

HB Holding N.V.

established in Amsterdam

Financial report 1 June 2023 to 31 December 2023

INDEX

FINANCIAL REPORT

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OTHER INFORMATION

HB Holding N.V.
Croy 7C
5653 LC Eindhoven

Bilthoven, 28 June 2024

1 Assignment

In accordance with your assignment, we have compiled the accompanying financial statements.
Management is responsible for the preparation and fair presentation of these financial statements.

2 RESULTS

DEVELOPMENT OF INCOME AND EXPENSES

As presented in the income statement, the net result for 1 June 2023 to 31 December 2023 amounts to € -353,653 (2022-2023: € -531,809).

| | 1 June 2023 to 31 December 2023 € | 2022-2023 € |
|--|---|-----------------|
| Other operating income | 88,647 | 72,097 |
| Cost of sales | -647 | -7,380 |
| Cost of outsourced work and other external expenses | -823 | -61,575 |
| Gross margin | 87,177 | 3,142 |
| Employee benefits | | |
| Wages and salaries | 91,561 | 75,961 |
| Social security contributions | 15,861 | 15,861 |
| Amortisation, depreciation and impairment | | |
| Depreciations of tangible assets | 12,679 | 9,469 |
| Other operating expenses | | |
| Accommodation costs | 28,864 | 72,577 |
| Sales related expenses | 45,891 | 42,796 |
| Office related expenses | 1,483 | 1,483 |
| General expenses | 95,224 | 128,611 |
| Sum of expenses | 291,563 | 346,758 |
| Operating result | -204,386 | -343,616 |
| Financial income and expense | -152,541 | -315,998 |
| Result before tax | -356,927 | -659,614 |
| Income tax expense | 3,274 | 128,469 |
| Share in results of subsidiaries and participating interests | - | -664 |
| Result | -353,653 | -531,809 |

COMPARISON RESULTS

| | 1 June 2023 to 31 December 2023 |
|--|--|
| | € |
| The result has been positively influenced by | |
| Increase in gross margin | 84,035 |
| Decrease in other operating expenses | 74,005 |
| Increase in financial result | 163,457 |
| Increase in share in results of subsidiaries and participating interests | 664 |
| The result has been negatively influenced by | |
| Increase in employee benefits expenses | -15,600 |
| Increase in amortisation, depreciation and impairment | -3,210 |
| Increase in income tax expense | -125,195 |
| Total increase in result | 178,156 |

4 CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2023

ASSETS

| (after profit appropriation) | 1 June 2023 to 31 December 2023 | | 31 May 2023 | |
|-------------------------------|--|------------------|-------------|------------------|
| | € | € | € | € |
| Non-current assets | | | | |
| Property, plant and equipment | | 6,654,353 | | 1,059,893 |
| Financial assets | | 1,775,076 | | 1,771,802 |
| Current assets | | | | |
| Inventories | | - | | 5,492,574 |
| Receivables | | 70,812 | | 1,346,587 |
| Cash and cash equivalents | | 14,745 | | 56,869 |
| Total | | <u>8,514,986</u> | | <u>9,727,725</u> |

EQUITY AND LIABILITIES

| | | 1 June 2023 to 31 December 2023 | | 31 May 2023 |
|-------------------------------------|-----------|--|---------|------------------|
| <i>(after profit appropriation)</i> | € | € | € | € |
| Group equity | | | | |
| Equity | 1,536,216 | | 297,661 | |
| Group equity | | 1,536,216 | | 297,661 |
| Non-current liabilities | | 4,196,354 | | 3,665,999 |
| Current liabilities | | 2,782,416 | | 5,764,065 |
| Total | | <u>8,514,986</u> | | <u>9,727,725</u> |

5 CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1 JUNE 2023 TO 31 DECEMBER 2023

| | | 1 June 2023 to 31 December 2023 | | 2022-2023 |
|---|---------|--|---------|-----------|
| | € | € | € | € |
| Other operating income | 88,647 | | 72,097 | |
| Cost of sales | -647 | | -7,380 | |
| Cost of outsourced work and other external expenses | -823 | | -61,575 | |
| Gross margin | | 87,177 | | 3,142 |
| Employee benefits | 107,422 | | 91,822 | |
| Amortisation, depreciation and impairment | 12,679 | | 9,469 | |
| Other operating expenses | 171,462 | | 245,467 | |
| Sum of expenses | | 291,563 | | 346,758 |
| Operating result | | -204,386 | | -343,616 |
| Financial income and expense | | -152,541 | | -315,998 |
| Result before tax | | -356,927 | | -659,614 |
| Income tax expense | | 3,274 | | 128,469 |
| Share in results of subsidiaries and participating interests | | - | | -664 |
| Net result after tax | | -353,653 | | -531,809 |

