



VAN LANSCHOT
KEMPEN

2024 annual report

Van Lanschot Kempen Investment Management NV

Contents

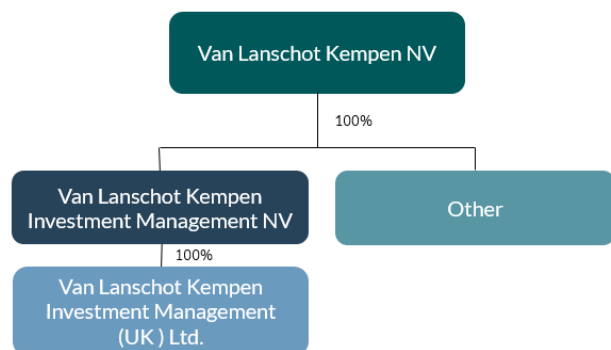
3	Report of the Management Board
3	Profile
4	Organisation
4	Financial performance
4	Sustainable and impact investing
6	Risks and risk management
9	Financial and solvency risks
9	Remuneration policy
10	Statement by the Management Board
11	2024 consolidated financial statements
12	Consolidated balance sheet at 31 December (before result appropriation)
13	Consolidated profit and loss account
14	Summary of key accounting policies for the preparation of the consolidated financial statements
16	Accounting policies
18	Notes to the consolidated balance sheet
21	Notes to the consolidated profit and loss account
24	2024 company financial statements
25	Company balance sheet at 31 December (before result appropriation)
26	Company profit and loss account
27	Notes to the company balance sheet and profit and loss account
30	Other information
31	Profit appropriation
31	Independent auditor's report

Report of the Management Board

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



Van Lanschot Kempen's strategy is to be a leading wealth manager in Western Europe, focusing on private, wholesale, institutional and investment banking clients. VLK Investment Management, including VLK Investment Management (UK), plays an important role in this strategy as a specialist investment manager.

VLK Investment Management is a specialist investment manager with a 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 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. Our clients can rely on us as long-term stewards who take their financial and sustainability goals into account, operating with strong focus and a clear investment outlook. 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. And when it comes to how we work together, we follow Van Lanschot Kempen's code of conduct in everything we do.

Client solutions

VLK Investment Management offers two types of solutions to clients. Firstly, as a fund manager we offer investment strategies like 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) to 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 solutions we offer are led by our individual client's objectives or commitments.

Commercial highlights in 2024

In our fiduciary management business, we're a well-placed sparring partner in the overhaul of the Dutch pension system transition, with our many years of experience in designing tailored investment portfolios for large groups of different ages. We understand the unique needs of large group schemes and have created investment mixes to meet those needs, serving around 2.3 million pension scheme members in the Netherlands and the UK. In 2024, the net inflow in assets under management (AuM) was €3.9 billion. We onboarded several new clients in the Netherlands, including Hagee (€0.6 billion) and NH1816 (€1.1 billion), as well as Cheviot Master trust (£0.4 billion) and Clara (£0.7 billion) in the UK.

We also grew further in alternative investment solutions in 2024. This was achieved primarily by strengthening our advisory services, especially for institutional clients. This extends beyond merely selecting the appropriate asset class. It encompasses setting objectives, identifying relevant themes such as climate, health and biodiversity, defining key performance indicators (KPIs) and implementing strategies through various means – whether it's a mandate, a customised fund or a multi-client fund. In 2024, we onboarded a large new real estate mandate (€0.6 billion in AuM) and new investors in both our SDG Farmland Fund (c. €100 million) and our Global Impact Solution (c. €35 million). We saw some outflows in the more semi-liquid credit strategies. Finally, we saw over €2 billion in inflows in our Belgian funds from private banking clients.

There were also strong inflows from our Wholesale business into our focus strategies, such as Global Small Caps (€445 million) and Credits (€209 million). Our alternative funds have also grown. The aim is to rapidly expand these strategies focusing on Private Equity co-investments and our SDG Farmland Fund.

In 2023, we launched a range of initiatives focused on profitable growth, with an enhanced strategy. We are well underway in setting up an efficient organisation and systems for this, while continuing to invest in our commercial strength. For example, we will soon replace our core systems in the front- and mid office following an extensive selection process. At the same time, we have made significant progress in enhancing our digital service for clients by providing even better content on sustainable investing and private markets and expanding our client portal. Moreover, we have started to implement data-driven decision-making and generative AI solutions.

Satisfaction levels among our wholesale and institutional clients have been high for a long time now, with our dedicated and approachable team and high-quality service being most appreciated.

Organisation

The composition of the Management Board changed in 2024. On 15 July 2024, Damla Hendriks was appointed as a member of the Management Board of VLK Investment Management. The Management Board currently consists of three board members: Erik van Houwelingen (Chair), Ernst Jansen (Chief Operating Officer) and Damla Hendriks (Chief Risk Officer).

We steer and report on our business according to our client segments: private clients, wholesale clients and institutional clients. In 2024, we simplified our organisational structure and structurally reduced costs to further accelerate profitable growth.

Financial performance

VLK Investment Management achieved a strong result before tax of €95.2 million (2023: €71.9 million). Growth in commission income was derived from an increase in client assets to €121.2 billion (2023: €104.7 billion), driven by net inflows of €7.3 billion and a positive market performance of €9.2 billion in 2024.

Commission income

Commission income grew by 14%, from €176.7 million in 2023 to €201.6 million in 2024. Besides the higher AuM, we also focused on growing our small-cap strategies, growing our Wealth Solutions proposition and realising net revenue growth within fiduciary management services, both in the Netherlands and the UK. This, in combination with increasing asset allocations from our existing clients, all contributed to the growth in commission income.

Operating expenses

Compared with 2023, our operating expenses rose slightly by €2.3 million to €107.3 million. This was mainly driven by higher staff costs, which grew by 17% to €53.0 million. All other expenses fell by 9%, from €59.9 million in 2023 to €54.3 million in 2024. The average number of FTEs increased from 205 in 2023 to 260 in 2024, partly as a result of the relocation of Operations teams (such as Solutions & Strategies Services, Third Party Monitoring and Reporting & Performance) from Van Lanschot Kempen to VLK Investment Management.

