

The background of the entire page is a photograph of a modern building's interior. It features a large, multi-story glass and metal structure. A prominent feature is a large, cylindrical glass and metal structure, possibly a central atrium or a large elevator shaft, with a spiral staircase visible inside. The architecture is characterized by clean lines and a high-tech aesthetic. The sky is visible through the glass panels, appearing as a clear blue.

**Annual report 2022**

## Content

1.	The profile of MKB Nedsense	5
2.	Management Board report	7
3.	Report of the Supervisory Board	9
4.	Events after 31 December 2022	10
5.	Risk factors	11
5.1	Risk factors general	11
5.2	Risk appetite	13
5.3	Control and management systems	13
6.	Corporate governance	15
6.1	Executive Board and Supervisory Board	15
6.2	Social aspects of business	15
6.3	Legal structure	15
6.4	Articles of association, appointment and dismissal of the Boards	16
6.5	Issue and acquisition of shares	16
6.6	Takeover directive	17
6.7	Corporate Governance Code	18
6.8	Corporate Governance Statement	19
6.9	Social aspects of business	19
7.	Remuneration policy	19
7.1	Board of Directors	20
7.2	Supervisory Board	20
8.	Personalia	21
8.1	Board of Directors	21
8.2	Supervisory Board	21
8.3	Retirement schedule	21
9.	Board statement	23

Dear shareholder,

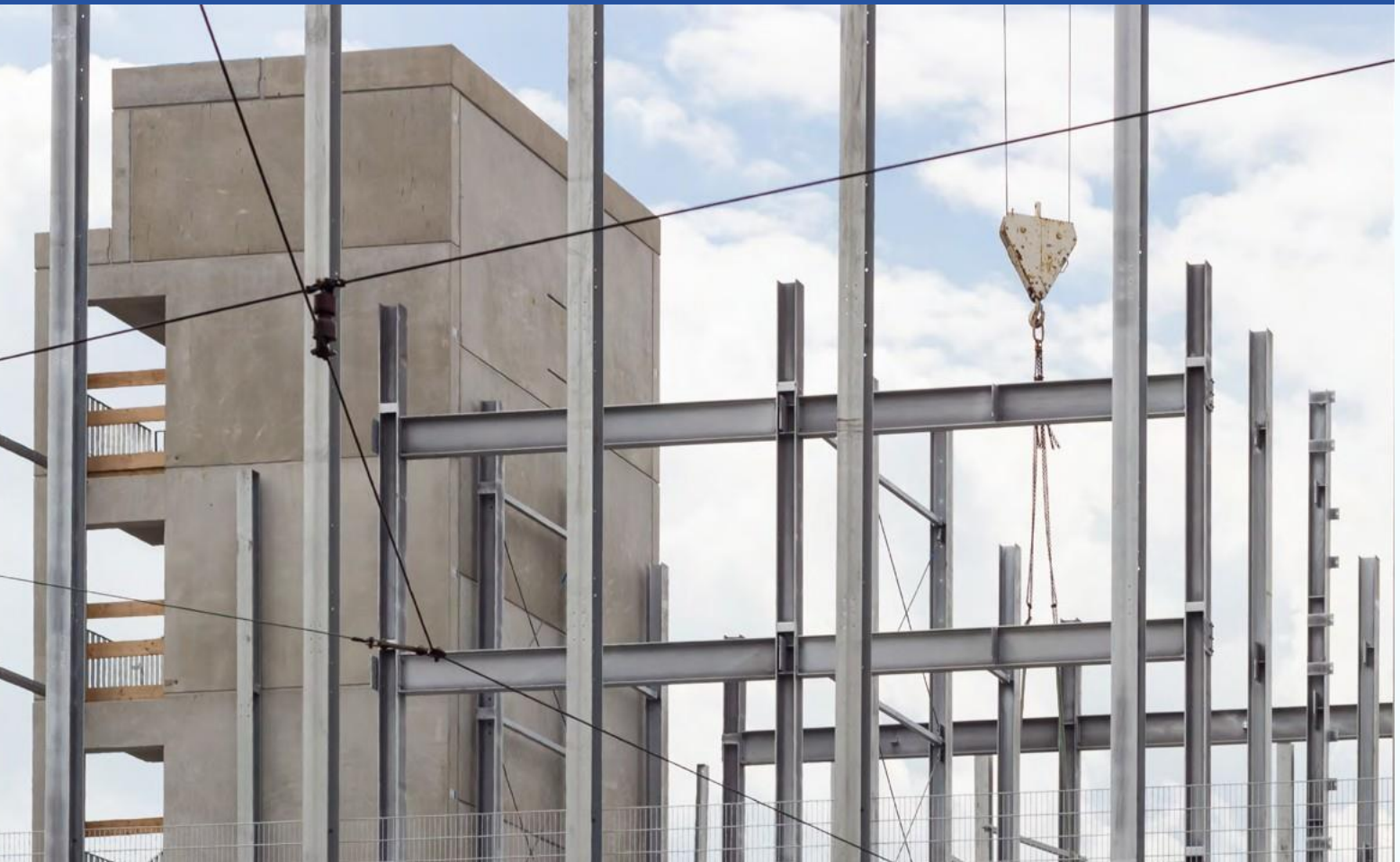
We are pleased to present MKB Nedsense's Annual Report. This annual report covers MKB Nedsense's developments during the 2022 financial year.

The portfolio companies Axess and GNS Brinkman performed well despite the first months of corona and the decreasing activity in the construction sector. The other investments have developed promising with a positive acquisition of the investment in Almunda Professionals

We are convinced that good opportunities will arise in the MKB Nedsense segment – SMEs with enterprise value between €1m and €10m.

We will endeavour to grow further in 2023.

Peter Paul de Vries



MKB Nedsense N.V.  
PO Box 26  
1400 AA Bussum  
[www.mkbnedssense.nl](http://www.mkbnedssense.nl)

**Board of Directors**

P.P.F. de Vries

**Supervisory Board**

G.P. Hettinga

D. van Dam

## 1. The profile of MKB Nedsense

**MKB Nedsense is a Bussum-based listed investment company**  
The management report covers the 2022 financial year. MKB Nedsense reports as an investment entity and uses the consolidation exemption in accordance with IFRS-10.

As an investment company, MKB Nedsense focuses on investing in SMEs and supporting their growth ambitions. MKB Nedsense focuses on investing and participating in companies with a value of up to approximately EUR 10 million. In November 2020, MKB Nedsense announced that the investment focus will increasingly be on the IT (information and technology) sector. MKB Nedsense - with GNS Brinkman and Axess - is active in the technology sector.

When assessing potential investments in a company, it is analysed whether and to what extent the company in question meets one or more of the following criteria:

- the company has a substantial market position;
- the company has an enterprise value in the range of €1-10 million;
- the company operates in a growing market and/or has sufficient potential for growth and/or margin improvement;
- the company has stable and/or growing cash flows;
- the company has its main operations in the Benelux;
- the company has a strong track record;
- the company has strong management;
- the company has potential to pay dividends (over time);
- the company operates a sound risk management system;

- the company and its management are able to meet the obligations related to the listing of investor MKB Nedsense;
- the enterprise is sustainable in nature; and
- the company has a policy on diversity.

Whether a company meets the above criteria is assessed by the management and - in its supervisory function - the Supervisory Board. This includes consideration of the sector in which the company operates.

### Report

MKB Nedsense has been reporting as an 'investment entity' in accordance with the IFRS 10 'consolidation exemption' since 2017. This means that the figures of the various majority interests are not consolidated. The investments and majority interests are valued and presented at fair value. There is also an exit strategy for the investments. In the explanatory report, figures of the controlling interests are presented. The figures of the relevant entities have not been fully audited in the context of these financial statements.

### Sources of funding

MKB Nedsense has various funding sources available to make investments, acquire companies or take stakes:

- a) cash;
- b) use of cash flows of MKB Nedsense (interest, dividends and repayments);
- c) divestments;
- d) issue of shares;
- e) (whether or not) partial financing of the purchase price or investment;
- f) raising debt capital at the level of MKB Nedsense.

### Dividend policy

MKB Nedsense will consider paying a dividend if the results allow it to do so. This decision, and the amount of any proposed dividend, will depend, among other things, on the financial and operational results, cash flow, as well as on MKB Nedsense's balance sheet position and whether the available funds should be used for repayment or investments.

### Financial year

MKB Nedsense has extended its financial year in 2022 with one day. The figures in this annual report cover the period from 30 December 2021 to 31 December 2022 and are compared with the figures for the previous financial year 2021.

## 2. Board report 2022

### Development of portfolio companies

In this report, we focus on the companies that are part of MKB Nedsense's portfolio: GNS Brinkman and Axess. These two companies employed around 40 employees on an FTE basis at the end of 2022. The total turnover for 2022 of these two companies is

EUR 7.2 million with an operating profit (EBITDA) of EUR 0.5 million. During 2022, no new investments were made. MKB Nedsense has still a minority stake in Almunda Professionals and a small stake in TIB-TEC.

### Product innovation by GNS Brinkman

GNS Brinkman, based in Zaandam, is active in the development and production of burglar and fire-resistant solutions, such as roll-up grilles, roll-up doors and fire doors. GNS Brinkman also provides service, repair and maintenance (SRO) on these products.

GNS Brinkman was formed from a merger of the companies GNS and Brinkman. GNS was formed in 2007 from a merger between Gorter Branddeuren (1837), NRF (the Nederlandse Rolluiken Fabriek, 1967) and Slaets (1850). Brinkman was formed in 1920.

GNS Brinkman's main sales markets are non-residential construction, the industrial sector, super markets and other chain stores, particularly in the Randstad region and North Brabant. About 10% of turnover comes from exports to Belgium, Germany and Denmark. There are also modest exports to other European countries. The market is characterised by production and installation orders on a project basis. GNS Brinkman distinguishes itself from the competition through its innovative customised solutions. In addition, GNS Brinkman focuses on increasing its presence in the SRO market to create a more stable revenue base.

Partly due to these steps, GNS Brinkman managed to achieve a higher positive operating result of 0.3 million euros in the 2022 financial year on slight higher turnover of 4.9 million euros. As key growth opportunities, GNS Brinkman's management sees accelerating product innovations, expanding the SRO department and more actively offering fire safety consultancy.

### **Axess: growth opportunities due to ageing population**

Axess is an international manufacturer of five types of lifts and is based in Zaandam. It outsources the installation of the lifts at customers' premises. In addition, the lift manufacturer provides repairs, maintenance and periodic checks of around 450 lifts installed by Axess. Axess is a specialist in platform lifts which, unlike conventional lifts, do not require a lift shaft. This makes them relatively easy and cheap to install. Axess installs lifts mainly in the market segments of education (schools and BSOs), healthcare (GPs and care homes), housing (apartment buildings and private homes) and retail (supermarkets and other shops).

Axess also offers goods lifts for industry. Axess responds to the ageing trend with various products. Besides residential lifts, Axess also offers so-called disabled lifts. This is a lift type specifically developed to bridge small heights in locations where the construction of platform or standard lifts is not necessary or not possible. Axess generates part of its sales abroad. A small acquisition was made in 2021, the assets of SK Lifttechniek were bought from the receiver. A number of projects were postponed due to corona. For 2022, Axess posted a higher turnover of EUR 3,1 million and achieved a slightly lower operating profit of EUR 0.1 million.