6 GENERAL NOTES

| | |
|---|------------------------|
| Name legal entity | HB Holding N.V. |
| Legal form | Public limited company |
| Registered office | Amsterdam |
| Registration number Chamber of Commerce | 77971027 |
| Basis of preparation | Commercial |

Most important activities

The company's activity is managing participations. The company was established on May 6, 2020.

Location actual activities

HB Holding N.V. is located in Eindhoven and is registered at the chamber of commerce under number 77971027.

Consolidation policy

The consolidation includes the financial information of HB Holding N.V., its group companies and other entities in which it exercises control or whose central management it conducts. Group companies are entities in which HB Holding N.V. exercises direct or indirect control based on a shareholding of more than one half of the voting rights, or of which it has the authority to govern otherwise their financial and operating policies. Potential voting rights that can be exercised directly from the balance sheet date are also taken into account.

Group companies and other entities in which HB Holding N.V. exercises control or whose central management it conducts are consolidated in full. Participating interests in group equity and group result are disclosed separately. Participating interests over which no control can be exercised (associates) are not included in the consolidation.

Intercompany transactions, profits and balances among group companies and other consolidated entities are eliminated, unless these results are realised through transactions with third parties. Unrealised losses on intercompany transactions are also eliminated, unless such a loss qualifies as an impairment. The accounting policies of group companies and other consolidated entities have been changed where necessary, in order to align them to the prevailing group accounting policies.

Overview consolidated interests

| <i>Name entity</i> | <i>Location</i> | <i>% share capital</i> |
|--------------------------------|-----------------|------------------------|
| Henri Broen B.V. | Koningsbosch | 100.0 |
| Broen Real Estate GmbH | Kleve | 100.0 |
| HenriPay B.V. | Spijkenisse | 100.0 |
| Henri Broen Construction B.V. | Balgoij | 100.0 |
| HenriPay OÜ | Tallinn | 100.0 |
| Vrienden van Koningsbosch B.V. | Koningsbosch | 100.0 |

7 ACCOUNTING POLICIES

GENERAL

General policies

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2, of the Dutch Civil Code and the Dutch Accounting Standards applicable to small legal entities, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Accounting policies for the valuation of assets and equity and liabilities

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

Accounting policies for the income statement

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

ACCOUNTING POLICIES FOR ASSETS

Property, plant and equipment

Land and buildings are valued at historical cost plus additional costs or production cost less straight-line depreciation based on the expected useful life. Land is not depreciated. Impairments expected on the balance sheet date are taken into account. With regard to the determination as to whether a tangible fixed asset is subject to an impairment, please refer to the relevant section.

Financial assets

Participations over which no significant influence can be exercised are valued at historical cost. The result represents the dividend declared in the reporting year, whereby dividend not distributed in cash is valued at fair value.

Inventories

The historical cost or production cost consist of all costs relating to the acquisition or production and the costs incurred in order to bring the inventories to their current location and current condition. The production cost includes direct labour and fixed and variable production overheads, taking into account the costs of the operations office, the maintenance department and internal logistics.

Receivables

Upon initial recognition the receivables are recorded at the fair value and subsequently valued at the amortized cost. The fair value and amortized cost equal the face value.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is carried at nominal value.

ACCOUNTING POLICIES FOR EQUITY AND LIABILITIES

Non-current liabilities

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

ACCOUNTING POLICIES FOR THE INCOME STATEMENT

Employee benefits

Salaries, wages and social security contributions are charged to the income statement based on the terms of employment, where they are due to employees and the tax authorities respectively.

Amortisation, depreciation and impairment

Tangible fixed assets are depreciated over their estimated useful lives as from the moment that they are ready for use. Land and investment property are not depreciated.

Other interest and related income

Interest income are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Interest and related expenses

Interest expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Income tax expense

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

Share in results of subsidiaries and participating interests

Where no significant influence is exercised, the dividend income is accounted for in the profit and loss as financial income.