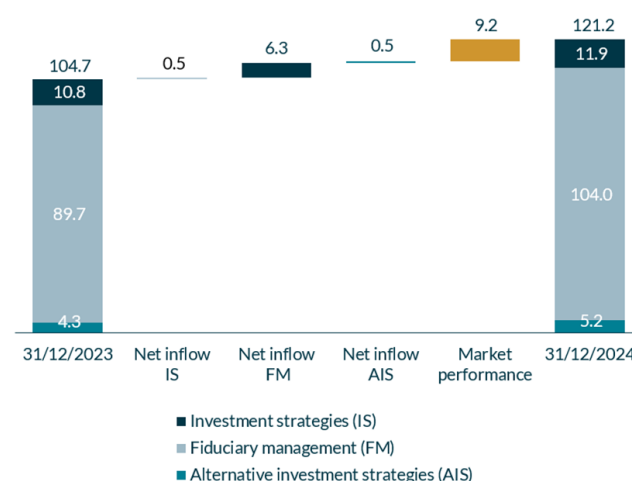
The cost/income ratio – i.e. the ratio of operating expenses (excluding costs incurred for special items) to income from operating activities – stood at 53.0%. This is an improvement compared with the 2023 cost/income ratio of 59.4%, driven by the higher income, measures taken in 2023 to accelerate profitable growth by simplifying our organisational structure, and our strong focus on costs.

Client assets

Total client assets rose by 16% to €121.2 billion (2023: €104.7 billion), driven by net inflows of €7.3 billion and a positive market performance of €9.2 billion.

Investment strategies saw a net inflow of €0.5 billion, driven by inflows in small caps and credits and further boosted by a positive market performance of €0.7 billion. Investment strategies assets rose by €1.1 billion in 2024 to €11.9 billion, including €3.5 billion from private banking clients.

Client assets



Fiduciary management showed net inflows of €6.3 billion, coming from private clients, new institutional clients in the Netherlands and the UK, and existing institutional clients who entrusted us with more of their assets. The inflow of €2.4 billion relating to private clients was predominantly driven by Mercier Van Lanschot funds. Inflows were further supplemented by a positive market performance of €8.1 billion.

In the Netherlands, we started a new fiduciary management mandate with NH1816. And in the UK, we secured the second fiduciary management mandate from Clara and a new mandate from Cheviot Master trust.

Alternative investment strategies achieved net inflows of €0.5 billion, mainly from private equity and non-listed real estate, and benefited from a positive market performance of €0.4 billion. Within non-listed real estate, we secured the first mandate of this kind from PostNL. Total assets of alternative investments strategies grew by €0.9 billion in 2024 to €5.2 billion, including €1.5 billion from private banking clients.

At 31 December 2024, VLK Investment Management managed 82 alternative investment funds (AIFs) and 41 undertakings for collective investment in transferable securities (UCITS). On that date, total AuM for AIFs amounted to €17.4 billion, and €22.1 billion for UCITS.

Sustainable and impact investing

Our sustainable and impact investment policies are informed by our company's purpose, our clients' sustainability goals, external laws and regulations and the international treaties that we collectively endorse. Throughout 2024, we focused on compliance with the EU Sustainable Finance Disclosure Regulation (SFDR), and the Markets in Financial Instruments Directive (MiFID II). Our fiduciary clients also implemented the applicable sustainability legislation. We also set new sustainability-related key performance indicators (KPIs), focusing on biodiversity, and refined our sustainable investment approach.

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

- **Integration of ESG criteria into investment processes:** ESG criteria in our funds' investment processes ensure that sustainable investment risks and opportunities are appropriately reflected in the expected returns and that they contribute to investment decisions;
- **Engagement on controversial issues and exclusion in the absence of a favourable outcome:** We engage with companies involved in 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 are available at vanlanschotkempen.com/en-nl/investment-management/sustainability-approach/engagement-factsheets;
- **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. Read more about our SDG Farmland Fund at vanlanschotkempen.com/en-nl/investment-management/investment-strategies/alternative-investments/farmland, or the Global Impact Pool's results: finfiles.vanlanschotkempen.com/en/fonds/document/46998/LU2437452258/english_impact_report_2023.pdf;
- In 2024, we partnered with Collective Action to further enhance our institutional advisory services, increase our expertise and provide clients with additional opportunities to invest in high-quality impact investments, particularly in the field of biodiversity;
- **Climate change:** We have set clear net-zero targets, as explained in our climate policy:
 - By 2025: align with a Paris Agreement pathway (listed investments);
 - By 2030: align with a Paris Agreement pathway (listed and non-listed investments);
 - By 2050: become a net-zero investor. For the 2025 target, we align with the trajectory of the Paris Agreement and Dutch *Klimaat-akkoord*.¹ Since 2022, we've had an annual carbon intensity reduction target of 7% in place for all listed funds;
- **Exercising our voting rights:** In 2024, we voted at 432 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. The table below shows the full breakdown of votes.

Voting in 2024

Meeting overview		
Category	Number	Percentage
Number of votable meetings	460	
Number of meetings voted	432	94%
Number of meetings with at least one vote against, abstained or withheld	334	73%

Proposal overview		
Category	Number	Percentage
Number of votable items	6,815	
Number of items voted	6,474	95%
- of which for	5,557	86%
- of which against	827	13%
- of which abstained	31	0%
- of which withheld	75	1%

For more detailed information on our sustainable investment approach and policies, see our website: vanlanschotkempen.com/en-nl/investment-management/sustainability-approach.

Fiduciary management

Dutch pension reform

The labour market is changing, as people live longer and fewer people stay with the same employer for the entirety of their working lives. In response to this shift, the Dutch Future Pensions Act (in Dutch: *Wet toekomst pensioenen*) came into effect in 2023 and was effective for the first full year in 2024. The shift from a collective defined contribution (CDC) setup to more collective individual defined

contribution (CIDC) means that every pension participant has a more bespoke return/risk pension profile depending on their age. Many pension funds have already chosen between one of two possible pension contracts: one more explicitly and one more implicitly CIDC. All pension providers are expected to complete the transition by 1 January 2028. As an investment solutions provider for pension funds and other institutional investors, we work closely with our clients to navigate through these changes to ensure our fiduciary management and alternative investment solutions can meet their evolving needs.

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.

The need for scale

Fiduciary management plays a crucial role in managing institutional assets, such as those of pension funds. In both the Netherlands and the UK, there is a growing need for larger scale within this sector. Larger fiduciary managers benefit from economies of scale, such as lower costs per unit managed and better access to markets. In the Netherlands, the market is dominated by several larger players, including Van Lanschot Kempen. Scaling up can also improve risk management and encourage innovation, as larger players are often better equipped to comply with complex regulations and can invest more in technology. This can lead to better investment results, but it may also bring challenges, such as reduced agility and a greater distance from the client. It is crucial for fiduciary managers to find a balance between economies of scale and client focus. Finally, scaling up can contribute to more sustainable investment practices, as larger managers have more influence over the companies in which they invest. As a result, Van Lanschot Kempen focuses on enlarging its scale via autonomous growth in the Netherlands and the UK and via bolt-on acquisitions and partnerships in the Netherlands, while remaining agile and close to its clients.

