by small caps and credits and a positive market performance of €0.3 billion, and partially offset by sustainable equity and real estate outflows. Investment strategies added €0.7 billion in the first half of 2024.

Fiduciary management saw a net inflow of €4.4 billion, derived from new clients in the Netherlands and the UK, as well as existing clients who have entrusted us with more of their assets, and a positive market performance of €3.0 billion. Fiduciary management increased by €7.4 billion in the first half of 2024.

Alternative Investment Solutions showed a net outflow of €0.2 billion, mainly from alternative credits and multi assets, partially offset by inflows in non-listed real estate, farmland, private equity, diversified private markets, our liquid strategy and a positive market performance of €0.3 billion. Alternative Investment Solutions increased by €0.1 billion in the first half of 2024.

Kempen Global High Dividend Fund NV, Kempen Global Property Fund NV and Kempen Alternative Investment Fund SICAV – Diversified Structured Credit Pool A USD Cap won the LSEG Lipper Fund Awards 2024 for best-performing fund over the past three years in the categories they were nominated for. The funds were assessed on their overall performance, consistency of the achieved performance and capital preservation.

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 based on 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 2024, we continued to implement the EU Sustainable Finance Disclosure Regulation (SFDR), and the EU Taxonomy. Our fiduciary clients have also implemented the applicable sustainability legislation. On average, they continued to align themselves more closely with the Paris Agreement and the UN Sustainable Development Goals (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 expected returns and that they contribute to investment decisions. In the first half of 2024, we continued the application 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: <https://www.vanlanschotkempen.com/en-nl/investment-management/sustainability-approach/sustainable-investment-policies-and-publications>.
- **Positive impact** – In addition to using SDG alignment scores internally for a number of our funds, we are working to increase the sustainability credentials of all our funds. In the first half of 2024, we developed our Transition and Impact Investing Framework, which we are using as a basis for assessing investment opportunities and building new investment solutions.
- **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*¹. Since 2022, we've had an annual carbon footprint reduction target of 7% in place for all listed funds.

¹ 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.

- **Exercising our voting rights** – In the first half of 2024, we voted at 362 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 14% 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 declined from around 4.5% previously to 3.7% in the first half of 2024. We supported 105 shareholder proposals on environmental and social issues.

Voting in H1 2024

Meeting overview		
Category	Number	Percentage
Number of votable meetings	377	
Number of meetings voted	362	96%
Number of meetings with at least one vote Against, Withheld or Abstained	283	75%

Proposal overview		
Category	Number	Percentage
Number of votable items	5,884	
Number of items voted	5,625	96%
Number of votes For	4,826	86%
Number of votes Against	718	13%
Number of votes Abstained	28	0%
Number of votes Withheld	70	1%

For more detailed information on our sustainable investment approach and policies, visit our website: <https://www.vanlanschotkempen.com/en-nl/investment-management/sustainability-approach/sustainable-investment-policies-and-publications>.

Fiduciary management: major ESG KPI progress, new relevant investments, and improved impact proposition
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 our 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 2024 we enhanced our impact proposition for clients. We have improved our impact framework, creating additional KPIs for themes such as climate, health and biodiversity, and improving data availability. Another significant change is that we have now selected new managers for local impact, in response to clients who have indicated that they would like to add local investments in 2025. Our main focus is on the asset classes direct lending, real estate and infrastructure, and as a next step we are now also offering a local solution for farmland.

Clients have also made progress in adjusting their investments to further reduce the carbon emissions of their total portfolios, aligning with their own climate goals or KPIs. Implementation and control are facilitated by customised indices, and we have evaluated and improved these indices for equity and credit strategies in both developed and emerging markets. There has also been progress on other Responsible Investing (RI) KPIs for various clients, such as wider usage of best-in-class investments, SDG and impact investments, and communication on these.

We further supported our clients in implementing the sustainability legislation applicable to them. We also supported our larger clients with Key Risk Indicator (KRI) reporting for their sustainable risk framework, which aims to help them focus on 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 members, including by offering improved versions of our clients' 2023 sustainability reports.

In terms of overarching themes, it is clear that health, climate and biodiversity are key for our clients and we have provided new research focuses on these themes.