8 NOTES TO CONSOLIDATED BALANCE SHEET

PROPERTY, PLANT AND EQUIPMENT

| | 1 June 2023 to 31 December 2023 | | 31 May 2023 |
|---------------------------|--|--|------------------|
| | € | | € |
| Land and buildings | | | |
| Building plots | 6,499,690 | | 900,000 |
| Machinery | 112,821 | | 118,513 |
| Other tangible assets | 41,842 | | 41,380 |
| Total | 6,654,353 | | 1,059,893 |

| | Land and buildings | Machinery | Other tangible assets | Total |
|--|-----------------------|----------------|-----------------------------|------------------|
| | € | € | € | € |
| Carrying value June 1, 2023 | | | | |
| Cost or manufacturing price | 900,000 | 122,579 | 46,789 | 1,069,368 |
| Accumulated amortisation and impairments | - | -4,066 | -5,409 | -9,475 |
| | <u>900,000</u> | <u>118,513</u> | <u>41,380</u> | <u>1,059,893</u> |
| Movements 1 June 2023 to 31 December 2023 | | | | |
| Additions | 5,599,690 | - | 7,449 | 5,607,139 |
| Depreciation | - | -5,692 | -6,987 | -12,679 |
| | <u>5,599,690</u> | <u>-5,692</u> | <u>462</u> | <u>5,594,460</u> |
| Carrying value December 31, 2023 | | | | |
| Cost or manufacturing price | 6,499,690 | 122,579 | 52,586 | 6,674,855 |
| Accumulated amortisation and impairments | - | -9,758 | -10,744 | -20,502 |
| | <u>6,499,690</u> | <u>112,821</u> | <u>41,842</u> | <u>6,654,353</u> |
| Depreciation rate (average) | - | 10.0 | 20.0 | |

FINANCIAL ASSETS

| | 1 June 2023 to 31 December 2023 | 31 May 2023 | |
|--|--|--------------------------------|------------------|
| | € | € | |
| Other investments | | | |
| HBC Group The Netherlands Holding B.V. | 1,626,666 | 1,626,666 | |
| Deferred tax assets | | | |
| Available tax losses | 148,410 | 145,136 | |
| Total | <u>1,775,076</u> | <u>1,771,802</u> | |
| | <u>Other investments</u> | <u>Deferred tax assets</u> | <u>Total</u> |
| | € | € | € |
| Carrying value June 1, 2023 | 1,626,666 | 145,136 | 1,771,802 |
| Movements 1 June 2023 to 31 December 2023 | | | |
| Additions | - | 3,274 | 3,274 |
| | <u>-</u> | <u>3,274</u> | <u>3,274</u> |
| Carrying value December 31, 2023 | <u>1,626,666</u> | <u>148,410</u> | <u>1,775,076</u> |

INVENTORIES

| | 1 June 2023 to 31 December 2023 | 31 May 2023 |
|------------------|--|------------------|
| | € | € |
| Work in progress | - | 5,492,574 |
| Total | - | 5,492,574 |

RECEIVABLES

| | 1 June 2023 to 31 December 2023 | 31 May 2023 |
|------------------------------|--|-------------|
| | € | € |
| Tax receivables | | |
| VAT | 890 | 373 |
| Wage tax and social security | - | 1,860 |
| | 890 | 2,233 |

| | 1 June 2023 to 31 December 2023 | 31 May 2023 |
|--|--|------------------|
| | € | € |
| Other receivables | 32,932 | 45,635 |
| Accrued income | | |
| Current account HBC Group Nederland Holding B.V. | 11,677 | - |
| Accrued income | 10,955 | 55,430 |
| Prepaid expenses | 7,358 | - |
| Management fee to be invoiced | 7,000 | - |
| Amounts receivable from investors | - | 1,225,700 |
| Amounts receivable | - | 14,864 |
| Other | - | 2,725 |
| | <u>36,990</u> | <u>1,298,719</u> |
| Total | <u>70,812</u> | <u>1,346,587</u> |

CASH AND CASH EQUIVALENTS

| | 1 June 2023 to 31 December 2023 | 31 May 2023 |
|--------------|--|---------------|
| | € | € |
| Bank credits | 9,745 | 56,869 |
| In transit | 5,000 | - |
| Total | <u>14,745</u> | <u>56,869</u> |

GROUP EQUITY

| | 1 June 2023 to 31 December 2023 | 31 May 2023 |
|---------------------|--|----------------|
| | € | € |
| Equity | 1,536,216 | 297,661 |
| Group equity | <u>1,536,216</u> | <u>297,661</u> |

Disclosure

The shareholders' equity is detailed in the notes to the standalone financial statements.