Progress on our ESG and impact KPIs

Our fiduciary clients are making a difference through their sustainable investment policies. Climate, decent working conditions and health and well-being are some of the key themes our clients use to shape their sustainable investment ambitions. Our fiduciary management team helps to translate our clients' sustainability ambitions and 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 2024, we enhanced our impact proposition for clients, such as by improving our impact framework, with additional KPIs for themes such as health, climate and biodiversity, and improving data availability. We have also selected new managers for local impact, in response to clients who have indicated that they would like to add local investments to their portfolio in 2025. Our main focus here is on the asset classes direct lending, real estate and infrastructure, as well as 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. We have also seen progress on other responsible investing KPIs for various clients, such as wider usage of best-in-class investments, SDG and impact investments, and communication on these. We also supported our larger clients with key risk indicator 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 terms of overarching themes, health, climate and biodiversity are key for our clients and we have provided new research focused on these themes.

Risks and risk management

Sound risk management and compliance with external regulatory requirements are key to our licence to operate, and as such have our full attention.

We evaluate our risk appetite on an annual basis and capture this in a risk appetite statement, which contains both qualitative and quantitative elements. The risk appetite is aligned with Van Lanschot Kempen's corporate strategy and risk appetite. Our risk appetite represents our willingness to accept the risk of particular losses, decreasing buffers and reputational risks, and as such sets our operating boundaries. The statement is prepared by second line risk functions and approved by the Management Board of VLK Investment Management.

Our key risk principles underline the risk appetite statement and create the framework within which we operate, as follows:

- As an organisation, we manage risks within our risk appetite. The aim is not to eliminate risks, because taking risks is part of the nature of doing business.
- Our risk appetite should be considered in all material decisions taken by the organisation.
- We only take risks that we understand and can explain.
- The risks we take – directly or indirectly – serve our business model and strategic objectives, and are the result of a careful process to balance risk and reward.
- After determining how much risk we can potentially absorb, we determine how much risk we are willing to take. The sum of all risks taken should not exceed our risk appetite.
- We actively avoid certain risks, because they pose an existential threat to our company. However, risks in the tail will remain, which we have to accept.
- We avoid risks that could lead to legal or regulatory breaches. This includes not getting involved in activities that result in aiding or abetting clients with illegal activities.
- When taking risks, we take the requirements and expectations of all stakeholders into account.

Risk and capital framework

Each year, we execute the internal capital adequacy assessment process and internal risk assessment process (ICARAP) to ensure that we are well capitalised and hold sufficient liquidity buffers against relevant current and future risks. Controls are in place to ensure that the capital and liquidity buffer remain sufficient at all times.

The primary objective of our capital management is to ensure compliance with internal and external capital requirements. Our liquidity risk management aims to ensure that we are able to maintain or generate sufficient cash resources to meet our payment obligations in full as they come due, on acceptable terms. It is important that we maintain these levels regardless of market conditions.

Risk management governance

Our risk management framework is based on the three lines of defence model. The first line of defence is the business, including internal control, responsible for day-to-day risk management. The second line of defence is provided by the Financial Risk Management, Non-Financial Risk Management and Compliance departments, which oversee activities undertaken by the first line. The Internal Audit department acts as the third line of defence, providing an

independent evaluation of the adequacy of our internal management and control systems. This set-up creates a clear, balanced and appropriate division of tasks, authorities and responsibilities, ensuring independent and effective operation of the risk management framework.

The three lines independently deliver reports of the outcome of their activities to the VLK Investment Management Board. These reports and key findings are discussed during the monthly and quarterly VLK Investment Management Board meetings.

Risk-related departments

The Financial Risk Management, Non-Financial Risk Management and Compliance departments are responsible for all second-line risk management activities at VLK Investment Management.

These departments are organised independently and report to our Management Board, offering support and advice on identifying and managing the risks to which we are exposed. They oversee compliance with the risk policies as adopted by the Management Board of VLK Investment Management, and report to the relevant risk management committees within the group. For VLK Investment Management, this primarily entails the Compliance and Operational Risk Committee and the Group Risk Committee. In addition, risks relating to VLK Investment Management are also discussed by the Risk and Compliance Committee of Van Lanschot Kempen's Supervisory Board.

The Financial Risk Management, Non-Financial Risk Management and Compliance departments support the implementation of guidelines, regulations and internal risk control measures. The Internal Control department (part of the first line) is responsible for control effectiveness reviews.

Investment compliance

The Financial Risk Management department monitors whether investment management activities are in line with contractual financial guidelines on clients and internal limits, determines whether any breaches have occurred, and reports these to the Management Board of VLK Investment Management and all relevant committees. This reporting entails fiduciary mandates, funds in the Netherlands, Luxembourg and Belgium, and private client contracts. The department is also responsible for monitoring VLK Investment Management UK's investment compliance. In 2024, no major investment compliance incidents occurred.

Operational risk

Operational risks are (potential) losses resulting from inadequate or failed internal processes or systems, inadequate or incorrect human actions, external events and fraud. To identify and manage operational and IT risks, we have created a group-wide operational risk management (ORM) framework.

An integral part of the ORM framework is the implementation and performance of key controls, which are designed to mitigate unacceptable risk exposures effectively. These key controls are embedded in our systems, processes and value chains. To ensure the ongoing effectiveness of key controls, they undergo a periodic review. Regular risk control self-assessments are carried out (supported by Internal Control) to ensure that risks inherent

to our operations are identified, described and assessed, and that adequate control measures are in place to mitigate these risks to an acceptable level.

In addition, independent evaluations are conducted by the second line – the Non-Financial Risk Management and Compliance departments. These evaluations assess the effectiveness of key controls in our processes and systems. By regularly reviewing and evaluating our key controls, we can proactively identify areas that require improvement and take the necessary actions to strengthen our control environment.

In 2024, we further enhanced our ORM framework, resulting in improvements in several key areas. One of the major milestones in the reporting year was the recalibration of our risk appetite framework and risk taxonomy, enabling us to make more informed decisions regarding risk-taking and mitigation measures. We also strengthened our data-driven monitoring capabilities, reporting processes and scenario analysis quantification methods.