### **Almunda Professionals**

MKB Nedsense acquired a stake in Almunda Professionals NV in July 2021. Almunda Professionals is a listed holding company with a focus on deploying professionals for consultancy and support of companies and organisations in specific sectors. Almunda Professionals aims for a combination of organic growth and acquisitions. In the beginning of 2022 Almunda Professionals acquired a 80% stake in PIDZ, a leading platform for professionals in the healthcare sector. During 2023 MKB Nedsense received (stock)dividend from Almunda. Because of the acquisition of PIDZ the shareholding of MKB Nedsense in Almunda Professionals was diluted.

### **Investment in startup TIB-TEC**

MKB Nedsense took a small stake in TIB-TEC, a Swiss-based hydrogen start-up commercialising a proprietary technology that enables the production and use of green hydrogen, in November 2021. The technology enables the production of hydrogen from water using waste heat, while reducing or largely eliminating the need for additional non-renewable (fossil) energy. TIB-TEC is preparing for a listing on the BX Swiss stock exchange. With this investment, MKB Nedsense is fulfilling its objective of investing in technology companies. The investment, of €1.8 million has been paid partly (one-third) in cash and partly (two-thirds) in new MKB Nedsense shares. During 2022 TIB-TEC made progress on the development and the listing on BX Swiss.

### **Results 2022 slightly positive result**

Investment company MKB Nedsense achieved a small positive operating profit (EBIT) of EUR 0.04 million in the 2022 financial year (2021: EUR 0.05 million). The investment portfolio increased in value. The net profit for 2022 was € 0.09 million, slightly lower than 2021

MKB Nedsense's equity increased from €8.95m (year-end 2021) to €9.05m at year-end 2022. This increase was due to positive result. MKB Nedsense's net asset value (NAV) increased from 8.95 to 9.05 euro cents per share in the past financial year. Earnings per share for 2022 were 0.1 euro cents (2021: 0.10 euro cents).

No major (buy or sale) transactions took place during the financial year. In the current situation, the Management Board and Supervisory Board propose to pass the 2022 dividend.

### Impact Covid-19

MKB Nedsense has not proved immune to the effects of the Covid-19 virus. As a result, GNS Brinkman and Axess faced pressure on revenue due to the postponement or non-delivery of projects and a decline in the number of requests for quotations. The strong balance sheet and net cash position allow MKB Nedsense to seize opportunities and make new investments. MKB Nedsense did not apply for the NOW scheme during the past financial years.

## 3. Report of the Supervisory Board

The Supervisory Board's report covers the 2022 financial year.

The Supervisory Board supervised the management conducted by the Board both in and outside meetings. The Management Board prepared and submitted to the Supervisory Board the Financial Statements for the financial year 2022. This Annual Report has not yet been audited by an auditor.

Focus areas for the Supervisory Board in the past financial year included the operational improvement of the existing activities, the implementation of the strategy, acquisition opportunities, compliance with laws and regulations, as well as keeping cost levels low. The Supervisory Board discusses the strategy and associated risks on a regular basis. With regard to strategy, it was decided in consultation with the Management Board to apply a stronger focus on ICT companies.

With the strategy as an investment company, attention was paid to, among other things, its implementation and feasibility and the opportunities and risks for the company. In that context, investments and divestments were discussed, as well as the exit strategy and the financing structure. The further professionalisation of the organisation was also discussed, as well as the appointment of management. Attention was also paid to filling the vacant auditor position after accon avm terminated its PIE licence.

As we know, MKB Nedsense is suffering from the lack of capacity in the accountancy market for listed companies. After our auditor accon avm gave back its licence with AFM in March 2019, MKB Nedsense has only six audit firms to choose from. This is the lowest number in the whole of Europe. In 2022 MKB Nedsense continuously searched for an auditor. For now the annual report 2022 isn't audited yet. Further in this report shareholders can find the financial statements, with all the details as you are used to.

MKB Nedsense largely complied with the best practice provisions of the Corporate Governance Code regarding the Supervisory Board during 2022. You can read more about this in the chapter 6 'Corporate Governance'.

The Supervisory Board met regularly during 2022 including once in the absence of the Management Board. This included discussion of the performance of the Executive Board and its own performance.

Supervisory Board

G.P. Hettinga  
D. van Dam



## 4. Events after 31 December 2022

There are no significant events after the balance sheet date.

## 5. Risk factors

The Executive Board and Supervisory Board of MKB Nedsense take their responsibilities for risk management and the risk management and control systems implemented for this purpose within the organisation seriously. MKB Nedsense attaches importance to good risk management and control and ensures its further development and optimisation. The board is of the opinion that the internal risk management and control systems provide a reasonable degree of certainty that the financial reporting does not contain any material misstatements and that these systems worked properly during the year under review. We have no indications that these systems will not work properly in the current year.

Specifically, the following risks are identified for MKB Nedsense:

### 5.1 Risk factors in general

#### Strategic risks

The strategy adopted by MKB Nedsense is inextricably linked to risk-taking. The main risks here are cyclical conditions, consumer spending and the labour market. Investing to create value growth for share holders is an essential part of MKB Nedsense's strategy. Adverse economic conditions may result in MKB Nedsense or its

portfolio companies perform less than expected. MKB Nedsense will regularly review its portfolio for strategic risks. This involves testing activities against the return and growth criteria set for them and their impact on MKB Nedsense's risk profile. Spreading risk is not an end in itself. In addition, any downturn in the financial markets and any resurgence of the debt crisis may have repercussions on the economic climate in the Netherlands and abroad, which may affect MKB Nedsense's activities or limit its access to external capital.

#### Operating risks

The results from the operations of the companies in which MKB Nedsense invests may be disappointing, partly due to increasing operating costs or other unforeseen circumstances. The operations of GNS Brinkman and Axess, for example, are partly dependent on the construction industry, presence of technical staff and the necessary approvals to operate. The companies have relatively high fixed costs in the form of labour costs. Therefore, an unforeseen increase in the labour costs of one of the companies or participations, for example as a result of new collective bargaining agreements, or a drop in turnover, could have a negative effect on the results of the companies in which MKB Nedsense invests. This can impact the fair value of those investments negatively.

#### Market value risk

MKB Nedsense may also invest in listed companies. These investments are cautioned on the basis of fair value, which usually follows the share price. A fall in the share price may therefore negatively affect the value of these investments. If the value of these investments decreases, this will have a direct impact on the result and/or equity. There is a risk that investments will not achieve the desired result as a result.

### **Risk associated with listing**

MKB Nedsense is listed on the official market of Euronext Amsterdam and therefore has to comply with the applicable laws and regulations. If these regulations change, this may result in additional costs for MKB Nedsense. As mentioned in this report MKB Nedsense doesn't have an PIE-auditor yet, Euronext may decide to start the delisting process. This can effect the liquidity of the share.

### **Organisational risk**

The organisation relies heavily on a few key people, including at least the director. Furthermore, business operations are partly carried out by individuals of major shareholder Value8.

### **Acquisition risk**

In a process for an acquisition, MKB Nedsense makes hypotheses, assumptions and considerations regarding possible future events. Actual developments may differ significantly from these. Also, errors of judgement in the due diligence process and contract negotiations may lead to losses and/or reputational damage for MKB Nedsense. MKB Nedsense tries to minimise this risk by carrying out acquisitions as carefully as possible. Where necessary, MKB Nedsense enlists the help of external advisors, who support the company in identifying the risks and advise MKB Nedsense on how to minimise them by (among other things) contractual means.

### **Legal risk**

MKB Nedsense may be held liable for its actions. Although MKB Nedsense is not aware of any material or imminent litigation at the time of publication of this Annual Report, MKB Nedsense may be held liable for any failure of service or other potential damages. Such liability proceedings can generally involve high costs. When companies are sold, guarantees are given to a greater or lesser extent regarding the accuracy of the information provided.

### **Liquidity risk**

Liquidity risk is the risk of having insufficient funds to meet immediate obligations. If MKB Nedsense takes on new obligations, this could lead to higher liquidity risk. Regarding future liquidity demands, MKB Nedsense may depend on the willingness of major shareholders (including, to a significant extent, Value8) to provide funds. The available liquidity is held with a Dutch major bank with an A rating.

### **Tax risk**

A change in tax laws or regulations, case law or positions of the tax authorities in the Netherlands may negatively affect MKB Nedsense's (future) results.

### **Currency risk**

Most of MKB Nedsense's activities are conducted in euros. MKB Nedsense does not currently use financial instruments to hedge currency risks.

### **Other risks**

MKB Nedsense is also not immune to the impact of the COVID-19 virus. In that context, both GNS Brinkman and Axess foresee a further drop in demand due to projects being delayed or not delivered and a drop in the number of requests for quotations. Separately, activities of GNS Brinkman and Axess are dependent on cyclical conditions in the markets where they operate. For instance, GNS Brinkman's and Axess' operations are partly dependent on the construction sector. The companies have relatively high fixed costs in the form of labour costs. A drop in sales or postponement of orders, therefore, could have a negative effect on the results of the companies in which MKB Nedsense invests.

## 5.2 Risk appetite

Pursuing the objectives is inextricably linked to taking (controlled) risks. The willingness to take risks is proportional to the size and life stage of the (future) activities, as well as the expected return. MKB Nedsense has a very low risk appetite in the context of compliance and reputation. MKB Nedsense has set itself the goal of designing the organisation in such a way that decisive entrepreneurship goes hand in hand with effective risk management.

## 5.3 Control and management systems

During the financial year, the Executive Board and Supervisory Board continuously analysed and assessed the effective operation of existing risk management and control systems, using the formal processes, reports and evaluations available for this purpose. It was concluded that the internal risk management system functioned properly in the year under review and that no irresponsible risks were taken.



## 6. Corporate governance

MKB Nedsense has an Executive Board and a Supervisory Board, the so-called two-tier management structure. Below are the outlines of the current structure.

### 6.1 Executive Board and Supervisory Board

The Executive Board manages the company in consultation with the Supervisory Board. The Executive Board accounts for its actions to the Supervisory Board and to the General Meeting of Shareholders. The Executive Board is conducted by Mr De Vries. The Supervisory Board supervises the general affairs of MKB Nedsense and the policy of the Executive Board. In discharging their duties, the commissioners are guided by the company's interests. The Management Board shall provide the Supervisory Board in good time with the information and documents necessary for the performance of its duties. The Supervisory Board members are appointed by the General Meeting of Shareholders.

The Supervisory Board will continuously review whether the changing activities of MKB Nedsense should affect the composition of the Executive Board and the Supervisory Board. In doing so, if a vacancy arises, preference will be given to a female candidate in case of equal suitability. Currently, there are no female members on the Executive Board or the Supervisory Board. No vacancies will arise in 2023, other than the orientation for filling the management. At present, MKB Nedsense does not yet comply with the requirement in the Act on Management & Supervision of as balanced a distribution of seats between men and women as possible. In the future, MKB Nedsense will expressly consider the importance of a balanced composition.

## 6.2 Social aspects of business

The company considers relevant social aspects of business. When acquiring new portfolio companies, the company will include social aspects, such as sustainability and social aspects, in the decision-making process to achieve shareholder value growth.