NON-CURRENT LIABILITIES

| | 1 June 2023 to 31 December 2023 | 31 May 2023 |
|---|--|------------------|
| | € | € |
| Payables to group companies | 135,880 | - |
| Payables to receivables shareholders and participating interests | | |
| Current account H. Broen | 1,042,439 | 553,964 |
| Other payables | | |
| Bonds | 2,500,558 | 2,594,558 |
| Other | 517,477 | 517,477 |
| | <u>3,018,035</u> | <u>3,112,035</u> |
| Total | <u>4,196,354</u> | <u>3,665,999</u> |

Disclosure

Rekening courant H. Broen

Interest at the rate of 3.00% has been calculated on the average current account balance.

Bond loan

These are issued bond loans with a maturity of five years at an interest rate of 7.5%. Redemption will take place on 18 December 2025.

CURRENT LIABILITIES

| | 1 June 2023 to 31 December 2023 | 31 May 2023 |
|--|--|------------------|
| | € | € |
| Trade payables | | |
| Account payable | 20,751 | 33,465 |
| Taxes payable and social security contributions payable | | |
| Corporation income tax | 1,284,370 | 1,284,370 |
| VAT | 1,215,893 | 1,228,710 |
| Wage tax and social security | 10,354 | 10,338 |
| | <u>2,510,617</u> | <u>2,523,418</u> |
| Other payables | 64,972 | 372,999 |
| Accruals | | |
| Payable purchase price shares | 93,336 | 2,642,364 |
| Municipal fees | - | 88,646 |
| Interest bonds | - | 80,000 |
| Accounting fees | 75,556 | 7,519 |
| Other | 17,184 | 15,654 |
| | <u>186,076</u> | <u>2,834,183</u> |
| Total | <u>2,782,416</u> | <u>5,764,065</u> |

9 NOTES TO CONSOLIDATED PROFIT AND LOSS ACCOUNT

REVENUE AND GROSS MARGIN

| | 1 June 2023 to 31 December 2023 | 2022-2023 |
|---|--|---------------|
| | € | € |
| Other operating income | 88,647 | 72,097 |
| Operating income | 88,647 | 72,097 |
| Cost of sales | 647 | 7,380 |
| Cost of outsourced work and other external expenses | 823 | 61,575 |
| Gross margin | 87,177 | 3,142 |

EMPLOYEE BENEFITS

| | 1 June 2023 to 31 December 2023 | 2022-2023 |
|-------------------------------|--|---------------|
| | € | € |
| Wages and salaries | 91,561 | 75,961 |
| Social security contributions | 15,861 | 15,861 |
| Total | 107,422 | 91,822 |

AMORTISATION, DEPRECIATION AND IMPAIRMENT

| | 1 June 2023 to 31 December 2023 | 2022-2023 |
|---------------------------------|--|--------------|
| | € | € |
| Depreciation of tangible assets | 12,679 | 9,469 |
| Total | 12,679 | 9,469 |

OTHER OPERATING EXPENSES

| | 1 June 2023 to 31 December 2023 | 2022-2023 |
|-------------------------|--|----------------|
| | € | € |
| Accommodation costs | 28,864 | 72,577 |
| Sales related expenses | 45,891 | 42,796 |
| Office related expenses | 1,483 | 1,483 |
| General expenses | 95,224 | 128,611 |
| Total | 171,462 | 245,467 |

FINANCIAL INCOME AND EXPENSE

| | 1 June 2023 to 31 December 2023 | 2022-2023 |
|---|--|-----------------|
| | € | € |
| Interest income other parties | - | 2,173 |
| Interest expenses from shareholders and participating interests | -13,847 | -8,727 |
| Interest expenses credit institutions | -6,282 | -676 |
| Interest expenses other parties | | |
| Interest bonds | -107,636 | -278,525 |
| Administrative expenses bonds | -13,949 | -26,433 |
| Interest and bank Other | -2,750 | -2,572 |
| Other | -8,077 | -1,238 |
| | -132,412 | -308,768 |
| Financial income and expense | -152,541 | -315,998 |

TAXATION

| | 1 June 2023 to 31 December 2023 | 2022-2023 |
|--|--|-----------------|
| | € | € |
| Deferred income tax expense | -3,274 | - |
| Income tax expense from current financial year | - | -128,469 |
| Income tax expense | -3,274 | -128,469 |