Information risk

Cybercrime prevention remains one of our key focus areas. We are aware of the risks concerning information security and cybercrime and have further invested in technological and process-related measures to mitigate them. We have a dedicated team that monitors security incidents in the organisation to ensure we have sufficient coverage to mitigate potential threats, such as by simulating cyberattacks and conducting penetration testing for security purposes – including regular phishing awareness tests – and learning from them. We monitor the risks involved in cybercrime using risk dashboards through key performance and risk indicators. The metrics in this dashboard are overseen by the interdepartmental Corporate Information Security Board. Major cybercrime issues are reported directly to the Management Board.

Cybercrime risks such as ransomware, attacks through third parties and through Zero Days are always relevant at VLK Investment Management. We apply a zero-trust approach; by significantly limiting the accessibility of sensitive data and systems, we ensure risks are mitigated within the organisation's appetite.

Fraud

Both internal and external fraud pose risks to our business. Internal fraud occurs when fraud is committed as an intentional action by one or more employees, using deception or management override of controls, with the intent of gaining unlawful advantage for oneself or a personal acquaintance at the expense of others. Internal fraud conflicts with our code of conduct, which guides our behaviour to protect our reputation and integrity.

Maintaining our reputation as a trustworthy financial institution is of great importance to VLK Investment Management. The guidelines and processes for reporting and handling incidents are set out in Van Lanschot Kempen's policy for handling integrity incidents.

External fraud risk is defined as fraud attempted or perpetrated against the organisation by an external party (i.e. a party without a direct relationship to our company) without the involvement of an employee or affiliate of the organisation.

Cases involving internal or external fraud are handled in accordance with our incident management procedure, which requires a root cause analysis to be conducted, as well as adequate follow-up to prevent reoccurrence. In 2024, no internal or external fraud, nor any attempt to commit fraud, was identified within VLK Investment Management. As a result, we did not need to conduct an investigation of any person regarding fraud.

Assessing and mitigating fraud risk is an integral part of our risk and control framework. Internal fraud risk is assessed through risk control self-assessments on processes and through the Systematic Integrity Risk Analysis (SIRA). The 2024 SIRA included various scenarios, such as the risk of employees stealing financial assets, physical assets or client data. The inherent risk of internal fraud in our overall risk assessment was evaluated as high, as internal fraud can lead to substantial financial and reputational damage. However, effective control measures are in place to significantly reduce the risk, including the four eyes principle, access authentications, system-enforced checks on manual payments and automated segregation of duties for payment systems.

Several initiatives are in place to maintain internal fraud risk awareness, and actions and priorities are identified as part of business-as-usual. For example, employee training starts with on-boarding for new employees that covers the code of conduct (including incident management) and is complemented by periodic updates.

Sustainability risk

In our AuM activities, climate change and nature-related risks are taken into account when investments are made or investment managers are selected. As part of our responsible and sustainable investing process, we also have a climate change policy that has been improved over the years. In line with the Paris Agreement, we have set targets on reducing the carbon emissions of our investment funds, to be met by 2025, 2030 and 2050 respectively – enabling us to cope with the transition risks related to climate change. This also enhances resilience to physical climate change risks, as the companies in these investment funds will take climate change into account.

Compliance

When operating in financial markets, it is important that we conduct our business activities in accordance with the expectations of our clients, employees, shareholders and supervisory authorities. Compliance goes beyond following laws and regulations: it involves fostering an ethical and responsible organisational culture that protects client interests, financial integrity and the interests of our stakeholders. We follow high ethical standards, in alignment with our values, code of conduct and risk appetite, and within the boundaries of applicable laws, regulations, internal policies, procedures and industry standards relevant to our business.

Van Lanschot Kempen has established a compliance framework to effectively manage compliance risks across the organisation. This enables effective oversight of subsidiaries and branches, which also covers VLK Investment Management's activities. This framework is designed to safeguard adherence of our business operations to applicable laws, regulations, internal policies and industry standards, while acting in the best interests of our clients.

The compliance risk and control framework is established based on risk assessments (the SIRA), which are conducted for all business activities and are monitored and included in group compliance reporting. We make continuous improvements to our policies, systems, processes, and training and awareness programme, increasingly supported by IT tools and data analytics.

Financial crime risks

Combatting financial and economic crime is one of our top priorities. Financial and economic crime risks relate to money laundering, terrorism financing, sanctions, client tax integrity and bribery and corruption.

Client protection risks

These risks involve the potential for unfair treatment of clients and offering them products that do not align with their needs, objectives, sustainability preferences or risk appetite. As a specialist wealth manager, we commit to safeguarding our clients' interests and providing fair, clear and non-misleading disclosures and marketing materials. In 2024, we took steps to further safeguard our clients' interests and inform them appropriately about our products and services. Due to rapid developments in regulatory priority setting and strong links to client protection, we placed emphasis on accurate and transparent sustainability claims. We prioritised the integration of sustainability risks into our compliance risk framework and continued to implement sustainability regulations and guidelines. Moreover, our updated factsheet template for VLK Investment Management funds now includes sustainability information, such as performance reporting, ESG data and relevant disclosures based on EU guidelines.

Business conduct risks

We are committed to upholding the integrity of the financial markets. In support of this, we manage business conduct risks via our compliance framework. Business conduct risks relate to conflicts of interest, market conduct, market abuse and employee integrity topics, such as secondary positions and personal account dealing by employees.

Data privacy risks

Data privacy risks relate to processing personal data, data retention and adherence to the General Data Protection Regulation (GDPR) and the AI Act. We operate a data privacy programme to protect the data of clients and employees, to support the organisation in its obligations, advise on data privacy matters and monitor compliance.

Compliance training and awareness programme

We believe that providing our employees with training is important to maintaining compliance risk awareness across our organisation. With the appropriate training, colleagues also gain the relevant knowledge, skills and expertise to best serve our clients. In 2024, we focused on enhancing our group-wide learning and development governance, as well as further aligning our mandatory compliance training and awareness programme internationally.

Financial and solvency risks

Market risk

The core activity of VLK Investment Management is to manage the assets owned by its fiduciary clients and fund investors. As such, there are no positions on our balance sheet where the value is directly subject to fluctuations in the financial markets, meaning we are in no way directly exposed to market risk. We do have indirect exposure to market risk as a result of our fee-based revenues, which are diversified over the various products and services offered by VLK Investment Management so as to minimise the concentration in any one market.

VLK Investment Management has extensive market (including interest rate and credit) risk policies in place regarding our clients' investment portfolios.