### 6.3 Legal structure

MKB Nedsense is a public limited liability company listed on Euronext Amsterdam. MKB Nedsense has 40,600,000 ordinary shares and 59,400,000 A shares outstanding at 31 December 2022 as well as at the date of the financial statements. A shares have the same rights as ordinary shares and are convertible into ordinary shares at the holder's request. Furthermore, 13,333,333 warrants (rights to shares) were granted to Value8 as part of the transaction by the General Meeting of Shareholders in 2018 with an exercise price of 0.15 euros per share.

No shares have been issued to which special profit rights are attached. In respect of none of the issued shares, there is a restriction on voting rights, a time limit for exercising voting rights and/or issue of depositary receipts for shares with the cooperation of MKB Nedsense.

According to the AFM's register and the information of the company, as at the date of the financial statements, there are four shareholders with a real interest greater than 3 per cent. Actual interests may differ within the range:

- Value8 N.V. 62.69%
- J.P. Visser 15,19%
- ONE Asset Management 8,70%
- P.P.F. de Vries (3L Capital Holding) 4,94%

There are no significant agreements to which the company is a party that are created, amended or dissolved under the condition of a change of control of the company after a public offer is made. The company also has no agreements with any director or employee that provide for a payment on termination of employment following a public offer for the company's shares.

## 6.4 Articles of association, appointment and dismissal of directors and supervisory directors

The following are the relevant provisions of the Articles of Association, to the extent they are not mentioned elsewhere in these Financial Statements.

Article 17.1 of MKB Nedsense's articles of association states that MKB Nedsense is managed by a board consisting of one or more directors. Under Article 25.1, there is a Supervisory Board consisting of one or more persons. Furthermore, Article 18.1 states that the General Meeting of Shareholders (AGM) appoints the Directors from a nomination to be made by the Supervisory Board. Pursuant to article 19.1, the AGM may suspend or dismiss a Director at any time. Pursuant to Article 27.1, the AGM may suspend or dismiss any member of the Supervisory Board at any time.

Changing the rights of MKB Nedsense shareholders requires an amendment to the articles of association. A Board resolution on a proposal to amend the Articles of Association is subject to the approval of the Supervisory Board pursuant to Article 23.2.

## 6.5 Issue and acquisition of shares

Shares are issued in accordance with Article 7 of the Articles of Association pursuant to a resolution of the Management Board, if and insofar as the Management Board is designated for that purpose by the AGM. The Management Board resolution is subject to the approval of the Supervisory Board.

When shares are issued, each shareholder has a pre-emptive right in proportion to the aggregate amount of his shares, subject to the provisions of the law. The pre-emptive right may, each time for a single issue, be limited or excluded by the body authorised to issue. Acquisition other than for no consideration can only take place if and insofar as the General Meeting has authorised the Management Board to do so.

Pursuant to Article 7.2, the following applies: The designation of the Executive Board as the issuing body may be determined by resolution of the AGM for not more than two years at a time.

The resolution of the AGM to that effect can only be taken on a proposal of the Executive Board that is subject to the approval of the Supervisory Board. Such designation shall determine the number of shares that may be issued. A designation made by resolution of the AGM cannot be withdrawn, unless stipulated otherwise in the designation.

Pursuant to Article 12.5, the following applies. Acquisition of own shares other than for no consideration can only take place if the AGM has authorised the Executive Board to do so.

This authorisation is valid for a maximum of 18 months. The AGM must specify in the authorisation how many shares or depositary receipts therefor may be acquired, how they may be acquired and between which limits the price must lie. The resolution to repurchase shares requires the prior approval of the Supervisory Board. At the AGM held on 29 June 2022, the shareholders' meeting authorised the board to issue 20 per cent of the issued shares for a period of 18 months and to limit or exclude the pre-emptive right thereof. In addition, on 7 March 2018, authorisation was given to issue a maximum of 58,333,333 shares under the transaction, of which the authorisation to issue the 13,333,333 shares under the warrants issued now remains.

The board is also authorised to repurchase shares during the statutory maximum period of 18 months from 29 June 2022, subject to the law and the articles of association. The maximum number of shares that can be repurchased is 20 per cent of the issued share capital.

## 6.6 Takeover directive

Pursuant to Article 1 Decision Article 10 Takeover Directive, MKB Nedsense explains below:

### Capital structure

The capital structure is listed in chapter 6.3 'Legal structure'.

### Restrictions

MKB Nedsense has restrictions on transfer of shares, voting rights, deadlines for exercising voting rights and issuance. Furthermore, MKB Nedsense is not aware of any agreement between shareholders regarding the restriction of transfer or voting rights.

### Notification of control

The substantial holdings, to the extent known to MKB Nedsense, are listed in section 6.3.

### Special control rights and control mechanisms

There are no special control rights attached to shares. There are no mechanisms for controlling a scheme that grants rights to employees.

### Appointment and dismissal of members of the Supervisory Board and Executive Board

With regard to the appointment and dismissal of members of the Supervisory Board and the Executive Board, reference is made to section 6.1 of the financial statements. With regard to the amendment of the Articles of Association, reference is made to section 6.4 of the financial statements.

### Powers of the Board of Directors

Section 6.1 of the financial statements explains the powers of the Executive Board, including the powers to issue and acquire shares.

### Protective measures

The company has no general protective measures against a takeover of control of the company, such as certification of shares, priority shares or protective preference shares. There are no significant agreements to which the company is a party that are created, amended or dissolved under the condition of a change of control of the company after a public offer is made. The company also has no agreements with any director or employee that provide for a payment on termination of employment following a public offer for the company's shares.

presentations to (institutional) investors or analysts will yet be available simultaneously via webcast.

## 6.7 Corporate Governance Code

MBK Nedsense attaches great importance to sound and transparent corporate governance and strives for clear communication about this with all stakeholders. The relevant social aspects of doing business are taken into account. MBK Nedsense has implemented the Dutch Corporate Governance Code. MBK Nedsense endorses the principles of this Code, as well as the revised Code of 8 December 2016. Any substantial change in the company's corporate governance structure and compliance with the Code will be submitted to the General Meeting of Shareholders for discussion under a separate agenda item. For the detailed application of the revised Code, please refer to the corporate governance document on the website. MKB Nedsense will review the in December adapted Dutch Corporate Governance Code this year and will report about in the next annual report.

MBK Nedsense has chosen to deviate from the best practice provisions on a very limited number of points, as these are not (yet) desirable due to MBK Nedsense's size or from cost considerations. The best practice provisions with which MBK Nedsense does not yet (fully) comply are listed below. The deviations are related to the current phase of the company.

### Best practice provision 1.3.6

Given the size of the company, MBK Nedsense does not currently have an internal audit department.

### Best practice provision 2.1.7ii + 2.19

Given the size and composition of the Supervisory board MBK Nedsense does not currently have a majority of the members (including the chairman) who comply with provision 2.18.

### Best practice provision 2.3.2

Given the size of the company, MBK Nedsense currently has no separate core committees within the Supervisory Board.

### Best practice provision 2.3.10

Given the size of the company, MBK Nedsense does not currently have a 'company secretary'.

### Best practice provision 4.2.3

Given the size of the company, not all

## 6.8 Corporate Governance Statement

This statement is included pursuant to Article 2a of the 'Decree on additional requirements for annual reports dated 1 January 2010' (hereinafter the 'Decree'). For the statements contained in this declaration as referred to in Articles 3, 3a and 3b of the Decree, reference is made to the relevant references in these Financial Statements (more specifically: Chapter 5 and Chapter 6 of the Financial Statements). The following communications should be considered to be inserted and repeated here:

Compliance with principles and best practice provisions Code are listed in section 6.7 'Corporate Governance Code'.

The main features of MKB Nedsense's management and control system are listed in chapter 5 'Risk factors'.

The functioning of the shareholders' meeting and the main powers and rights of MKB Nedsense shareholders and how they can be exercised are set out in section 6.6 'Takeover directive'.

The composition and functioning of the Executive Board and Supervisory Board are reported in section 6.1 'Executive Board and Supervisory Board'. The information referred to in the Article 10 Takeover Directive Decree (Article 3b Adoption Decree) are listed in section 6.6 'Takeover Directive'.



## 7. Remuneration policy

The basic principle of the company's remuneration policy is that remuneration should be in line with the market. The remuneration policy for the board of MKB Nedsense is adopted by the General Meeting of Shareholders. Following the sale of the operational activities, the remuneration policy has been simplified. The actual remuneration for the Management Board is set by the Supervisory Board, the remuneration of the Supervisory Board is set by the General Meeting of Shareholders. The remuneration of the Supervisory Board is independent of the result achieved by the company.

A new remuneration policy was approved at the shareholders' meeting on 6 April 2016. As the company is engaged in operational activities, it was appropriate to change the remuneration policy. In this context, the remuneration for members of the Executive Board was set at EUR 15,000 on an annual basis. It is expected that remuneration will be adjusted when new directors are appointed.

The Supervisory Board considers the current remuneration policy appropriate to the identity, mission and values of MKB Nedsense, with the remuneration ratios within the company and its subsidiary being appropriate to the content and responsibility of the various activities performed. The remuneration policy contributes to social support and the creation of sustainable value for its shareholders.

### 7.1 Board of Directors

Also given the company's limited size, the Executive Board received very limited remuneration. From 6 April 2016, a remuneration of EUR 15,000 per member of the Executive Board applied. There is no result-dependent remuneration or remuneration in

shares or share options for members of the Executive Board. Any severance payments will comply with the Code and therefore not exceed once the annual salary.

### 7.2 Supervisory Board

On 6 April 2016, the shareholders' meeting set a remuneration of EUR 10,000 per Supervisory Board member and EUR 12,000 for the chairman. During 2020, the Supervisory Board consisted of two members. There is no result-dependent remuneration or remuneration in shares or share options for the Supervisory Board members.

## 8. Personal details

### 8.1 Board of Directors

#### Mr P.P.F. de Vries (CEO)

Drs P.P.F. de Vries (1967, Dutch nationality) is also a major shareholder and chairman of the board of Value8 and has extensive experience in the field of listed companies. Before founding Value8, Mr De Vries was - for eighteen years (October 1989-October 2007) associated with the Dutch Investors' Association (VEB). The last twelve years he was managing director of VEB. During 2002-2003, he was a core member of the Tabaksblat Committee. Mr De Vries studied Business Economics at Erasmus University Rotterdam (1985-1991). He was further chairman of the pan-European organisation of shareholders' associations

Euroshareholders (2005- 2010), member of the Market Participants Panel of the pan-European stock market supervisory organisation CESR (2003-2010), supervisory director of EDCC N.V. (2009-2011), supervisory director of Euronext Amsterdam (2014-2017) and director of legal predecessors of Novisource N.V. (2011-2012 and 12 December 2013-29 January 2014). Mr De Vries is a member of the Committee of Recommendation of the Juliana Children's Hospital Foundation. In addition to his position as CEO of Value8 and MKB Nedsense, Mr De Vries is a director of Cumulex NV and a supervisory director of IEX Group N.V., Almunda Professionals N.V. and Morefield Group N.V.

### Mr D. van Dam

Derek van Dam (1971, Dutch nationality) is an expert on stock market issues and investor relations. Mr van Dam was active at Stibbe as a business developer. Mr van Dam was also active on an interim basis as investor relations manager at Grontmij and SnowWorld. Before that (2000-2012), he worked at Royal Bank of Scotland (RBS) as Vice President Equity Capital Markets / Corporate Actions and ABN AMRO Rothschild which was acquired by RBS in 2007. Mr Van Dam's experience includes extensive experience in stock market-related matters such as IPOs, issues and shareholder meetings. Mr Van Dam graduated from HEAO Business Economics in 1995, after which he joined Zwitserleven and ING.