1.5 Statement by the Management Board

The strong relative investment performance of our products and solutions, our highly motivated employees and our 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, the Netherlands, 27 August 2024

Management Board

Erik van Houwelingen

Ernst Jansen

Damla Hendriks

Consolidated financial statements

2.1. Consolidated balance sheet at 30 June 2024 (before result appropriation)

Consolidated balance sheet		30/06/2024	31/12/2023
Assets			
Non-current assets			
Intangible assets	1	3,648	3,871
Tangible assets	2	2,935	2,983
Current assets			
Receivables from related parties	4	77,565	131,898
Management fees receivable	5	51,754	34,657
Other receivables, prepayments and accrued income	5	6,764	16,490
		136,083	183,045
Cash and cash equivalents	6	25,127	238
Total assets		167,793	190,137
Equity and liabilities			
Equity	7		
Paid-up and called-up share capital		92	92
Share premium reserve		6,700	6,700
Currency translation reserve		-183	39
Other reserves		51,955	29,755
Result for the period		34,035	52,255
		92,599	88,841
Non-current liabilities			
Deferred tax liabilities	8	941	999
Lease liability	8	2,736	2,822
		3,677	3,821
Current liabilities	9		
Management fees payable		8,826	10,247
Amounts owed to related parties		56,941	83,856
Tax and social insurance premiums		2,313	2,224
Other liabilities, accruals and deferred income		3,437	1,148
		71,518	97,475
Total equity and liabilities		167,793	190,137

2.2. Consolidated profit and loss account at 30 June 2024

Consolidated profit and loss account		H1 2024	H1 2023
Income			
Management fees	10	97,883	87,120
Other income ²	11	–	34
Total income		97,883	87,154
Expenses			
Staff costs	12	25,241	22,652
Amortisation of intangible assets	1	223	225
Depreciation of tangible assets	2	237	10
Other operating expenses ²	13	26,160	30,490
Total expenses		51,861	53,377
Operating result		46,022	33,777
Interest expenses and related costs		354	397
Interest result	14	354	397
Total result before tax		46,377	34,174
Income tax expense	15	12,342	9,165
Total result after tax		34,035	25,009

² Since the end of 2023, we have reclassified the pro rata allocation of VAT as part of the operating expenses in the financial statements. This VAT forms part of the costs and was wrongly classified as other income. We have adjusted the comparative figures accordingly; there is no impact on capital and result.

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

General

Van Lanschot Kempen Investment Management NV ("VLK Investment Management" or "the company") is a specialist investment manager with a keen focus on delivering strong investment returns. We serve clients from our offices in Amsterdam, London and Paris.

Our purpose is to preserve and create wealth for our clients and for society in a sustainable way. In order to achieve our purpose, we manage and administer the assets of third parties, and we provide advice to, 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 Netherlands. The company's annual accounts are included in the consolidated annual accounts of Van Lanschot Kempen.

The consolidated financial statements of VLK Investment Management 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 and loss account.

Assets and liabilities of consolidated subsidiaries with a functional currency different from the reporting 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, the 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 Article 2:360 (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

The company is a 100% subsidiary of Van Lanschot Kempen. Van Lanschot Kempen Investment Management (UK) Limited ("VLK Investment Management (UK)") is a 100% subsidiary of VLK Investment Management and is incorporated in London. Van Lanschot Kempen has its registered office at Hooze Steenweg 29, 's-Hertogenbosch, the Netherlands.

VLK Investment Management's financial data are 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.

Related parties

VLK Investment Management qualifies as a related party of Van Lanschot Kempen 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

The company does not prepare a cash flow statement as its financial data is included in the consolidated cash flow statement of Van Lanschot Kempen, which is filed at the trade register and is available on Van Lanschot Kempen's website.

Article 402

Since the company's profit and loss account 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.

2.4. Accounting policies

General

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.

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 on a straight-line basis 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

Tangible assets used within VLK Investment Management are 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. The tangible assets are amortised on a straight-line basis. 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 tangible assets are 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 and 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 is 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.

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 the profit and loss account.

Right-of-use assets comprise solely of buildings in own use. Lease contracts which we entered into as a lessee are classified as right-of-use assets. Right-of-use assets are presented under tangible fixed assets on the balance sheet and are measured at cost, comprising the following:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Amortisation

Lease liabilities are presented in the balance sheet as a separate line item. Interest payments and amortisation in the year are charged on a straight-line basis over the term of the lease, and disclosed within the profit and loss account. Lease liabilities consist of interest and amortisation payments and are initially measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate.