Concentration risk

The asset management activities of VLK Investment Management are diversified in several ways, such as through the client segments we serve, the financial markets where we invest, and the various products and services we offer. VLK Investment Management manages investment funds focused on collective asset management in various strategies as well as individual mandates, with a variety of clients in both categories. We are also active in fiduciary management services for institutional clients as well as retail and private banking clients. As a result, concentration risk is well within our risk appetite.

Counterparty risk

VLK Investment Management runs some counterparty risk on Van Lanschot Kempen due to intercompany debt. This is included in the ICARAP assessment, a charge is required to be held in capital to cover for this risk. Other counterparty risks are considered negligible.

Liquidity risk

Our core activity is to manage the assets of our fiduciary clients and fund investors. We are therefore not directly exposed to liquidity risk via our AuM, although such risks may indirectly affect our liquidity profile. Fees charged to clients are collected periodically and benefit our liquidity profile. Overall, liquidity risk is considered low.

We have sufficient qualifying capital and liquidity to meet the prudential capital and liquidity adequacy requirements set by De Nederlandsche Bank (DNB). If the calculation of the capital or liquidity requirement shows that the capital reserves would be inadequate without additional measures, steps will be taken in consultation with Van Lanschot Kempen to increase the amount of capital or liquidity.

Internal audit

Internal Audit (the third line of defence) is responsible for ensuring that the first and second lines of defence work appropriately. All of Van Lanschot Kempen's activities – including those of VLK Investment Management – are included in Internal Audit's scope. This department tests the design and operational effectiveness of internal risk management and control systems, and aims to improve the efficacy of these systems. In doing so, it supports the Management Board of VLK Investment Management in performing its duties. Internal Audit operates independently and reports directly to the Chair of Van Lanschot Kempen's Management Board and the Chair of Van Lanschot Kempen's Supervisory Board's Audit Committee.

Remuneration policy

Employees working for VLK Investment Management have an employment contract with Van Lanschot Kempen, the parent company of VLK Investment Management, and are seconded to VLK Investment Management. Van Lanschot Kempen's variable remuneration policy applies to all employees (including identified staff) of Van Lanschot Kempen and its subsidiaries, including VLK Investment Management. This means that Van Lanschot Kempen's variable remuneration policy applies to all employees working for VLK Investment Management, subject to several additional provisions specific to VLK Investment Management. No material changes were made to the variable remuneration policy for 2024.

General principles of the remuneration policy

Van Lanschot Kempen pursues a prudent, sound and sustainable remuneration policy in line with the group's strategy, risk appetite, targets and values. The remuneration policy contributes to sound and effective risk control and does not encourage taking more risks than the company considers acceptable. Its key characteristics are as follows:

- **Performance-oriented:** Employees are rewarded for both quantitative (financial) and qualitative (non-financial) performance, with at least 50% based on non-financial criteria. An employee's variable compensation is based on the respective performance of Van Lanschot Kempen, VLK Investment Management and individual goals. Reassessments may take place prior to payment, which can reduce rewards in the case of poorer or negative performance by Van Lanschot Kempen or in the event of incompetent or improper behaviour by the employee;
- **Balanced:** There is a good balance between fixed and variable compensation, with performance criteria set in a way that avoids conflicts of interest between employees and clients;
- **Risk-aware:** The performance criteria do not encourage taking irresponsible risks;
- **Transparent:** Compensation is linked to clear performance criteria;
- **Accountable:** The policy is in line with the financial position of Van Lanschot Kempen, the interests of clients, and takes sustainability risks into account.

A more detailed description of our remuneration policy is available at vanlanschotkempen.com/en-nl/about-us/who-we-are/governance/remuneration-policies. Our remuneration report provides a further description of how the fixed and variable remuneration components are structured. The report also describes the criteria underlying the determination of the amount of variable remuneration, the specific rules applicable to employees in control functions, and which parts of the variable remuneration are conditional. In addition, the remuneration report outlines the governance related to the annual determination of the variable remuneration.

VLK Investment Management remuneration in 2024

The table on the following page provides information on the remuneration awarded to identified staff and other employees. Identified staff are employees whose activities have a material impact on the financial risk profile of the business. Identified staff are categorised in senior management and management roles.

The figures in the table are the most recently available and refer to VLK Investment Management's 2024 financial year. Out of the total of 260 FTEs, 35 work outside the Netherlands.

In line with Article 1:120 (2) of the Dutch Financial Supervision Act (Wft), we report that one individual at VLK Investment Management received remuneration in excess of €1 million in 2024.

	Senior management ²	Management roles	Other employees	All employees
Number of employees (FTE average 2024)	2	21	237	260
Remuneration in 2024				
Total fixed remuneration	€1,378,049	€5,658,755	€26,956,854	€33,993,658
Total variable remuneration ³	€1,501	€1,860,982	€5,710,426	€7,572,909

Statement by the Management Board

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, the Netherlands, 2 April 2025

Management Board

Erik van Houwelingen

Ernst Jansen

Damla Hendriks

² Erik van Houwelingen, Ernst Jansen and Damla Hendriks are directors of VLK Investment Management, and their allocation is therefore included in the table in the "senior management" category.

³ In keeping with Dutch laws and regulations, variable remuneration relates to 2024 variable remuneration as recognised in profit and loss.

Consolidated financial statements

Consolidated balance sheet at 31 December (before result appropriation)

(€1,000)

Consolidated balance sheet		2024	2023
Assets			
Non-current assets			
Intangible assets	1	3,424	3,871
Tangible assets	2	2,781	2,983
Current assets			
Receivables from related parties	3	165,830	131,898
Management fees receivable	4	48,755	34,657
Other receivables, prepayments and accrued income	4	4,201	16,490
		218,786	183,045
Cash and cash equivalents		5	238
Total assets		225,174	190,137
Equity and liabilities			
Equity		6	
Paid-up and called-up share capital		92	92
Share premium reserve		6,700	6,700
Currency translation reserve		-350	39
Other reserves		31,746	29,755
Result for the period		69,857	52,255
		108,045	88,841
Non-current liabilities			
Deferred tax liabilities	7	884	999
Lease liability	7	2,635	2,822
		3,519	3,821
Current liabilities		8	
Management fees payable		10,332	10,247
Amounts owed to related parties		97,272	83,856
Tax and social insurance premiums		2,007	2,224
Other liabilities, accruals and deferred income		4,000	1,148
		113,611	97,475
Total equity and liabilities		225,174	190,137

Consolidated profit and loss account

(€1,000)

Consolidated profit and loss account		2024	2023
Income			
Commission income	9	201,559	176,716
Other income	10	163	37
Total income		201,722	176,753
Expenses			
Staff costs	11	52,985	45,138
Amortisation of intangible assets	1	447	447
Depreciation of tangible assets	2	450	52
Other operating expenses	12	53,375	59,372
Total expenses		107,257	105,009
Operating result		94,465	71,744
Interest expenses		-149	-88
Other interest expenses and related costs		904	281
Interest result	13	755	193
Total result before tax		95,220	71,938
Income tax expense	14	25,363	19,683
Total result after tax		69,857	52,255

Notes to the consolidated financial statements

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 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. 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.