## 8.2 Supervisory Board

### Mr G.P. Hettinga (chairman)

Drs. G.P. Hettinga (1977, Dutch nationality) is also a director of Value8. Mr Hettinga completed his studies in Business Administration of the Financial Sector at VU University Amsterdam in 2001. In the period from June 2001 to September 2008, he worked as an economist at the Dutch Investors' Association (VEB). In 2007, he was appointed chief economist at the VEB. Mr Hettinga gained extensive and relevant experience and knowledge, including in the field of analysing listed companies, corporate governance, investor relations, internet and takeover bids. Mr Hettinga was a supervisory director at EDCC N.V. (2009-2011), Lavide Holding N.V. (2013-2014), Novisource N.V. (2013-2014) and N.V. Dico International (2011-2015). In addition to his position at Value8, Mr Hettinga is a supervisory director of IEX Group N.V. and Portan N.V. and a member of the board of Cumulex N.V.

## 8.3 Retirement schedule

Organ	Person	Appointment	Appointed for
Board of Directors	P.P.F de Vries	2020	4 years
Supervisory Board	G.P. Hettinga	2020	4 years
Supervisory Board	D. van Dam	2020	4 years





## 9. Board statement

The annual figures, as included in this report, give a true and fair view of the assets, liabilities, financial position and result for the financial year of MKB Nedsense.

The financial statements give a true and fair view of the situation on the balance sheet date, the course of business during the financial year of MKB Nedsense and its affiliated companies, the details of which are included in the financial statements. The financial statements describe the material risks faced by MKB Nedsense.

Bussum, 28 April 2023

P.P.F. de Vries



# Annual report 2022

## Content

1.	Balance sheet as at 31 December 2022	28
2.	Profit and loss account for 2022	29
3.	Statement of changes in equity	30
4.	Cash flow statement for 2022	31
5.	Accounting policies of MKB Nedsense	33
5.1	General	33
5.2	Significant accounting policies	33
5.3	Qualifying as an investment company	35
5.4	Foreign currency	35
5.5	Financial assets	36
5.6	Listed investments	39
5.7	Trade receivables and accruals	42
5.8	Cash and cash equivalents	42
5.9	Equity of MKB Nedsense	42
5.10	Provisions	43
5.11	Other non-current liabilities	43
5.12	Trade and other payables	43
5.13	Employee benefits	43
5.14	Overall statement of comprehensive income	43
5.15	Operating income	43
5.16	Leases	43
5.17	Finance income and expense	44
5.18	Corporate taxes	44
5.19	Earnings per share	44
5.20	Cash flow statement	44
6.	Notes to the financial statements	46
6.1	Private equity investments	46
6.1.1	Assumptions used in determining the fair value of equity interests	47
6.1.2	Axess Group	48
6.1.3	GNS Brinkman	48
6.1.4	Sensitivity analysis	49
6.1.5	Fair value measurement principles for other private equity valuations	49
6.1.6	Overview of private equity investments	49
6.2	Listed investments	50
6.3	Loans to related parties	50
6.4	Receivables and accruals	50
6.5	Cash at bank and in hand	50
6.6	Subscribed capital	50
6.7	Trade and other payables	50
6.8	Financial instruments measured at fair value	51
6.9	Contingent liabilities	52
6.10	Risks	52
6.11	Related parties	54
6.12	Events after the balance sheet date	55

6.13	Fair value changes private equity investments and non-current receivables	55
6.14	Interest loans to private equity investments	55
6.15	Wages, salaries and social charges	56
6.16	Other operating expenses	56
6.17	Financial income and expenses	57
6.18	Income taxes	57
6.19	Service costs external auditors	57
6.20	Proposed appropriation of profit	58
7.	Other data	59
7.1	Statutory provisions on profit appropriation	59
7.2	Amendment of statutes	59





## 1. Statement of Financial Position

(x € 1.000)

		31-12-2022	30-12-2021
<b>ASSETS</b>			
<b>Fixed assets</b>			
Private equity investments	6.1	1,430	1,668
Loans to private equity investments	6.1	3,842	3,517
Other non-current receivables	6.1	-	-
<b>TOTAL FIXED ASSETS</b>		<b>5,272</b>	<b>5,185</b>
<b>Current assets</b>			
Listed investments	6.2	2,019	1,755
Loans to related parties	6.3	2,179	2,302
Receivables and accruals	6.4	-	10
Cash and cash equivalents	6.5	1	43
<b>TOTAL CURRENT ASSETS</b>		<b>4,199</b>	<b>4,110</b>
<b>TOTAL ASSETS</b>		<b>9,469</b>	<b>9,295</b>
<b>LIABILITIES</b>			
<b>Equity</b>			
Share capital	6.6	1,000	1,000
Share premium		46,823	46,823
Other reserves		- 38,871	- 38,995
Result for the year		93	124
<b>Total equity attributable to shareholders of the company</b>		<b>9,045</b>	<b>8,952</b>
<b>Current liabilities</b>			
Trade and other payables	6.7	424	343
Posts			
<b>Total current liabilities</b>		<b>424</b>	<b>343</b>
<b>Total liabilities</b>		<b>424</b>	<b>343</b>
<b>Total equity and liabilities</b>		<b>9,469</b>	<b>9,295</b>

## 2. Income Statement

(x € 1.000)

		2022	2021
<b>OPERATING INCOME</b>			
Fair value changes private equity investments	6.13	- 238	- 276
Fair value changes listed investments	6.2	181	255
Interest loans to private equity investments	6.14	158	154
Dividends listed investments	6.2	83	75
<b>Total operating income</b>		<b>185</b>	<b>208</b>
<b>OPERATIONAL COSTS</b>			
Wages, salaries and social charges	6.15	37	37
Other operating expenses	6.16	113	113
<b>Total operating expenses</b>		<b>150</b>	<b>150</b>
<b>OPERATIONAL RESULT</b>		<b>35</b>	<b>58</b>
<b>FINANCE INCOME (EXPENSE)</b>			
Financial benefits	6.17	59	66
Financial charges	6.17	- 1	-
<b>Net finance income (expense)</b>		<b>58</b>	<b>66</b>
<b>Result before tax</b>		<b>93</b>	<b>124</b>
Income taxes	6.18	-	-
<b>Result after tax</b>		<b>93</b>	<b>124</b>
<b>Attributable to:</b>			
Shareholders of the company		93	124
<b>Result for the year</b>		<b>93</b>	<b>124</b>
<b>Earnings per share attributable to shareholders</b>	6.5	0.00	0.00
Earnings per share attributable to shareholders		0.00	0.00
<b>Statement of comprehensive income</b>			
Result for the year		93	124
<b>Total realised and unrealised net results for the period under review</b>		<b>93</b>	<b>124</b>
<b>Attributable to:</b>			
Shareholders of the company		93	124
<b>Total result for the year</b>		<b>93</b>	<b>124</b>

### 3. Statement of changes in equity

(x € 1.000)

	Share capital	Share Premium	Other reserves	Result	Total
<b>Position as at 30 December 2020</b>	820	44,303	- 38,652	-343	6,128
<b>MUTATIONS</b>					
Profit allocation 2020	-	-	- 343	343	-
Realised result 2021	-	-	-	124	124
Issue of A-shares	180	2,520	-	-	2,700
<b>Position as at 30 December 2021</b>	1.000	46,823	- 38,995	124	8,952
<b>MUTATIONS</b>					
Profit allocation 2021	-	-	124	- 124	-
Realised result 2022	-	-	-	93	93
<b>Position as at 31 December 2022</b>	1,000	46,823	- 38,871	93	9,045

#### 4. Cash flow statement

(x € 1.000)

		2022	2021
Net profit	2	93	124
Depreciation and amortisation		-	-
		<b>93</b>	<b>124</b>
<b>ADAPTATIONS FOR:</b>			
Net finance income (expense)	6.17	-	-
Interest loans receivable	6.17	- 59	- 66
Income taxes	6.18	-	-
Dividends		- 83	- 75
Selling private equity investments		-	-
Fair value changes private equity investments	6.1/6.13	238	276
Fair value changes listed investments	6.2	- 181	- 255
Interest loans to private equity investments	6.1/6.14	- 158	- 154
Private equity investments	6.1	-	- 600
Changes in loans receivable from private equity investments	6.3	-	350
Movements in receivables and prepayments and accrued income	6.4	10	1
Changes in trade and other payables	6.7	82	114
<b>Cash flow from operating activities</b>		<b>- 58</b>	<b>- 285</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of capital		-	-
Loans provided		- 166	-
Repayment of loans receivable		182	250
Repayment of loans		-	-
<b>Cash flow from financing activities</b>		<b>16</b>	<b>250</b>
<b>Net change in cash and cash equivalents</b>		<b>- 42</b>	<b>- 35</b>
Cash and cash equivalents at 31 December 2020 / 2021	1	43	78
Cash and cash equivalents on 31 December 2022 / 2021	1	1	43
<b>Presented as follows in the justification:</b>			
<b>Cash and cash equivalents</b>	<b>1</b>	<b>1</b>	<b>43</b>



## 5. Accounting policies of MKB Nedsense N.V.

### 5.1 General

MKB Nedsense N.V. (MKB Nedsense) has its registered office in the Netherlands in Amsterdam and holds offices in Bussum at Brediusweg 33. MKB Nedsense qualifies as an investment company under IFRS, with MKB Nedsense's investments valued at fair value. MKB Nedsense's financial year 2021 differs from the calendar year and runs from 31 December 2020 to 30 December 2021. In the preparation of this annual report, figures for financial year 2021 are compared with the previous financial year 2019/20, taken from the annual report 2020. The board has prepared the annual report 29 April 2022. The annual report will be submitted to the Annual General Meeting for information.

The main activities of the company are participating in, financing and lending funds to natural persons and/or legal entities and providing guarantees and/or other securities to third parties for its own obligations and/or for obligations for companies in its investment portfolio. The shares of MKB Nedsense N.V. are listed on the official market of Euronext Amsterdam.

#### Business objective

MKB Nedsense supports MKBs in achieving their growth objectives. MKB Nedsense provides venture capital to finance that growth. As a listed investment company, MKB Nedsense makes diversified investing in the MKB segment accessible to private and institutional investors. Investments are made on the basis of clear investment criteria, with an emphasis on a positive contribution (directly or indirectly) to social and economic prosperity.

The objective is to create long-term shareholder value. This objective is pursued with a mitigated risk profile, thanks to diversification of activities and a conservative financing structure.

MKB Nedsense expects to have a greater chance of organic growth and value creation in sectors that have the prospect of higher than GDP growth.

### 5.2 Significant accounting policies

#### International Financial Reporting Standards

The annual report of MKB Nedsense N.V. for the period from 31 December 2021 up to and including 31 December 2022 has been prepared in accordance with International Financial Reporting Standards as accepted for use within the European Union (EU-IFRS) and with Title 9 Book 2 of the Dutch Civil Code. The accounting policies applied by MKB Nedsense N.V. are in accordance with IFRS effective as of 31 December 2021 and pronouncements of the International Financial Reporting Interpretation Committee (IFRIC).