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 and loss account based on the effective rate of interest. Provisions for uncollectible amounts are deducted from the carrying value of the receivable.

Cash and cash equivalents

This concerns funds that are immediately due and payable. 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 effect.

Non-current liabilities

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.

Current liabilities

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 expenditures 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 in assets on behalf of its clients. Service fees are fees collected 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 and loss in accordance with employment conditions in so far as these are payable to staff or the tax authorities. Staff costs 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).

Other operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

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). The currency exchange differences are presented in the profit and loss account under other interest expenses and related costs.

Taxation

Income tax expense is calculated on the result before tax in the consolidated profit and loss account, factoring in any available unrecognised tax losses from previous financial years and tax-exempt profits plus non-deductible costs. For the purpose of corporate income tax, VLK Investment Management also forms a tax entity with Van Lanschot Kempen. Settlement takes place between Van Lanschot Kempen and VLK Investment Management, based on the taxable result. Van Lanschot Kempen as head of the tax entity settles the current and deferred income tax with the company through the intercompany accounts, as if the company is independently liable for income tax.

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.

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	30/06/2024	31/12/2023
At start of year	3,871	4,318
Amortisation	-223	-447
At end of period	3,648	3,871
Historical cost	9,200	9,200
Accumulated amortisation	5,552	5,329
At end of period	3,648	3,871

Intangible assets represent the carrying value of the client relationships in respect of the acquisition of 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 6.7% per annum respectively. No impairment to these assets was recognised in 2024 or 2023.

2. Tangible assets

Changes in equipment can be broken down as follows:

Tangible assets	30/06/2024	31/12/2023
Renovation & refurbishment	73	79
IT & communications equipment	56	67
Right of use buildings	2,698	2,816
Other	109	22
Total tangible assets	2,935	2,984

Changes in tangible assets in 2024	Renovation & refurbishment	IT & communications equipment	Right of use buildings	Other	Total
At 1 January 2024	79	67	2,816	22	2,984
Investments	–	–	–	111	111
Disposals	–	–	–	-14	-14
Other movements	–	–	64	–	64
Depreciation	-7	-11	-182	-9	-209
At 30 June 2024	73	56	2,698	109	2,935
Cumulative acquisition costs	138	76	2,910	147	3,271
Cumulative depreciation	-66	-20	-212	-38	-335
At 30 June 2024	73	56	2,698	109	2,935

Changes in tangible assets in 2023	Renovation & refurbishment	IT & communications equipment	Right of use buildings	Other	Total
At 1 January 2023	93	28	–	2	123
Investments	–	46	2,846	22	2,914
Disposals	–	–	–	–	–
Depreciation	14	7	30	2	52
At 31 December 2023	79	67	2,816	22	2,984
Cumulative acquisition costs	138	445	2,846	64	3,495
Cumulative depreciation	60	378	30	43	511
At 31 December 2023	79	67	2,816	22	2,983

Depreciation is applied at the following rates:

- Renovation & refurbishment: 20% per annum;
- IT & communications equipment: 20% per annum;
- Right of use buildings: 12.5% per annum;
- Other: 20% per annum.

No impairments were recognised in 2024 and 2023.

3. Deferred tax assets

Unrecognised tax losses amount to €14,620,413 and relate to carry forward losses incurred by VLK Investment Management (UK) as from 2021 until 30 June 2024. 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 (loro 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. Interest is charged on the internal bank account balances. 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 allowances payable involving the same counterparties, which are settled simultaneously but had not yet been settled by 30 June 2024. Management fees receivable 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 (2023: €454,000) and is divided into 1,000 (2023: 1,000) ordinary shares, each having a nominal value of €454 (2023: €454). Of this total, 202 (2023: 202) shares have been issued and fully paid up.

Share premium reserve

The share premium reserve did not change in 2024. The share premium reserve is freely distributable.