The company belongs to a group. At the head of this group is Van Lanschot Kempen NV ("Van Lanschot Kempen") with its registered office in 's-Hertogenbosch, the Netherlands. The company's annual accounts are included in the consolidated financial statements of Van Lanschot Kempen.

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.

Basis of preparation

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.

Continuity

The Management Board has assessed the ability of VLK Investment Management to continue its operations and concluded that VLK Investment Management is able to do so for the foreseeable future. Moreover, the Management Board is not aware of any material uncertainties that cast significant doubt on our – i.e. VLK Investment Management's – ability to continue as a going concern. The consolidated financial statements have been prepared on this basis.

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 the 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.

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 company'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 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.

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.

Basis of 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 consolidated financial statements. 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, VLK Investment Management (UK) and Van Lanschot Kempen (Schweiz) AG. All related-party transactions take place on an arm's length basis.

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.

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 to the consolidated balance sheet and Notes to the consolidated profit and loss account below.

Intangible assets

Intangible assets with a definite 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, 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 consist 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 in 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 under non-current liabilities. Interest payments and amortisation in the year are charged on a straight-line basis over the term of the lease, and disclosed in 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 stated 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.

Deferred tax assets

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.

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 in 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 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 is part of 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.

Notes to the consolidated balance sheet

At 31 December (€1,000)

1. Intangible assets

Changes in intangible assets break down as follows:

Intangible assets	2024	2023
At 1 January	3,871	4,318
Amortisation	-447	-447
At 31 December	3,424	3,871
Historical cost	9,200	9,200
Accumulated amortisation	5,776	5,329
At 31 December	3,424	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.

No impairment to these assets was recognised in 2024 or 2023.

2. Tangible assets

Tangible assets	2024	2023
Renovation & refurbishment	66	79
IT & communications equipment	44	67
Right of use buildings	2,570	2,816
Other	101	22
Total tangible assets	2,781	2,983

Changes in tangible assets can be broken down as follows:

Changes in tangible assets in 2024	Renovation & refurbishment	IT & communications equipment	Right of use buildings	Other	Total
At 1 January	79	67	2,816	22	2,983
Investments	—	—	—	123	123
Exchange rate differences	—	—	124	—	124
Disposals	—	—	—	22	22
Depreciation	14	22	371	22	429
At 31 December	66	44	2,570	101	2,781
Historical cost	138	76	2,972	152	3,338
Accumulated depreciation	73	31	402	51	557
At 31 December	66	44	2,570	101	2,781

Changes in tangible assets in 2023	Renovation & refurbishment	IT & communications equipment	Right of use buildings	Other	Total
At 1 January	93	28	—	2	123
Investments	—	46	2,846	22	2,914
Disposals	—	—	—	—	—
Depreciation	14	7	30	2	52
At 31 December	79	67	2,816	22	2,984
Historical cost	138	445	2,846	64	3,493
Accumulated depreciation	60	378	30	43	511
At 31 December	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. Receivables from related parties

This item comprises receivables (loro accounts, current accounts, payable tax) from related parties Van Lanschot Kempen and Van Lanschot Kempen (Schweiz) AG with a term of less than one year. There are no relevant contractual terms that 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. Recognition of a provision is not deemed necessary.

4. 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. For information about credit risk, see the Risk and capital management section of Van Lanschot Kempen's Management Board report.

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 31 December 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.

5. Cash and cash equivalents

This item comprises bank balances which are readily available to VLK Investment Management. VLK Investment Management has access to a credit facility from Van Lanschot Kempen to further improve the liquidity of VLK Investment Management, amounting to €25 million. The facility can be immediately called upon.

6. 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 ordinary shares (2023: 1,000), each having a nominal value of €454 (2023: €454). Of this total, 202 shares (2023: 202) have been issued and are 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 Van Lanschot Kempen Investment Management (UK) and break down as follows:

Currency translation reserves	2024	2023
At 1 January	39	63
Currency exchange difference on translation	-389	-23
At 31 December	-350	39

Other reserves

Changes in reserves break down as follows:

Other reserves	2024	2023
At 1 January	29,755	26,278
Profit distribution (undistributed profit previous year)	52,255	23,680
Dividend payments	-50,000	-20,000
Share plans	-3	-3
Foreign exchange difference	-261	-200
At 31 December	31,746	29,755

Undistributed profit

The result for the period for the current financial year amounts to €69.9 million. The Management Board will propose a dividend in the amount of €45.0 million, equivalent to €222,772 per share.

The difference between the result after tax of €69.9 million and the dividend to be distributed, amounting to €24.9 million, will be added to Other reserves. The financial statements do not yet reflect this proposal.

7. Non-current liabilities

Deferred tax liabilities

Changes to deferred tax liabilities break down as follows:

Deferred tax liabilities	2024	2023
At 1 January	999	1,114
Amortisation Intangible assets	-115	-115
At 31 December	884	999

Upon the acquisition of VermogensParaplu Beheer BV, a deferred tax liability of €1.7 million was recognised in 2017, 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 runs until 31 October 2031. The total obligation until the end of the contract amounts to €3.1 million (2023: €3.5 million). The lease contract is recognised as a right-of-use asset under Tangible assets.

Lease liabilities	2024	2023
Within 1 year	328	297
1 - 2 years	346	312
2 - 3 years	364	329
3 > years	1,597	1,884
Total	2,635	2,822

8. 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 nature.

Management fees payable

This item concerns management fees that had not yet been settled at 31 December 2024 and that cannot be offset 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 the fourth quarter of 2024.

Other liabilities, accruals and deferred income

This relates to accruals, staff costs and accounts payable to suppliers.

Notes to the consolidated profit and loss account (€1,000)

9. Commission income

Commission income	2024	2023
Management fees	173,662	156,208
Service fee income	28,039	24,843
Service fee expenses	-142	-4,335
Total commission income	201,560	176,716

Total commission income increased by 14% in 2024 compared with 2023. Of the total management fees, €165.4 million relates to the Netherlands (2023: €150.3 million) and €8.2 million to the UK (2023: €5.9 million). Of the total service fee, €28.0 million relates to the Netherlands (2023: €24.8 million) and €0 to the UK (2023: €0).