#### New accounting standards

MKB Nedsense applied the following new and amended IFRS standards and IFRIC interpretations relevant to the company in 2022, where applicable.

Application of these amended standards ('IFRS 3 Business Combinations - Reference to the Conceptual Framework Amendments', 'IAS 16 Property, Plant & Equipment - Proceeds before Intended Use Amendments', 'IAS 37 Provisions, Contingent Liabilities, Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract' and 'IFRS 1, IFRS 9, IFRS 16, IAS 41 - Annual Improvements 2018-2020') and interpretations do not have a material effect on MKB Nedsense's equity and results of operations and disclosures in the financial statements.

The following standards and interpretations were issued on the date of publication of the financial statements but, not yet effective on the financial statements for the year 2022. Listed below are only those standards for which MKB Nedsense has a reasonable expectation that, when amended in the future, they will have an impact on MKB Nedsense's disclosures, financial position, or results. MKB Nedsense will apply these standards and interpretations as soon as they are effective:

- Amendments to IAS 1 'Presentation of Financial Statements' sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows. The application of this standard is not expected to have an impact on the annual accounts of MKB Nedsense.
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information. Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis. The amendment is mandatory from 1 January 2023. The application of this standard is not expected to have an impact on MKB Nedsense's financial statements.

- Amendments to IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.. The application of this standard is not expected to have an impact on MKB Nedsense's financial statements.

In addition to those mentioned above, standards/amendments and interpretations have been proposed by the IASB, but are not expected to have a material impact on MKB Nedsense's financial position and results of operations

There are no other IFRSs or IFRIC changes effective as of 1 January 2022 that have a material impact on MKB Nedsense.

### **Accounting policies used in the preparation of the financial statements**

The financial statements are in euros and all amounts are rounded to the nearest thousand, except per share amounts, unless otherwise stated. The financial statements have been prepared on a historical cost basis, except that investments in private equity investments (unlisted interests), investments in listed companies and financial instruments are measured at fair value. Value adjustments are recognised through the income statement.

Loans receivable are measured at amortised cost in accordance with IFRS 9.

The preparation of financial statements in conformity with EU-IFRS requires management to make judgements, estimates and assumptions that affect the reported values of assets and liabilities and of income and expenses. The estimates and underlying



assumptions are based on experience and other factors, which are considered reasonable. The outcomes of the estimates form the basis for the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual outcomes may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised in the period in which the estimate is revised if the revision affects only that period. Revisions in the reporting period and future periods are made if the revision also affects future periods. More specifically for MKB Nedsense, estimates and assumptions affect in particular the valuation of private equity investments (investments in unlisted companies) and financial instruments (loans and options).

The accounting policies set out below have been applied consistently. The financial statements have been prepared on a going-concern basis.

### 5.3 Qualifying as an investment company

MKB Nedsense qualifies as an investment company. Based on this qualification, MKB Nedsense uses the consolidation exemption for investment companies (IFRS 10-31).

Within the MKB Nedsense group, there are no group companies that are not themselves investment companies but which engage in investment-related activities (IFRS 10-32). De facto, this means that MKB Nedsense does not consolidate group companies. De facto there is a single balance sheet, income statement and cash flow statement. Also, MKB Nedsense has defined and laid down its exit policy.

Based on its qualification as an investment company, MKB Nedsense values all participations at fair value through profit or loss.

### 5.4 Foreign currency

MKB Nedsense's presentation currency is the euro. It is equal to the functional currency. Transactions in foreign currencies are recognised at the exchange rates prevailing on the transaction date. Monetary assets and liabilities in foreign currencies are translated at the closing rate on the balance sheet date. Gains and losses arising from foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Non-monetary items measured at fair value in a foreign currency are translated at the exchange rate prevailing at the date the fair value is determined.

### 5.5 Financial assets

MKB Nedsense recognises the following financial asset categories:

- private equity investments;
- loans to private equity investments;
- other long-term receivables.

MKB Nedsense follows the International Private Equity and Venture Capital Valuation Guidelines (IPEV Guidelines), which are explained below. The private equity investments are measured at fair value with recognition of fair value movements through profit or loss. These are equity instruments that belong to the group's investment portfolio. After initial recognition, the unrealised changes in value resulting from periodic revaluation are recognised in the income statement.

Loans to portfolio companies (loans to private equity investments) are classified under non-current assets or current assets depending on the maturity of the loan. Presentation is made under non-current assets, except when the maturity date is less than 12 months from the balance sheet date, in which case classification as current assets is made.

Loans to portfolio companies are financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these financial fixed assets are measured at amortised cost using the effective interest method and less any impairment for uncollectibility.

Other non-current receivables are recognised initially at fair value and subsequently at amortised cost, using the effective interest method and net of a provision for uncollectability where appropriate.

Realised gains or losses on investments are calculated as the difference between the purchase price and the carrying amount at the beginning of the reporting period plus investments of the interest at the time of sale. All purchases and sales of financial assets according to standard market conventions are recognised at settlement date.

Purchases or sales of financial assets under standard market conventions are purchases and sales of an asset under a contract whose terms require delivery of the asset within the time limits generally prescribed or agreed in the relevant market.

#### ***Determination of fair value***

Regarding methods to be used to determine fair values, MKB Nedsense follows the International Private Equity and Ventures Capital Valuation Guidelines.

#### ***Private equity investments***

Private equity investments in the company's investment portfolio include majority stakes in unlisted companies or minority stakes where the company has significant influence. In these investments, there is an intention to dispose of the stake in a period of between three and five years.

As these investments relate to unlisted companies (therefore not liquid), these interests are classified as a non-current asset. Private equity investments are recognised on a fair value basis with recognition of fair value changes through income. Given the underlying characteristics of the private equity investments in the investment portfolio (unlisted large, medium-sized and small MKBs), fair value is determined based on the price of a recent transaction (IFRS Level 1) or using a DCF calculation (IFRS Level 3). In exceptional cases, the multiplier method (IFRS Level 1)

used, otherwise only if the underlying characteristic of the investment justifies applying a multiplier method. For investments in which no future cash flows are expected anymore, except for the settlement of the company to be liquidated, the fair value is determined using the Net Assets method (IFRS Level 3).

#### ***Valuation methods***

Selecting appropriate valuation method for the investments

#### ***The price of a recent transaction***

When initially accounting for a private equity investment, the transaction price, including transaction costs, is used as the fair value of the investment. Specific factors, related to the transaction, are considered to assess whether the transaction price is representative of fair value:

- various rights linked to the new and already existing investments (shares);
- disproportionate dilution to existing shareholders when new share holders join;
- A new strategic investor rather than a financial investor;
- a transaction that qualifies as a 'forced sale' or 'rescue package'.

The length of the period during which the most recent transaction price is still representative of the fair value measurement depends on the specific circumstances of the underlying private equity investment. In stable market conditions with few changes within the company and/or external market conditions, the length of the period in which the recent transaction price can be used is longer than in a period of rapid change. MKB Nedsense applies the price of a recent transaction for up to one year after that transaction.

#### **Discounted cash flow method (valuation of private equity investments)**

Under the DCF method, the current fair value is determined by calculating the net present value of the future cash flows of the underlying business (enterprise value). The cash flows and terminal value relate to the underlying business of the company being valued.

A fair value measurement using an IFRS Level 3 DCF analysis is prepared under the condition that there is uncertainty about cash flows arising from working with estimates rather than known amounts. Cash flow projections are based on reasonable and supportable assumptions representative of management's best estimates of economic conditions over the remaining useful life of the asset and cash flow projections, as well as the most current and authorised budgets of (local) management.

In the DCF analysis, projected cash flows and terminal value are discounted made at the weighted average cost rate. Where possible, MKB Nedsense uses external input variables for the components determining the weighted average cost rate (risk-free interest rate, equity to debt ratio in the sector and cyclical sensitivity).

The market risk premium and enterprise risk premium are determined using benchmark information, which is common in the market in relation to the specific characteristics of the equity investment being valued. More specifically for the enterprise risk premium, elements such as customer dependency, supplier dependency, management dependency, spread of activities, entry barriers, track record and flexibility are considered.

The enterprise value derived from the DCF is adjusted for the following elements to arrive at the equity value (base valuation):

- adjustment net debt (debt and excess cash);
- adjustment other equity claims (preference shares, option packages and minority third-party share);
- adjustment creditor equivalents (pension provisions, claims, dividends payable);
- VAT deferred tax assets on account of offsettable losses under the condition that post-tax cash flows based on the nominal tax rate have been calculated in the DCF;
- adjustment non-operating assets (associates and joint ventures).

#### **Multiples**

The multiple valuation technique is appropriate in exceptional cases for the primary valuation of a private equity investment in the investment portfolio. The multiple method is applied if there is a mature company with an identifiable stream of recurring revenue and relatively stable cash flows. In addition, it must be possible to compile a representative peer group. Given the composition of the private equity investment portfolio (large companies, medium-sized companies and small MKBs), compiling a representative peer group is complex. For that reason, the multiple method is only used in exceptional cases for the primary valuation. However, the multiple method is used within MKB Nedsense as an additional check on the values resulting from the DCF calculations. Depending on a company's stage of development, sector and geographical location, MKB Nedsense uses an EBITDA/EBITA multiplier or a revenue multiplier.

In the multiple valuation technique, MKB Nedsense considers the following elements: application of an appropriate multiple, taking into account the size, risk and growth expectations of the underlying equity investment to determine enterprise value;

- adjustment net debt (debt and excess cash);
- adjustment other equity claims (preference shares, option packages and minority third-party share);
- adjustment creditor equivalents (pension provisions and claims);
- adjustment non-operating assets (associates and joint ventures);
- Include adjustment for differences in tax payments in the multipliers to be determined based on pre-tax ratios (Sales, EBITDA and EBIT).

For companies with mature recurring revenue with relatively stable cash flows, using an EBITDA multiple is most appropriate. For companies that already generate mature business but do not yet generate stable consistent profits, a revenue multiple is an appropriate multiple to determine enterprise value. The turnover multiple method is based on the assumption that a normalised level of profit can be generated based on the level of turnover. This valuation technique is applicable to companies that are running losses, with the assumption that these losses are temporary and that a normalised level of 'recurring' profit can be established. A valuation based on a turnover multiple can be achieved by using adjusted historical turnover figures combined with a forecast of turnover based on which a sustainable profit margin can be realised.

- The validity of multiples used by MKB Nedsense is increased by:
- objective selection of peers;
- define multiples consistently;
- multiples to correct for differences in tax payments;
- use the right multiple (the one used in the specific market).

MKB Nedsense uses multiples derived from current market multiples that reflect the fair value of comparable listed companies or based on comparable current market transactions. Generally, the fair value of MKB Nedsense's private equity investments will be based on multiples of comparable listed companies.

The fair value measurement takes into account the impact of the liquidity of the interest held. Unlisted private equity interests are less liquid than listed companies. MKB Nedsense applies a liquidity discount with regard to the valuation of unlisted interests derived from multiples of listed interests. The final discount percentage also depends on the size and specific risk of the underlying company.

### **Net Assets**

Under the Net Assets method, the private equity investment is valued at visible net asset value where the assets and liabilities of the equity investment are valued at fair value. This valuation technique is suitable for private equity investments where the value is particularly dependent on the underlying assets rather than income. In specific cases, MKB Nedsense also uses the Net Assets method for equity investments that make a loss and or realise only a marginal profit where, from an investment perspective, a higher value can be realised by liquidating the underlying business.