SHARE IN RESULTS OF SUBSIDIARIES AND PARTICIPATING INTERESTS

| | 1 June 2023 to 31 December 2023 | 2022-2023 |
|---|--|-----------|
| | € | € |
| Share in result of other participating interests | | |
| Service Hotel and Resort International B.V. | - | -664 |
| Total | - | -664 |

10 OTHER NOTES

SUBSEQUENT EVENTS

In June 2024 several plots of the Koningsbosch project were sold to a third party. The monastery plot, the supermarket plot and four additional plots. After the balance sheet date, the subsidiary Henri Broen B.V. was sold. For bondholders of the 7.5% HB Holding N.V. 20/25, this means that the realised and expected sales proceeds will be available to easily service the coupon payments and repay the bond in December 2025. It is expected that the remaining villa properties will be sold in the current financial year.

The wholly owned subsidiary HenriPay UAB was founded in Lithuania after the balance sheet date. HenriPay UAB is currently undergoing the application process to obtain an EMI (Electronic Money Institution) licence and has already successfully completed two of three steps.

11 COMPANY BALANCE SHEET AS AT 31 DECEMBER 2023

ASSETS

| (after profit appropriation) | 1 June 2023 to 31 December 2023 | | 31 May 2023 |
|-------------------------------|--|------------------|------------------|
| | € | € | € |
| Non-current assets | | | |
| Property, plant and equipment | | 6,631,362 | 1,039,854 |
| Financial assets | | 1,904,598 | 2,787,502 |
| Current assets | | | |
| Receivables | | 51,436 | 37,131 |
| Cash and cash equivalents | | 7,836 | 38,361 |
| Total | | <u>8,595,232</u> | <u>3,902,848</u> |

EQUITY AND LIABILITIES

| | | 1 June 2023 to 31 December 2023 | | 31 May 2023 |
|-------------------------------------|-----------|--|---------|------------------|
| <i>(after profit appropriation)</i> | € | € | € | € |
| Equity | | | | |
| Share capital | 475,001 | | 475,001 | |
| Other reserves | 1,061,216 | | 91,540 | |
| | | 1,536,217 | | 566,541 |
| Provisions | | 337,368 | | - |
| Non-current liabilities | | 6,584,005 | | 3,148,522 |
| Current liabilities | | 137,642 | | 187,785 |
| Total | | 8,595,232 | | 3,902,848 |

12 COMPANY PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1 JUNE 2023 TO 31 DECEMBER 2023

| | | 1 June 2023 to 31 December 2023 | | 2022-2023 |
|---|---------|--|---------|-----------|
| | € | € | € | € |
| Net revenue | 7,000 | | 12,000 | |
| Gross margin | | 7,000 | | 12,000 |
| Employee benefits | 15,600 | | - | |
| Amortisation, depreciation and impairment | 8,182 | | 5,470 | |
| Other operating expenses | 128,666 | | 183,842 | |
| Sum of expenses | | 152,448 | | 189,312 |
| Operating result | | -145,448 | | -177,312 |
| Financial income and expense | | -65,186 | | -184,066 |
| Result before tax | | -210,634 | | -361,378 |
| Income tax expense | | - | | 84,574 |
| Share in results of subsidiaries and participating interests | | -143,018 | | -255,005 |
| Result after tax | | -353,652 | | -531,809 |

13 ACCOUNTING POLICIES

GENERAL

General policies

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2, of the Dutch Civil Code and the Dutch Accounting Standards applicable to small legal entities, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Accounting policies for the valuation of assets and equity and liabilities

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

Accounting policies for the income statement

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

ACCOUNTING POLICIES FOR ASSETS

Property, plant and equipment

Land and buildings are valued at historical cost plus additional costs or production cost less straight-line depreciation based on the expected useful life. Land is not depreciated. Impairments expected on the balance sheet date are taken into account. With regard to the determination as to whether a tangible fixed asset is subject to an impairment, please refer to the relevant section.

Financial assets

Participations (associates), over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

Associated companies with a negative net equity value are valued at nil. If the company fully or partly guarantees the liabilities of the associated company concerned, or has the effective obligation respectively, to enable the associated company to pay its (share of the) liabilities, a provision is formed. Upon determining this provision, provisions for doubtful debts already deducted from receivables from the associated company are taken into account.

Receivables

Upon initial recognition the receivables are recorded at the fair value and subsequently valued at the amortized cost. The fair value and amortized cost equal the face value.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is carried at nominal value.