10. Other income

Other income comprises other advice fees.

11. Staff costs

Staff costs	2024	2023
Salaries	40,759	33,379
Pension costs	4,747	4,031
Social security contributions	3,994	3,051
Other staff costs	3,485	4,677
Total staff costs	52,985	45,138

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 seconded to 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 -€2,507 (2023: -€2,602). Of the total expenses arising from share-based payments, €591,825 is included in salaries (2023: €468,415). Share-based payment expenses totalled €690,570 at year-end 2024 (2023: €672,412).

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 31 December 2024 was 260 (2023: 205). The average number of staff employed on a full-time basis working outside the Netherlands was 35 (2023: 35).

Management Board remuneration

The company's Management Board comprised three members at the end of the 2024 financial year. Management Board remuneration in 2024 amounted to €1.4 million, compared with €1.1 million in 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 relevant Management Board member remuneration being allocated to VLK Investment Management.

12. Other operating expenses

Other operating expenses	2024	2023
IT costs	18,544	14,254
Charged-on overheads	13,806	27,669
News services	8,127	5,442
Accommodation costs	4,187	4,184
Commercial costs	1,798	1,131
Consultancy fees	4,296	4,283
Fund costs	1,570	1,765
Office costs	1,800	1,714
Other	-753	-1,070
Total other operating expenses	53,375	59,372

Charged-on overheads consist of costs from head office departments, such as the Corporate Centre, Operations and Digital Advanced Analytics and Technology. These costs are allocated to VLK Investment Management based on various allocation keys (e.g. time allocation, AuM and FTEs).

The independent auditor's fees related to VLK Investment Management are disclosed in Note 28 of Van Lanschot Kempen's consolidated financial statements, in line with Article 2: 382a.3 of the Dutch Civil Code.

In 2024, the Operations department was transferred to VLK Investment Management, which pushed down charged-on overheads and led to a rise in direct operating costs compared with 2023.

13. Interest result

Total interest income includes €0 from group companies (2023: €0). Total interest expenses from group companies amounted to €155,488 (2023: €81,189).

14. Income tax expense

Tax	2024	2023
Income tax expense from previous years	—	-208
Income tax expense for the current financial year	25,363	19,892
	25,363	19,683
Effective tax rate	26.6%	27.4%
Applicable tax rate	25.8%	25.8%

Unrecognised tax losses amounted to €16.1 million at year-end 2024 (2023: €13.3 million) and relate to carry-forward losses incurred by Van Lanschot Kempen Investment Management (UK) until 31 December 2024. As the United Kingdom applies no time limit for offsetting losses, these tax losses can be carried forward indefinitely. The effective tax rate exceeds 25.8% mainly because of non-deductible costs and unrecognised deferred tax assets in the UK for 2024 fiscal losses (€2,380,598), which is included under the line item Tax non-deductible losses in the table below.

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

Reconciliation between statutory and effective tax rates		2024
Result before tax according to the financial statements		95,220
Expected tax based on the statutory rate in the Netherlands of 25.8%		24,567
Tax non-deductible costs		184
Tax non-deductible losses		595
Tax rate difference foreign operations		17
Corporate income tax		25,363
Effective tax rate		26.6%

15. Contingent liabilities

Off-balance sheet liabilities relating to fiscal unity

For VAT and income tax purposes, VLK Investment Management forms a tax entity with Van Lanschot Kempen. VLK Investment Management and Van Lanschot Kempen are both separately 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

Company balance sheet at 31 December (before result appropriation)

(€1,000)

Company balance sheet		2024	2023
Assets			
Non-current assets			
Intangible assets		3,424	3,871
Tangible assets	1	66	80
Investment in group companies	2	4,124	3,923
Current assets			
Receivables from related parties		89,996	127,888
Management fees receivable		45,971	32,299
Other receivables, prepayments and accrued income		2,700	16,011
		138,667	176,198
Cash and cash equivalents		18	—
Total assets		146,299	184,072
Equity and liabilities			
Equity			
Paid-up and called-up share capital	3	92	92
Share premium reserve		6,700	6,700
Currency translation reserve		-350	39
Other reserves		31,746	29,755
Result for the period		69,857	52,254
		108,045	88,841
Non-current liabilities			
Deferred tax liabilities		884	999
		884	999
Current liabilities			
Management fees payable		8,733	7,567
Amounts owed to related parties		23,344	82,670
Tax and social insurance premiums		1,632	1,954
Other liabilities, accruals and deferred income		3,661	2,042
		37,370	94,232
Total equity and liabilities		146,299	184,072

Company profit and loss account

(€1,000)

		2024	2023
Result from group companies	2	-2,381	-4,618
Company result after tax		72,238	56,872
Result after tax	3	69,857	52,254

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. The accounting principles are the same as those set out in 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	2024	2023
Renovation & refurbishment	66	80
Total tangible assets	66	80

Tangible assets	Renovation & refurbishment	Total
At 1 January	80	80
Investments	—	—
Disposals	—	—
Depreciation	14	14
At 31 December	66	66

Cumulative	Renovation & refurbishment	Total
Acquisition costs	138	138
Cumulative depreciation	73	73
At 31 December	66	66

Depreciation for renovation & refurbishment: is applied at the rate of 20% per annum.

No impairments were recognised in 2024 and 2023.

2. Investment in group companies

The sole investment in group companies is VLK Investment Management (UK), in which 100% of paid-up capital is held.

Changes in investment in group companies break down as follows:

Investments in group companies	2024	2023
At 1 January	3,923	1,061
Capital addition	2,333	7,415
Result from group companies	-2,381	-4,618
Share plans	3	3
Currency translation differences	246	62
At 31 December	4,124	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 shares (2023: 1,000), each having a nominal value of €454 (2023: €454). Of this total, 202 shares (2023: 202) have been issued and are 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 break down as follows:

Other reserves	2024	2023
At start of year	29,755	26,278
Profit distribution (undistributed profit previous year)	52,254	23,680
Dividend payments	-50,000	-20,000
Share plans	-3	-3
Currency translation differences	-261	-200
At end of year	31,746	29,755

Undistributed profit

Undistributed profit	2024	2023
At start of year	52,254	23,680
Profit distribution	-52,254	-23,680
Result for the financial year	69,857	52,254
At end of year	69,857	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	2024	2023
At start of year	39	63
Currency exchange difference on translation	-389	-23
At end of year	-350	39

Staff

Average number of staff

Staff working at VLK Investment Management are employed by Van Lanschot Kempen. The average number of staff (excluding group companies) employed on a full-time basis between 1 January and 31 December 2024 was 227 (2023: 172). The average number of staff working outside the Netherlands was 2 (2023: 2).