Currency translation reserves

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

Currency translation reserves	30/06/2024	31/12/2023
At start of year	39	63
Currency exchange difference on translation	-222	-23
At end of period	-183	39

Other reserves

Changes in reserves can be broken down as follows:

Other reserves	30/06/2024	31/12/2023
At start of year	29,755	26,278
Profit distribution (undistributed profit previous year)	52,255	23,680
Dividend payments	-30,000	-20,000
Share plans	8	-3
Foreign exchange difference	-63	-200
At end of period	51,955	29,755

Undistributed profit

The undistributed profit for the current financial year amounts to €34,035,000.

8. Non-current liabilities

Deferred tax liabilities

Change to deferred tax liabilities can be specified as follows:

Deferred tax liabilities	30/06/2024	31/12/2023
At start of year	999	1,114
Additions	–	–
Amortisation Intangible assets	-58	-115
Corporate income tax charge	–	–
Rate change	–	–
At end of period	941	999

Upon the acquisition of VermogensParaplu Beheer BV in 2017, a deferred tax liability of €1.7 million was recognised, which is being amortised on a straight-line basis over a period of 15 years. Of this provision, €0.8 million can be classified as longer than one year.

Lease liability

Van Lanschot Kempen Investment Management (UK) entered into a long-term lease agreement on 25 September 2023 which will run from 28 November 2023 until 31 October 2031. The total obligation until the end of the contract amounts to €3.5 million. The lease contract is recognised as right-of-use asset under Tangible assets.

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 2024 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. 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 2024.

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 12% in the first half of 2024 compared with the first half of 2023 and can be broken down as follows:

Management fees	H1 2024	H1 2023
Management fees	84,404	77,231
Service fee income	13,552	11,663
Service fee expenses	-72	-1,774
Total management fees	97,883	87,120

11. Other income

Other income comprises other advice fees.

12. Staff costs

Staff costs	H1 2024	H1 2023
Salaries	19,817	16,384
Pension costs	2,313	2,039
Social security contributions	1,883	1,518
Other staff costs	1,229	2,710
Total staff costs	25,241	22,652

Staff costs comprise salaries, expenses, travel allowances, social security costs, employer's pension costs and variable remuneration passed on to VLK Investment Management by Van Lanschot Kempen based on costs related to staff working at VLK Investment Management. Van Lanschot Kempen is responsible for the commitments ensuing from the pension scheme agreed with employees.

In 2024, share-based payments had an impact on equity of €7,796 (2023 : €19,563). Of the total expenses arising from share-based payments, €0 is included in salaries (2023: €0).

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;
- 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 2024 was 258 (2023: 274). The average number of staff working outside the Netherlands was 35 (2023: 35).

Management Board remuneration

Management Board remuneration in the first half of 2024 amounted to €571,314, compared with €541,559 in the first half of 2023. 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 2024	H1 2023
ICT costs	9,357	6,998
Charged-on overheads	6,719	14,393
News services	4,039	2,781
Accommodation costs	2,117	2,038
Commercial costs	962	554
Consultancy fees	2,014	2,522
Fund costs	759	761
Office costs	1,068	1,082
Administration costs	—	—
Other	-876	-639 ³
Total other operating expenses	26,160	30,490

14. Interest result

Interest result includes the revaluation results, IFRS16 interest expenses associated with VLK IM UK's leased property (leased from December 2023), and interest income and expenses derived from group companies' current bank accounts.

Total interest income includes €0 from group companies (2023: €0). Total interest expenses from group companies amounted to €85,289 (2023: €28,921).

15. Tax

Tax	H1 2024	H1 2023
Deferred taxes	—	—
Income tax expense from previous years	—	-251
Income tax expense for the current financial year	12,342	9,415
	12,342	9,165
	%	%
Effective tax rate	26,6%	26,8%
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 2024 fiscal losses, which are included under Tax non-deductible losses in the table below.

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

Reconciliation between statutory and effective tax rates	
Result before tax according to the financial statements	46,377
CIT based on statutory rate of 25.8%	11,965
Tax non-deductible costs	85
Tax non-deductible losses	284
Income tax previous years	—
Change in deferred income tax	—
Tax rate difference foreign operations	8
Other	—
Corporate income tax	12,342
Effective corporate tax rate	26,6%

³ Since the end of 2023, we have reclassified the pro rata allocation of VAT as part of the operating expenses in the financial statements. This VAT forms part of the costs and was wrongly classified as other income. We have adjusted the comparative figures accordingly; there is no impact on capital and result.