ACCOUNTING POLICIES FOR EQUITY AND LIABILITIES

Provisions

Provisions are recognised for legally enforceable or constructive obligations that exist at the balance sheet date, and for which it is probable that an outflow of resources will be required and a reliable estimate can be made.

Provisions are measured at the best estimate of the amount that is necessary to settle the obligation as per the balance sheet date. Provisions for pension are valued on the basis of actuarial principles.

The other provisions are carried at the nominal value of the expenditure that is expected to be necessary in order to settle the obligation, unless stated otherwise.

Non-current liabilities

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

ACCOUNTING POLICIES FOR THE INCOME STATEMENT

Net revenue

Revenues from the services rendered are recognised in proportion to the services delivered, based on the services rendered up to the balance sheet date in proportion to the total of services to be rendered.

Employee benefits

Salaries, wages and social security contributions are charged to the income statement based on the terms of employment, where they are due to employees and the tax authorities respectively.

Amortisation, depreciation and impairment

Tangible fixed assets are depreciated over their estimated useful lives as from the moment that they are ready for use. Land and investment property are not depreciated.

Other operating expenses

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

Other interest and related income

Interest income are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Interest and related expenses

Interest expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Income tax expense

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

Share in results of subsidiaries and participating interests

The result is the amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the earnings achieved by the participation to the extent that this can be attributed to HB Holding N.V.

Where no significant influence is exercised, the dividend income is accounted for in the profit and loss as financial income.

14 NOTES TO COMPANY BALANCE SHEET

PROPERTY, PLANT AND EQUIPMENT

| | 1 June 2023 to 31 December 2023 | | 31 May 2023 |
|---------------------------|--|--|------------------|
| | € | | € |
| Land and buildings | | | |
| Building plots | 6,499,690 | | 900,000 |
| Machinery | 112,821 | | 118,513 |
| Other tangible assets | 18,851 | | 21,341 |
| Total | 6,631,362 | | 1,039,854 |

| | Land and buildings | Machinery | Other tangible assets | Total |
|--|-----------------------|----------------|-----------------------------|------------------|
| | € | € | € | € |
| Carrying value June 1, 2023 | | | | |
| Cost or manufacturing price | 900,000 | 122,579 | 23,100 | 1,045,679 |
| Accumulated amortisation and impairments | - | -4,066 | -1,759 | -5,825 |
| | <u>900,000</u> | <u>118,513</u> | <u>21,341</u> | <u>1,039,854</u> |
| Movements 1 June 2023 to 31 December 2023 | | | | |
| Additions | 5,599,690 | - | - | 5,599,690 |
| Depreciation | - | -5,692 | -2,490 | -8,182 |
| | <u>5,599,690</u> | <u>-5,692</u> | <u>-2,490</u> | <u>5,591,508</u> |
| Carrying value December 31, 2023 | | | | |
| Cost or manufacturing price | 6,499,690 | 122,579 | 23,100 | 6,645,369 |
| Accumulated amortisation and impairments | - | -9,758 | -4,249 | -14,007 |
| | <u>6,499,690</u> | <u>112,821</u> | <u>18,851</u> | <u>6,631,362</u> |
| Depreciation rate (average) | - | 10.0 | 20.0 | |

FINANCIAL ASSETS

| | 1 June 2023 to 31 December 2023 | 31 May 2023 |
|---|--|------------------|
| | € | € |
| Investments in group companies | | |
| Henri Broen B.V. | 1,429,413 | 1,452,866 |
| HenryPay OÜ | 2,500 | - |
| Broen Real Estate GMBH | 1 | 1 |
| HenriPay B.V. | 1 | 1 |
| Henri Broen Construction B.V. | 1 | 1 |
| | <u>1,431,916</u> | <u>1,452,869</u> |
| Receivables from group companies | | |
| Current account Henri Broen B.V. | - | 1,131,182 |
| Current account Henri Real Estate GMBH | 317,674 | 48,771 |
| Current account Henri Broen Construction B.V. | - | 10,376 |
| Current account HenriPay B.V. | 11,194 | 490 |
| | <u>328,868</u> | <u>1,190,819</u> |
| Deferred tax assets | | |
| Available tax losses | 143,814 | 143,814 |
| Total | <u>1,904,598</u> | <u>2,787,502</u> |