Amsterdam, the Netherlands, 2 April 2025

Management Board

Erik van Houwelingen

Ernst Jansen

Damla Hendriks

Other information

Other information

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.

Independent auditor's report

The independent auditor's report is on page 32.



Independent auditor's report

To: the general meeting of Van Lanschot Kempen Investment Management N.V.

Report on the audit of the financial statements 2024

Our opinion

In our opinion, the financial statements of Van Lanschot Kempen Investment Management N.V. ('the Company') give a true and fair view of the financial position of the Company and the Group (the Company together with its subsidiaries) as at 31 December 2024, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2024 of Van Lanschot Kempen Investment Management N.V., Amsterdam. The financial statements comprise the consolidated financial statements of the Group and the company financial statements.

The financial statements comprise:

- the consolidated and company balance sheet as at 31 December 2024;
- the consolidated and company profit and loss account for the year then ended; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.



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

Independence

We are independent of Van Lanschot Kempen Investment Management N.V. in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Information in support of our opinion

We designed our audit procedures with respect to fraud and going concern and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide separate opinions or conclusions on these matters.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of Van Lanschot Kempen Investment Management N.V. and its environment and the components of the internal control system. This included the management board's risk assessment process, the management board's process for responding to the risks of fraud and monitoring the internal control system.

We refer to section 'Risks and risk management –fraud' of the report of the management board for management's fraud risk assessment.

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

We performed inquiries of a selection of members of the management board and senior management members to evaluate their fraud awareness, the group (internal) control environment in relation to fraud, the 'tone at the top' and entity level controls.

We asked a selection of members of the management board as well as the internal audit department, risk management and compliance whether they are aware of any actual or suspected fraud.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether the respective fraud risk factors indicate that a risk of material misstatement due to fraud is present or should be defined in light of the audit of the financial statements.



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

Identified fraud risks	Our audit work and observations
<p>The risk of management override of controls</p> <p>Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. That is why, in all our audits, we pay attention to the risk of management override of controls.</p> <p>In this respect, specific consideration may be given to:</p> <ul style="list-style-type: none"> • the appropriateness of journal entries and other adjustments made in the preparation of the financial statements; • possible management bias in management estimates; and • significant transactions, if any, outside the normal course of business for the Group. <p>In assessing the fraud risk and discussing and evaluating the interrelation between incentive/pressure, opportunity, and rationalisation, we consider: 1. authenticity and reliability of documentation, 2. validity of respective data used, and 3. accuracy of calculations made in relation to management's estimates as an important cornerstone of our fraud related specific audit work.</p> <p>We also considered the risk of management override of controls in relation to our audit work on the IT-environment.</p>	<p>We evaluated the design and implementation of the internal controls that intend to mitigate fraud risks, such as the process of generating, reviewing and processing of journal entries, estimates and procedures on unexpected journal entries. We also paid specific attention to the access safeguards in the IT systems and the possibility that these lead to violations of the segregation of duties.</p> <p>We have selected journal entries based on risk criteria and conducted specific audit activities for these entries. These procedures included, amongst others, inspection of the entries to source documentation.</p> <p>We also performed fraud related specific audit work on important estimates of management. In this context, we paid specific attention to the estimate in relation to the recognised revenue over the fourth quarter of the year 2024.</p> <p>Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of controls.</p>
<p>The risk of fraud in revenue recognition (management fees)</p> <p>As part of our risk assessment and based on a presumption that there are risks of fraud in revenue recognition, we evaluated which types of revenue transactions or assertions give rise to the risk of fraud in revenue recognition.</p> <p>The risk of fraud in revenue recognition is specifically identified for the accuracy and cut-off risk in the management fees due to the nature of these fees and its underlying diversity in calculations and agreements.</p> <p>Consequently, we identified a fraud risk related to this revenue stream.</p>	<p>We assessed the design and tested the operating effectiveness of the internal control measures related to revenue recognition as part of our revenue related audit work. This included both automated controls (e.g. system calculations and segregation of duties in the core applications) and (IT-dependent) manual controls (e.g. monthly reconciliations). We also paid specific attention to the access safeguards in the relevant IT systems and the possibility that these could lead to breaches of the segregation of duties.</p> <p>For the relevant components of management fees, we designed substantive procedures that comprise for example: an independent recalculation based on the underlying net asset value of the assets under management and contractual conditions, testing of a sample of transactions with reconciliation to underlying supporting documentation (e.g. contracts, invoices, bank statements).</p> <p>As part of our journal entry testing, we have run queries to identify higher risk journal entries, specifically on the management fees, based on pre-defined risk criteria (for example unusual account combinations) and we assessed their appropriateness through the substantiation with supporting evidence.</p> <p>Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to revenue recognition.</p>



We incorporated an element of unpredictability in our audit. We reviewed lawyer's letters and correspondence with regulators. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations. These procedures did not lead to specific indications of fraud or suspicions of fraud.

Audit approach going concern

The management board performed their assessment of the Company's ability to continue as a going concern for at least 12 months from the date of preparation of the financial statements and has not identified events or conditions that may cast significant doubt on the Company's ability to continue as a going concern (hereafter: going-concern risks).

Our procedures to evaluate the management board's going-concern assessment included, amongst others:

- considering whether management's going-concern assessment included all relevant information of which we were aware as a result of our audit and inquiring with management regarding management's most important assumptions underlying their going-concern assessment. These assumptions include the capital and liquidity position, financial performance and current macroeconomic context and uncertainty;
- evaluating the developments in respect of funding, liquidity and solvency of the Group and, where applicable, assessing these in light of the prudential regulatory requirements;
- evaluating management's 2025 budget and current developments;
- performing inquiries of management as to their knowledge of going-concern risks beyond the period of management's assessment.

Our procedures did not result in outcomes contrary to the management board's assumptions and judgements used in the application of the going-concern assumption.

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.



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

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

The management board is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Responsibilities for the financial statements and the audit

Responsibilities of the management board

The management board is responsible for:

- the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the management board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the management board should prepare the financial statements using the going-concern basis of accounting unless the management board either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The management board should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.



Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 2 April 2025
PricewaterhouseCoopers Accountants N.V.

Original has been signed by J. Brouwer RA



Appendix to our auditor's report on the financial statements 2024 of Van Lanschot Kempen Investment Management N.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board.
- Concluding on the appropriateness of the management board's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the management board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.