### **Specific considerations Indicative bids**

Indicative bids are not used separately, but are used as supporting information for valuation based on another valuation method.

## **5.6 Listed investments**

Listed investments include listed group companies and listed non-controlling interests (associates and investments). Listed group companies are not consolidated under IFRS 10-31 and measured at fair value with fair value changes recognised through profit or loss. Associates classified under listed investments are measured at fair value with fair value changes recognised through profit or loss on the basis of IAS 28-18.

Investments classified under listed investments are classified as held for trading and are measured at fair value with fair value changes recognised through profit or loss under IFRS 9.

Initially, listed investments are accounted for at cost. After initial recognition, unrealised changes in value resulting from periodic revaluation are recognised in the income statement.

Realised gains or losses on investments are calculated as the difference between the sale price and the carrying amount of the investment at the time of sale.

#### Determination of fair value

With regard to methods to be used to determine fair values, Value8 follows the International Private Equity and Ventures Capital Valuation Guidelines.

#### *a | Listed investments*

The listed investments in MKB Nedsense's portfolio are traded on the regulated market. A feature of a regulated market is that the closing prices of the listed investments are both available and representative of the fair value of the listed investments. In accordance with IFRS 13-B34, listed investments in an active market are valued at the closing price on the valuation date. In principle, for investments in listed companies in an inactive market, the closing price on the balance sheet date is initially used if there are frequent transactions during the reporting year. If there are no frequent transactions during the year under review in an inactive market, a discount is applied to the share price on the balance sheet date.

The discount applied is verified by a DCF calculation or multiple analysis used as supporting information. If there are shares held in a listed investment that are not exchangeable (letter shares), a discount is applied to the share price on the balance sheet date for illiquidity reasons.

#### Active and inactive market

An active market is one that meets the following criteria:

- the financial instruments traded in a market are homogeneous;
- there can normally be found buyers and sellers at any time (there are frequent market transactions);
- the prices are available to the public.

An inactive market is one where the market is not well developed. A market is not well-developed if there are no frequent transactions during the reporting period.

#### *b | Private equity investments*

Private equity investments in the company's investment portfolio include unlisted associates and unlisted investments ('available for sale'). With these investments, there is an intention to dispose of the interest in due course. As these investments relate to unlisted companies (therefore not liquid), these interests are classified as a non-current asset. Private equity investments are recognised on a fair value basis with recognition of fair value changes through income. Given the underlying characteristics of the private equity investments in the investment portfolio (unlisted large, medium and small enterprises), fair value is determined based on the price of a recent transaction (IFRS Level 1) or using a DCF calculation (IFRS Level 3). In exceptional cases, the multiplier method (IFRS Level 1) is used, incidentally only if the underlying characteristic of the investment justifies applying a multiplier method. For investments in which no future cash flows are expected, except for the settlement of the company to be liquidated, the fair value is determined using the Net assets method (IFRS Level 3).

#### Valuation methods

The price of a recent transaction (valuation of private equity investments). When initially accounting for a private equity investment, the transaction price, excluding transaction costs, is used as the fair value of the investment (IFRS 9 - 5.1.1). Specific factors, related to the transaction, are considered to assess whether the transaction price is representative of fair value:

- different rights linked to the new and already existing investments (shares);

- disproportionate dilution to existing shareholders when new shareholders join;
- a new strategic investor rather than a financial investor;
- a transaction that qualifies as a 'forced sale' or 'rescue package'

The length of the period during which the most recent transaction price is still representative of the fair value measurement depends on the specific circumstances of the underlying private equity investment. In stable market conditions with few changes within the company and/or external market conditions, the length of the period in which the recent transaction price can be used is longer than in a period of rapid change. Value8 applies the price of a recent transaction for up to one year after that transaction.

Available market prices (valuation of listed investments)

For listed interests, the closing price on the valuation date is used to determine the fair value of the investment. A precondition is that there is an active market.

The specific elements MKB Nedsense considers in the analysis to determine whether there is an active market are:

- analysis of the frequency of market transactions: are there sequential transactions in the market every month throughout the year?
- analysis of the volume of transactions sequentially throughout the year;
- proximity of transactions in relation to the valuation date (are there any recent transactions?);
- is there provision of current market information by the company being valued and is there a correlation between the market information provided and the development of the share price?
- is sufficient public information about the company to be valued available?

If MKB Nedsense concludes that there is an inactive market, MKB Nedsense uses the share price as an indication of fair value, using an additional valuation method (supporting valuation by means of a DCF calculation) to determine the discount at which an acceptable fair value is determined.

Regarding a possible discount to the share price (IFRS Level 2 valuation or IFRS Level 3 valuation derived from share price), the relevance of the objectively observable input variable (de facto closing price of the identical or comparable share) is first evaluated. If relatively low volumes in relation to outstanding shares (potentially) lead to the conclusion that there is an inactive market, MKB Nedsense determines whether frequent transactions take place during the reporting period. If this is the case, the share price is qualified as a reliable indicator for a fair value valuation of identical financial instruments.

With respect to non-identical but comparable financial instruments (lettered unlisted shares of listed investments), the closing price of the comparable financial instrument is used as the basic input variable for fair value measurement. A markdown is applied to this basic input variable depending on the following:

- liquidity restriction because the financial instrument is not tradable on the stock exchange (also applicable to non-convertible listed letter shares in listed companies): 10-30 per cent;
- liquidity restriction for financial instruments that are not negotiable on the stock exchange (applicable to unlisted letter shares of listed companies) where a conversion right exists to convert the shares into listed shares. Cut-off percentage to be applied due to possible delay period prospectus requirement: 0-7.5 per cent;
- liquidity constraint because the listed financial instrument is subject to a 'lock-up period': 5-20 per cent, with the cut-off percentage decreasing as the lock-up period decreases.

Within the defined bandwidth, the actual exit percentage is used on an estimation basis. The starting point here is a representative exit price between market participants in the current market.

## 5.7 Trade receivables and accruals

Trade and other receivables are recognised initially at fair value and subsequently at amortised cost using the effective interest method and net of the provision for bad debts. A provision for bad debts is recognised when it is assumed that a receivable or part of a receivable will not be collected. The amount of the provision is determined as the difference between the carrying amount of the receivable and the present value of estimated future cash flows. The addition to the provision is recognised in other operating expenses in the income statement.

## 5.8 Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances and other demand deposits. Bank overdrafts are included in current liabilities. Cash is measured at face value.

## 5.9 Equity of MKB Nedsense

MKB Nedsense's ordinary shares are classified as equity. The purchase price of repurchased shares is deducted from other reserves until these shares are cancelled or reissued. The dividend payable to holders of ordinary shares is recognised as a liability when the Annual General Meeting approves the dividend proposal.

## 5.10 Facilities

Provisions are determined based on estimates of future cash outflows from legally enforceable or constructive obligations as a result of a past event of uncertain size or timing of settlement, which are related to the business activities and for which a reliable estimate can be made.

## 5.11 Other non-current liabilities

Other non-current liabilities are measured on initial recognition at fair value less any directly attributable transaction costs. After initial recognition, these liabilities are measured at amortised cost using the effective interest method.

## 5.12 Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently at amortised cost.

## 5.13 Employee benefits

MKB Nedsense has no long-term employee benefits.

## 5.14 General overview of comprehensive income

Revenues and expenses are recognised in the year to which they relate.

## 5.15 Operating income

Operating income consists mainly of fair value changes in private equity investments and listed investments and realised transaction results on private equity investments and listed investments.

## 5.16 Leases

Lease contracts where a major part of the advantages and disadvantages associated with ownership do not lie with the company are accounted for as operating leases. Operating lease obligations are recognised in profit or loss on a straight-line basis over the term of the contract. Lease contracts whereby the company acts as lessee and the advantages and disadvantages associated with ownership lie with the company are accounted for as financial leases. Benefits from financial leases are recognised in the income statement on a straight-line basis in proportion to the term of the contract. MKB Nedsense has no contracts that classify as financial leases.

## 5.17 Finance income and expense

Finance income and costs are allocated to the period to which they relate. Interest income is recognised on a time proportion basis using the effective interest method.

## 5.18 Corporate tax

Income tax comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in the consolidated statement of comprehensive income. In the latter case, the related tax is also recognised directly in the consolidated statement of comprehensive income. Tax due and recoverable for the reporting period consists of income tax on taxable profit, which is calculated using the applicable tax rates. This takes into account exempt profit components and non-deductible amounts, as well as adjustments to tax for previous financial years.

Deferred taxes are recognised for temporary differences between the tax values of assets and liabilities and their carrying amounts in the financial statements. If a deferral would arise on initial recognition in the financial statements of an asset or liability arising from a transaction that affects neither the commercial nor the taxable result, it is not recognised. Deferred taxes are calculated based on enacted tax rates and laws that apply or have been enacted materially by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is paid. Deferred tax assets for tax loss carryforwards are capitalised only to the extent that it is probable that

offsetting can take place against profits to be realised in future years. Deferred tax assets and liabilities with the same term and with the same tax entity are netted on the balance sheet, to the extent a legal right to offset exists.

## 5.19 Earnings per share

Earnings per share is calculated by dividing net income by the weighted average number of shares outstanding during the year. To arrive at diluted earnings per share, ordinary shares that would have been outstanding if the financial equity instruments - convertible bonds or stock options - had been converted into ordinary shares are also included.

## 5.20 Cash flow statement

The cash flow statement is prepared using the indirect method. Receipts and payments relating to taxes are included under net cash flow from operating activities. Dividends paid are included under cash flow from financing activities.





## 6. Notes to the financial statements

### 6.1 Private equity investments

MKB Nedsense finances companies in the investment portfolio with a loan where appropriate. MKB Nedsense monitors the fair value of private equity investments based on the total asset value of the underlying private equity investment.

Private equity investments	31-12-2022			IFRS Level	30-12-2021			IFRS level
	Equity investment	Loans	Total	Equity investment	Equity investment	Loans	Total	Equity investment
Axess Group	61	1.738	1.799	3	182	1.657	1.839	3
GNS Brinkman	365	1.587	1.952	3	204	1.526	1.730	3
Other private equity investments	1.004	517	1.521	3	1.282	334	1.616	3
	<b>1.430</b>	<b>3.842</b>	<b>5.272</b>		<b>1.668</b>	<b>3.517</b>	<b>5.185</b>	

Loans to have been valued based on IFRS Level 1 systematics.

The movements in private equity investments (the equity holdings) are as follows:

Private equity investments	Balance 30-12-2021	Investments	Other changes	Revaluation	Balance 31-12-2022
Axess Group	182	-	-	- 121	61
GNS Brinkman	204	-	-	161	365
Other private equity investments	1.282	-	-	- 278	1.004
	<b>1.668</b>	<b>-</b>	<b>-</b>	<b>- 238</b>	<b>1.430</b>

The investment concerns the purchase of an interest in TIB-TEC of €1,800.