| | Investments in group companies | Receivables from group companies | Deferred tax assets | Total |
|--|--------------------------------------|--|------------------------|------------------|
| | € | € | € | € |
| Carrying value June 1, 2023 | 1,452,869 | 1,190,819 | 143,814 | 2,787,502 |
| Movements 1 June 2023 to 31 December 2023 | | | | |
| Additions | 2,500 | - | - | 2,500 |
| Disposals | - | -861,951 | - | -861,951 |
| Share in result of participating interests | -143,018 | - | - | -143,018 |
| Movements in provision of participations | 119,565 | - | - | 119,565 |
| | <u>-20,953</u> | <u>-861,951</u> | <u>-</u> | <u>-882,904</u> |
| Carrying value December 31, 2023 | <u>1,431,916</u> | <u>328,868</u> | <u>143,814</u> | <u>1,904,598</u> |

| Name entity | Location | % share capital | Additional information |
|-------------------------------|--------------|--------------------|------------------------|
| Henri Broen B.V. | Koningsbosch | 100.00 | |
| Broen Real Estate GmbH | Kleve | 100.00 | per 31 december 2023 |
| HenriPay B.V. | Spijkenisse | 100.00 | |
| Henri Broen Construction B.V. | Balgoij | 100.00 | |
| HenriPay OU | Tallinn | 100.00 | |

Disclosure

Current account Henri Broen B.V.

Interest at the rate of 10.5% has been calculated on the average current account balance.

Current account Broen Real Estate GmbH

Interest at the rate of 1.5% has been calculated on the average current account balance.

Current account HenriPay B.V.

No interest has been charged on the current account balance.

Current account Henri Broen Construction B.V.

No interest has been charged on the current account balance.

RECEIVABLES

| | 1 June 2023 to 31 December 2023 € | 31 May 2023 € |
|--------------------------|---|------------------|
| Other receivables | | |
| Other | 25,036 | 25,036 |
| Accrued income | | |
| Accrued management fee | 19,000 | 12,000 |
| Prepaid expenses | 7,400 | 95 |
| | <u>26,400</u> | <u>12,095</u> |
| Total | <u>51,436</u> | <u>37,131</u> |

CASH AND CASH EQUIVALENTS

| | 1 June 2023 to 31 December 2023 € | 31 May 2023 € |
|---------------------|---|------------------|
| Bank credits | | |
| Sparkasse | 7,836 | 38,361 |
| Total | <u>7,836</u> | <u>38,361</u> |

EQUITY

| | 1 June 2023 to 31 December 2023 | 31 May 2023 |
|--|--|-----------------------|
| | € | € |
| Share capital | | |
| Issued share capital | 475,001 | 475,001 |
| Other reserves | 1,061,216 | 91,540 |
| Total | 1,536,217 | 566,541 |
| | <u>Share capital</u> | <u>Other reserves</u> |
| | € | € |
| Balance June 1, 2023 | 475,001 | 91,540 |
| Movements 1 June 2023 to 31 December 2023 | | |
| Sale of treasury shares | - 1,323,328 | 1,323,328 |
| Result for the year | - -353,652 | -353,652 |
| | <u>-</u> | <u>969,676</u> |
| Balance December 31, 2023 | 475,001 | 1,061,216 |
| | <u>475,001</u> | <u>1,061,216</u> |
| | <u>1,536,217</u> | <u>566,541</u> |

Share capital

The authorised share capital of HB Holding N.V. amounts to € 2,000,000, divided into 200,000,000 ordinary shares of € 0.01. Share capital amounts to € 500,001 ordinary shares whereof 50,000,000 shares of € 0.01 are publicly tradable under ISIN:NL0015000NA2. Additionally 1 preference share of € 1 is issued.

On 23 September 2022, HB Holding N.V. repurchased 2,500,000 ordinary shares at €0.01. In fourth quarter 2023 HB Holding sold 91.264 treasury shares. At 31 December 2023 the number of treasury shares was 2,408,736. At a closing price of € 14,40 the market value of treasury shares amounts to € 34.7 million. Under DUTCH GAAP treasury shares are valued at cost price however.

Retained earnings

The retained portion of the profit for the period from 1 June 1 2023 to 31 December 2023, amounts to € -353,652 (2022-2023: € -531,809).