16. Contingent liabilities

Off-balance sheet liabilities relating to fiscal unity

For VAT and Corporate Income Tax purposes, VLK Investment Management 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.

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 2024 (before result appropriation)

Company balance sheet		30/06/2024	31/12/2023
Assets			
Non-current assets			
Intangible assets		3,648	3,871
Tangible assets	1	73	80
Investment in group companies	2	5,216	3,923
Current assets			
Receivables from related parties		76,562	127,888
Management fees receivable		48,800	32,299
Other receivables, prepayments and accrued income		5,495	16,011
		130,856	176,198
Cash and cash equivalents		25,006	–
Total assets		164,799	184,072
Equity & liabilities			
Equity	3		
Paid-up and called-up share capital		92	92
Share premium reserve		6,700	6,700
Currency translation reserve		-183	39
Other reserves		51,927	29,755
Result for the period		34,035	52,254
		92,570	88,841
Non-current liabilities			
Tax liabilities		941	999
		941	999
Current liabilities			
Management fees payable		8,245	7,567
Amounts owed to related parties		57,443	82,670
Tax and social insurance premiums		1,903	1,954
Other liabilities, accruals and deferred income		3,696	2,042
		71,288	94,232
Total equity and liabilities		164,799	184,072

3.2. Company profit and loss account at 30 June 2024

Company profit and loss account		H1 2024	H1 2023
Result from group companies	1	-1,134	-1,955
Company result after tax	1	35,169	26,964
Result after tax		34,035	25,009

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.

Investment in group companies

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.

The net asset value is calculated in accordance with the accounting principles governing these financial statements.

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

1. Tangible assets

Changes in tangible assets break down as follows:

Tangible assets	30/06/2024	31/12/2023
Renovation & refurbishment	73	80
Total tangible assets	73	80

Tangible assets	Renovation & refurbishment	Total
At 1 January 2024	80	80
Investments	–	–
Disposals	–	–
Depreciation	-7	-7
At 30 June 2024	73	73

Cumulative	Renovation & refurbishment	Total
Acquisition costs	138	138
Cumulative depreciation	66	66
At 30 June 2024	73	73

Depreciation is applied at the following rates:

- Renovation & refurbishment: 20% per annum.

No impairments were recognised in 2024 and 2023.

2. Investment in group companies

Participating interests include the following company:

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

Changes in investment in group companies break down as follows:

Financial assets	30/06/2024	2023
At 1 January 2024	3,923	1,061
Capital addition	2,333	7,415
Result from participating interests	-1,134	-4,618
Share plans	-8	3
Currency translation differences	102	62
At 30 June 2024	5,216	3,923

3. Equity

Paid-up and called-up share capital

The authorised share capital amounts to €454,000 (2023: €454,000) and is divided into 1,000 (2023: 1,000) shares, each having a nominal value of €454 (2023: €454). Of this total, 202 (2023: 202) shares have been issued and fully paid up.

Share premium reserve

The share premium reserve did not change in 2024. The premium reserve is freely distributable.

Other reserves

Changes in other reserves can be broken down as follows:

Other reserves	30/06/2024	31/12/2023
At start of year	29,755	26,278
Profit distribution (undistributed profit previous year)	52,254	23,680
Dividend payments	-30,000	-20,000
Share plans	8	-3
Currency translation differences	-91	-200
At end of period	51,926	29,755

Undistributed profit

Undistributed profit	30/06/2024	31/12/2023
At start of year	52,254	23,680
Profit distribution	-52,254	-23,680
Result for the financial year	34,035	52,254
At end of period	34,035	52,254

Currency translation reserves

Changes in the currency translation reserve relate to VLK Investment Management (UK) and break down as follows:

Currency translation reserves	30/06/2024	31/12/2023
At start of year	39	63
Currency exchange difference on translation	-222	-23
At end of year	-183	39

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 2024 was 223 (2023: 239). The average number of staff working outside the Netherlands was 2 (2023: 2).

Amsterdam, the Netherlands, 27 August 2024

Management Board

Erik van Houwelingen

Ernst Jansen

Damla Hendriks

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 has not been audited.