The movements in loans to private equity investments are as follows:

Loans to private equity	Balance 30-12-2021	InveMKBnts	Divestments	Other changes	Interest	Balance 31-12-2022
Axess Group	1.657	-	-	-	81	1.738
GNS Brinkman	1.526	-	-	-	61	1.587
Other private equity investments	334	167	-	-	16	517
	<b>3.517</b>	<b>167</b>	<b>-</b>	<b>-</b>	<b>158</b>	<b>3.842</b>

The loans have an indefinite maturity, however, can be changed by borrower without any penalty.

Based on the characteristics, the loans have a semi-permanent financing character. Accordingly, the loans are classified under fixed assets. The average interest rate is 4%. In accordance with IFRS 9, provisions are formed on loans granted on the basis of the assessed risk profile and collateral provided.

### 6.1.1 Assumptions used in determining the fair value of equity interests

The valuations of the private equity investments are almost all based on a DCF-calculation (Level 3 valuation). The DCF calculations are based on a general MKB Nedsense DCF valuation model. The assumptions from the MKB Nedsense DCF valuation model used in the DCF calculations are shown below.

The risk-free interest rate used (equity cost rate) is 3.0% and is based on an average forward rate used by Dutch companies following an annual survey by Fernandez and Acin (survey June 2022) of 1.3% plus a premium of 1.7%. MKB Nedsense believes that the claimed return on listed investments should be at least 9%. This required return consists of a market risk premium of around 6% and, as a result, a long-term expectation of the risk-free rate of 3%. The risk-free interest rate to be used in the valuation is therefore set at 3%, being the risk-free interest rate of 1.3% based on the Pablo Fernandez publication plus a premium of 1.7%. The applied market risk premium (cost rate equity) is 6.2% and is also based on the annual survey by Fernandez and Acin.

The firm-specific risk (cost of equity) was determined using an analysis of weighted identified risk factors (in the range between 0 per cent and 9.19 per cent) and an illiquidity premium of 2 per cent. Firm-specific risk (alpha) was treated as a component of the 'unlevered' cost of equity. The 'unlevered' cost of equity has been 'delivered' using the capital ratios and the cost of debt (cost of equity 'levered').

The cost of debt after tax is determined on the basis of the financing capacity of the respective company and on observations of comparable companies within the investment portfolio. In addition, the tax deductibility of interest expenses based on the nominal tax rate ('tax shield') is taken into account.

Regarding capital ratios, for the purpose of

determining the discount rate, the average capital ratio was determined based on a weighted average capital structure of comparable companies in a selected industry (Damodaran database).

The WACC resulting from the previous method is used in the calculation of the fair value of the specific company.

All DCF valuations distinguish between a forecast period and a 'residual value'. The residual value is calculated based on the 'perpetuity approach'. The cash flow from the last forecast year is treated with a 'terminal growth rate' of 2.0%. The enterprise value is calculated by summing the present value of the free cash flows in the forecast period with the present value of the residual value.

Shareholder value is calculated by reducing the enterprise value by net debt items, such as loans from shareholders and financial institutions, provisions, deferred tax liability and MKB Nedsense financing. This amount is then settled with the value of any non-operating assets and cash-like items, such as excess cash.

### 6.1.2 Axxess Group

#### *Fair value measurement as at 31 December 2022*

The valuation at 31 December 2022 is based on a DCF (IFRS Level 3) analysis performed.

Cash flow forecasts are based on reasonable and substantiated assumptions made by local management. In preparing the forecasts, numerical analyses of realised margins and sales trends have been used. Forecast 2022 assumes 12% higher sales than realised sales 2022. The budgeted growth is based on the well-filled order book, taking into account the effects of Covid-19 in the beginning of 2022, the Ukrain war and related energy crisis. The forecast period is five years. With regard to revenue projections over the forecast years up to and including 2027, an average revenue growth of 3.1% per year from realised sales in 2022 has been assumed. The forecasted gross margin of 40% is based on the realised 2021 and 2022 gross margins of respectively 45% and 33%. The forecast of 2023 to 2027 assumes an average increase of 5,6% per year in staff costs. From 2023 to 2027, operating expenses increase by an average of 1.4% annually compared to 2022.

The fair value of Axess Group was determined using the general MKB Nedsense DCF valuation methodology. The Axess Group-specific valuation used the following determinants: Debt/Equity ratio of 77.3%, company-specific risk (alpha) of 6.22% and a cost of debt of 5.88%. Based on the general MKB Nedsense DCF valuation methodology, a WACC of 14.93% was used as a resultant in the valuation.

### 6.1.3 GNS Brinkman

#### Fair value measurement as at 31 December 2022

Cash flow projections are based on reasonable and substantiated assumptions made by local management. In preparing the forecasts, numerical analyses of realised margins and sales trends have been used.

Forecast 2023 assumes 7% higher sales than realised sales 2022. The budgeted growth is based on the well-filled order book, taking into account the effects of Covid-19 in the beginning of 2022, the Ukraine war and related energy crisis. The forecast period is five years. With regard to sales projections for the forecast years 2023 to 2027, an average sales increase of 3.4% annually compared to the 2022 realisation has been assumed. The forecast gross margin is assumed to change from 48,0% realised in 2022 to 47.4% on average in the years thereafter. The forecast through 2027 assumes an average increase of 5.1% in staff costs compared per year to 2022. Regarding operational costs, an average cost increase of 4.4% compared to the 2022 budget has been assumed.

The fair value of GNS Brinkman was determined using the general MKB Nedsense DCF valuation methodology. The GNS Brinkman specific valuation used the following determinants: Debt/Equity ratio of 77.3%, company-specific risk (alpha) of 6.22% and a cost of debt of 5.88%. Based on the general MKB Nedsense DCF valuation methodology, a WACC of 14.86% was used as the resultant in the valuation.

### 6.1.4 Sensitivity analysis

The DCF valuation models include certain input variables relating to revenue growth and WACC. Sensitivities related to these input variables are shown below.

If the models had used an annual 1 percentage point lower/higher revenue growth or a 1 percentage point higher/ lower WACC, assuming an unchanged cost structure and unchanged investment level, the calculations would have led to the following possible additional value changes:

	Sales growth -1%	WACC +1%
Axess Group	- 194	- 105
GNS Brinkman	- 386	- 89

	Sales growth +1%	WACC -1%
Axess Group	198	123
GNS Brinkman	385	103

### 6.1.5 Fair value principles for other private equity valuations

For the valuation of the other private equity investments, the Net Assets method was used and transaction value related to recent acquisition in October 2021. Accordingly, in these specific situations, the valuation method is a representative method for determining fair value.

## 6.1.6 Overview of private equity investments

Private equity investments	City/country	Shareholding in %	
		30-12-2021	30-12-2020
GNS Brinkman B.V.	Amsterdam, the Netherlands	100%	100%
Get Up Group B.V.	Bussum, the Netherlands	100%	100%
GNS Group B.V.	Amsterdam, the Netherlands	100%	100%
<b>Other private equity investment</b>			
Value8 Tech Group N.V.	Amsterdam, the Netherlands	100%	100%
Value8 Tech Services B.V.	Amsterdam, the Netherlands	100%	100%

The statement in accordance with Article 2:379 of the Dutch Civil Code has been filed with the Chamber of Commerce.

## 6.2 Listed investments

Listed investments	Balance 30-12-2021	Investments	Divestments	Fair value Changes	Balance 31-12-2022
Almunda Professionals N.V.	1.755	83	-	181	2.019
	<b>1.755</b>	<b>83</b>	<b>-</b>	<b>181</b>	<b>2.019</b>

## 6.3 Loans to related parties

Loans to related parties	Balance 30-12-2021	Investments	Divestments	Interest	Balance 31-12-2022
Value8 N.V.	2.302	-	- 182	59	2.179
	<b>2.302</b>	<b>-</b>	<b>- 182</b>	<b>59</b>	<b>2.179</b>

For further explanation, please refer to note 6.11

## 6.4 Receivables and accruals

All receivables and accruals have a maturity of less than one year. The maximum credit risk consists of the carrying amount of receivables and accruals recognised as at the reporting date.

## 6.5 Cash and cash equivalents

The balance of cash and cash equivalents is at free disposal. The maximum credit risk consists of the carrying amount of cash and cash equivalents recognised as at the reporting date.

## 6.6 Share capital

The authorised share capital is 100 million ordinary (listed) shares with a par value of €0.01 and 69 million A shares (unlisted shares) with a par value of 1 eurocent.

## 6.7 Trade and other payables

Other liabilities	31-12-2022	30-12-2021
Creditors	-	3
Accrued liabilities	340	340
	<b>424</b>	<b>343</b>

Other payables and accruals have a maturity of less than one year.

## 6.8 Financial instruments measured at fair value

Fair value determination for private equity investments has been done on the basis of a so-called DCF analysis (Level 3 valuation). In exceptional cases, for non-material holdings and entities without operating cash flow, the net-asset value is considered representative of fair value (Level 3 valuation).

At the end of 2022, the issued capital was € 1,000 consisting of 59.4 million A-shares and 40.6 B-shares, both of 1 eurocent par value.

### Capital management

The capital managed by the board, equity, is maintained as much as possible by pursuing the most efficient cost structure. It also actively seeks activities to contribute to the company in order to grow its capital.

### Earnings per share

The calculation of earnings per share for 2022 is based on the profit attributable to shareholders of € 93 (2021: € 124) and an average number of outstanding shares of 100 million shares (2021: 88,350,685)

Earnings per share for 2022 is €0.00 (2021: € 0.00).

Loans receivable are non-current financial assets with fixed or determinable market payments that are not valued in an active market. After initial recognition at cost (fair value at initial recognition), the loans are measured at amortised cost less any impairment losses where there are doubts about the collectability of the loan. Due to fixed or determinable market-based loan terms, the amortised cost of the loans equals fair value.

For a further specification of the valuation of the private equity investments and the loans receivable, please refer to the relevant balance sheet item.

## 6.9 Contingent liabilities

Value8 acquired warrants on 13.33 million shares of MKB Nedsense at a price of 15 cents per share. These warrants have a term of five years ending in 2023.

MKB Nedsense has no contingent liabilities as of 30 December 2022 besides the above warrants.

## 6.10 Risks

MKB Nedsense - like any business - is exposed to risk. The increasing complexity of society and of the investment projects in which MKB Nedsense is involved, as well as changing laws and regulations, compel significant risk awareness. Risk management is the process of identifying, evaluating, controlling and communicating risks from an integrated and organisation-wide perspective. It is a continuous process simply because timeliness and taking action in changing circumstances demand it of us.

This chapter describes the risks faced by MKB Nedsense as an investment company as well as the operational and financial risks associated with MKB Nedsense's investment activities.

The company is convinced that risk management is a necessary part of sound management and the development of a sustainable business. Through its risk management and through an appropriate balance between risks and returns, the company aims to maximise business success and shareholder value. Optimal risk management should also contribute to achieving strategic objectives optimising operational business processes in terms of effectiveness and efficiency; increasing the reliability of financial reporting; monitoring operations in accordance with regulations, laws and codes of conduct.

The following is the description of the risk factors considered most important to which the company is subject. The order of the risks described below is arbitrary.

### Economic risk

The fluctuations in the economic cycle, as well as all other risks to which MKB Nedsense's portfolio companies are subject, have a potential impact on the results of the private equity investments and therefore also on the valuation of the private equity investments on MKB Nedsense's balance sheet. Because MKB Nedsense has a highly differentiated portfolio spread across various investments with activities in various sectors, the impact of fluctuations in the economic cycle tends to be very different.

Difficult economic conditions may adversely affect not only the valuation of MKB Nedsense's existing portfolio, but also the quantity and quality of available new investment opportunities, exit opportunities for existing investments and, as a result, cash generation. It follows that MKB Nedsense's revenues, earnings and cash flow are subject to a variety of elements and may also fluctuate significantly. As a result, MKB Nedsense cannot guarantee that it can implement its dividend policy under all circumstances.

### Market risk

In addition, the valuation of unlisted private equity valuations under IFRS may also depend on a number of market-related elements (including via comparison with a listed peer group). However, the volatility of these market developments does not necessarily reflect the performance of the investment in question. This means that the unrealised revaluations on the non-listed MKB Nedsense portfolio and, as such, MKB Nedsense's result may also be determined to a significant extent by market developments.

### Competitive risk

MKB Nedsense operates in a competitive market characterised by both local and

international private equity players and by a rapidly changing competitive landscape. The success of MKB Nedsense is largely determined by its ability to hold its own in a highly competitive and differentiating position.

### Liquidity risk

MKB Nedsense's portfolio consists of private equity investments that are unlisted and, as a result, less liquid. The realisation of unrealised revaluations on private investments is uncertain, can take quite some time and is sometimes legally or contractually restricted during certain periods (lock-up, standstill, closed period). It also depends, among other things, on the development of the results of the investment in question, on the business cycle in general, on the availability of buyers and financing. As such, the illiquidity of its assets poses a risk to MKB Nedsense's results and cash flow generation. The focus in managing liquidity risk is on the net financing headroom, consisting of free available cash and available credit facilities, in relation to financial liabilities.

MKB Nedsense has a number of funding sources at its disposal for this purpose, including dividend payments by companies from the investment portfolio, repayment of debts by companies from the investment portfolio to MKB Nedsense, interest payments on loans granted by MKB Nedsense to private equity investments, full or partial sale of investments, issuance of ordinary shares or preference shares, raising (re)financing by MKB Nedsense and/or (re)financing of companies in the investment portfolio. As a result, the Executive Board considers the liquidity risk to be limited.

### Credit risk

Credit risk is the risk of financial loss to MKB Nedsense if a customer or counterparty to a financial instrument fails to meet the contractual obligations entered into. The exposure to credit risk of MKB Nedsense is mainly determined by the individual characteristics of individual debtors. In respect of financial instruments measured at fair value, credit risk is discounted in the fair value measurement.

Loans granted are granted to parties with initial creditworthiness checks. Write-downs were made on the loans in the past. Adequate provisions are expected to be recognised on the loans recognised as at the reporting date.

Cash and cash equivalents are held with credit institutions with at least a credit rating of A.

The other asset items under loans and receivables are recognised at amortised cost which, given the short maturity, are almost equal to the nominal value.

### Personnel risk

MKB Nedsense relies significantly on the experience, commitment, reputation, deal-making skills and network of its director to achieve its objectives. Human capital is a very important asset for the company. Therefore, the director's departure may have a negative impact on MKB Nedsense's operations and results.

### Capital risk policy

At MKB Nedsense, equity qualifies as capital. The company aims to use the majority of the retained reserves for investments in the context of organic growth and acquisitions. The company is not subject to external requirements around the capital to be held. In the context of financing growth, MKB Nedsense expects to maintain a relatively low pay-out ratio in the coming years, with the aim of at least maintaining any dividend.

## 6.11 Related parties

As related parties of MKB Nedsense can be distinguished: the companies that are part of MKB Nedsense's investment portfolio, the members of the Supervisory Board and the members of the Executive Board and Value8. 3L Capital Holding B.V. also qualifies as a related party.

### Related party transactions

Transactions with companies in the investment portfolio are conducted at arm's length on terms comparable to transactions with third parties. At year-end 2020, MKB Nedsense provided a short-term loan with a principle amount of €2,300 to Value8 with an interest rate of 3% plus twelve-month Euribor. In 2022 € 182 was repaid by Value8 and interest credited. In addition, there is a receivable from Value8 of € 123 (see note 6.3) at year-end 2022.



This concerns a current account relationship where Value8 ensures repayment if necessary for the ongoing obligation and implementation of MKB Nedsense's strategy. The interest rate is 1.25% per quarter.

### Remuneration of Executive and Supervisory Board members

The remuneration of the members of the Supervisory Board is independent of the company's results. The number of Supervisory Board members at the end of 2022 is 2 (2021: 2).

Supervisory Board	2022	2021
Gerben Hettinga	12	12
Derek van Dam	10	10
	<b>22</b>	<b>22</b>

Board of Directors	2022	2021
Peter Paul de Vries	15	15
	<b>15</b>	<b>15</b>

Within MKB Nedsense, 'key' personnel consist of the Executive Board and the Supervisory Board. For the remuneration policy, please refer to chapter 7 of the annual report.

### Other comments

According to the AFM register and information of the company, the following notifications of an interest of more than 3% in the company's share capital were known as of the date of the annual report:

- Value8 N.V. 62.69%
- J.P. Visser 15.19%
- P.P.F. de Vries (3L Capital Holding) 4.94%
- ONE Asset Management 8.70%

### 6.12 Events after balance sheet date

There are no subsequent events relevant to the financial statements.

### 6.13 Fair value changes private equity investments and non-current receivables

Fair value changes private equity investments and non-current receivables	2022	2021
Axess Group	- 121	112
GNS Brinkman	161	162
Other private equity investments	- 278	- 230
Other non-current receivables	-	- 320
	<b>- 238</b>	<b>- 276</b>

Fair value movements relate to revaluations made on the value of private equity interests and expected effects from earn-out agreements.

### 6.14 Interest loans to private equity investments

Interest loans to private equity investments	2022	2021
Axess Group	81	77
GNS Brinkman	61	65
Other private equity investments	16	12
<b>Total interest loans to private equity investments</b>	<b>158</b>	<b>154</b>

### 6.15 Wages, salaries and social charges

Wages, salaries and social charges	2022	2021
Wages and salaries	37	37
Social charges	-	-
Other personnel costs	-	-
	<b>37</b>	<b>37</b>

During financial year 2022, an average of 0 employees were employed within the company on a full-time basis (2021: 0). Salaries relate to remuneration for the Executive Board and Supervisory Board (see section 6.11).

## 6.16 Other operating expenses

Other operating expenses	2022	2021
Consultancy fees	12	12
General operating expenses	101	101
	<b>113</b>	<b>113</b>

## 6.17 Financial income and expenses

Financial income and expenses	2022	2021
<b>Financial income</b>		
Interest loans to related parties	59	66
<b>Total financial income</b>	<b>59</b>	<b>66</b>
<b>Financial expenses</b>		
Bank charges & interest	1	-
<b>Total financial income</b>	<b>58</b>	<b>66</b>

## 6.18 Income taxes

Taxes reported as a percentage of results before tax are 0% (2021: 0%). The reconciliation between income tax as reported in the income statement based on the effective tax rates and tax expense based on the local domestic tax rate is as follows:

	2022		2021	
Result before taxes		93		124
Corporation tax based on domestic rate	-15%	14	-25%	19
Prior-year adjustments	-	-	9%	- 11
Impact non-taxed results	15%	- 14	6%	- 8
		-		-
Effect of offsets within fiscal unity	-	-	-	-
	<b>0%</b>	<b>-</b>	<b>0%</b>	<b>-</b>

MKB Nedsense formed a fiscal unity for corporate income tax purposes with Value8 Tech Group N.V., Value8 Tech Services B.V., GNS Brinkman B.V., Axess B.V., Get Up Group B.V., GNS Group B.V., Brinkman Rolluiken B.V, GNS Brinkman B.V. and GNS Property B.V. until ultimo December 2019. As a result, the company is jointly and severally liable for the corporate income tax of the combination as a whole. MKB Nedsense has extended its financial year 2019/20 so that the financial year covers the period of 1 January 2019 up to and including 30 December 2020. Due to the extension of the financial year, the fiscal unity has been terminated.

At the end of 2022, the amount of tax loss carry forwards of MKB Nedsense N.V. is € 1,038 (2021: € 1,104). The full amount is available for carry forward service as of 1 January 2022. No amounts relating to taxes were recognised directly in equity in the 2022 financial year.

### 6.19 External auditors' service fees

In the reporting year 2022, a cost has been recognised based on an estimate of the fees of the new PIE auditor to be appointed. Accon avm notified in March 2019 that it would surrender its PIE licence. As a result, the company started a process to find a replacement PIE auditor. Partly from the perspective of available capacity, no PIE auditor has been found to carry out the audit for the 2021 financial year. There are six audit firms in the Netherlands with a PIE licence: BDO, Deloitte, EY, KPMG, Mazars and PwC. Five of these six audit firms have been asked whether they would like to perform the annual accounts audit for MKB Nedsense and whether they would submit a quotation to that effect. At present, it is not fully clear what the costs will be of the new PIE audit to be appointed.

	2022	2021
Examination of financial statements	30	30
Other control assignments	-	-
Consulting services	-	-
	<b>30</b>	<b>30</b>

### 6.20 Proposed appropriation of profit

The Executive and Supervisory Boards propose that no dividend be paid for the 2022 financial year.

Bussum, 28 April 2023

#### Board of Directors

Peter Paul de Vries

#### Supervisory Board

Gerben Hettinga (chairman)

Derek van Dam

## 7. Other data

### 7.1 Statutory provisions on profit appropriation

Article 38 of the articles of association reads as follows:

38.1 Each year, the Management Board, with the approval of the Supervisory Board, determines what portion of the profit - the positive balance of the profit and loss account - will be reserved.

38.2 The part of the profit remaining after reserving according to Article 38.1 is distributed as a dividend on the shares.

38.3 Distributions to shareholders can only take place up to the amount of the distributable part of the equity.

38.4 Distribution of profits is made after the adoption of annual accounts showing that it is lawful.

38.5 If a loss is incurred in any year, no dividend will be paid in respect of that year. No dividend will be paid in subsequent years until the loss balance has been cleared by offsetting it against profits. The General Meeting may, however, on a proposal of the Board of Management which has been approved by the Supervisory Board, resolve to offset a loss balance in whole or in part against the distributable part of the shareholders' equity or also to pay out a dividend against the distributable part of the shareholders' equity.

38.6 The Management Board may decide to distribute an interim dividend. The resolution is subject to the approval of the Supervisory Board.

38.7 Distributions to shareholders are also subject to Sections 2:104 and 2:105 of the Civil Code.

### 7.2 Amendment of articles of association

The company extended the statutory financial year at the end of 2019. Due to this statutory amendment, the 2019/20 financial year ran from 1 January 2019 to 30 December 2020.

### 7.3 Auditors report

Accon avm reported to surrender its PIE licence in March 2019, as a result, the company started a process to find a replacement PIE auditor. Since 2019, MKB Nedsense has made every effort to contract one of the remaining PIE auditor. MKB Nedsense has also raised the general issue of unavailability of PIE auditors with AFM, Euronext Amsterdam, the Ministry of Finance and the professional body NBA. Although these parties recognised some or all of these issues, this has not led to a process with a structural or temporary solution. The finance minister has therefore announced to come up with legislation to oblige audit firms to audit public-interest entities (PIE). As MKB Nedsense faces the de facto impossibility (force majeure) of contracting an auditor, the 2022 financial statements do not include an auditor's report.