PROVISIONS

| | 1 June 2023 to 31 December 2023 | 31 May 2023 |
|------------------------------------|--|-------------|
| | € | € |
| Provision relating to subsidiaries | 337,368 | - |
| Total | 337,368 | - |
| | <u>337,368</u> | <u>-</u> |

| | 1 June 2023 to 31 December 2023 | 2022-2023 |
|---|--|-----------|
| | € | € |
| <i>Provision relating to subsidiaries</i> | | |
| Balance June 1 | - | - |
| Addition to provision | 337,368 | - |
| Balance December 31 | 337,368 | - |

NON-CURRENT LIABILITIES

| | 1 June 2023 to 31 December 2023 | 31 May 2023 |
|--|--|------------------|
| | € | € |
| Payables to group companies | | |
| Current account Henri Broen B.V. | 2,936,146 | - |
| Current account Henri Broen Construction B.V. | 104,862 | - |
| | 3,041,008 | - |
| Payables to receivables shareholders and participating interests | 1,042,439 | 553,964 |
| Other payables | | |
| Bond loan | 2,500,558 | 2,594,558 |
| Total | 6,584,005 | 3,148,522 |

Disclosure

Rekening courant H. Broen

Interest at the rate of 3.00% has been calculated on the average current account balance.

Bond loan

These are issued bond loans with a maturity of five years at an interest rate of 7.5%. Redemption will take place on 18 December 2025.

CURRENT LIABILITIES

| | 1 June 2023 to 31 December 2023 | 31 May 2023 |
|--|--|----------------|
| | € | € |
| Trade payables | | |
| Account payable | 4,183 | 16,036 |
| Group companies | | |
| Current account HenryPay OÜ | 2,500 | - |
| Taxes payable and social security contributions payable | | |
| VAT | 27 | 2,230 |
| Wage tax and social security | 1,876 | - |
| | <u>1,903</u> | <u>2,230</u> |
| Other payables | 58,000 | 88,000 |
| Accruals | | |
| Interest bonds | - | 80,000 |
| Accounting fees | 7,466 | 1,500 |
| Other | 63,590 | 19 |
| | <u>71,056</u> | <u>81,519</u> |
| Total | <u>137,642</u> | <u>187,785</u> |

15 NOTES TO COMPANY PROFIT AND LOSS ACCOUNT

REVENUE AND GROSS MARGIN

| | 1 June 2023 to 31 December 2023 | 2022-2023 |
|-------------------------|--|---------------|
| | € | € |
| Net revenue | | |
| Management fee | 7,000 | 12,000 |
| Operating income | <u>7,000</u> | <u>12,000</u> |
| Gross margin | <u>7,000</u> | <u>12,000</u> |

EMPLOYEE BENEFITS

| | 1 June 2023 to 31 December 2023 | 2022-2023 |
|--------------------|--|-----------|
| | € | € |
| Wages and salaries | 15,600 | - |
| Total | <u>15,600</u> | <u>-</u> |

AMORTISATION, DEPRECIATION AND IMPAIRMENT

| | 1 June 2023 to 31 December 2023 | 2022-2023 |
|---------------------------------|--|--------------|
| | € | € |
| Depreciation of tangible assets | 8,182 | 5,470 |
| Total | <u>8,182</u> | <u>5,470</u> |

OTHER OPERATING EXPENSES

| | 1 June 2023 to 31 December 2023 | 2022-2023 |
|-----------------------------------|--|----------------|
| | € | € |
| Accommodation costs | | |
| Rent | 25,875 | 44,025 |
| Maintenance expenses | 20 | 907 |
| Taxes and licenses | - | 277 |
| Other | 1,644 | 11 |
| | <u>27,539</u> | <u>45,220</u> |
| Sales related expenses | | |
| Travel and accommodation costs | 5,459 | 12,002 |
| Advertising and promotional costs | 1,614 | 10,692 |
| Entertainment expenses | 7,835 | 8,249 |
| Freight expenses | - | 6,713 |
| Travel expenses | 8,728 | 2,905 |
| Management fee | 21,353 | 1,500 |
| Other | 459 | 265 |
| | <u>45,448</u> | <u>42,326</u> |
| General expenses | | |
| Advisory costs | 23,947 | 84,269 |
| Accounting fees | 7,000 | 7,257 |
| Subscriptions and memberships | - | 1,600 |
| Office supplies | 1,335 | 1,192 |
| Computer expenses | 2,567 | 1,163 |
| Insurance costs | 4,496 | - |
| Other | 16,334 | 815 |
| | <u>55,679</u> | <u>96,296</u> |
| Total | <u>128,666</u> | <u>183,842</u> |

FINANCIAL INCOME AND EXPENSE

| | 1 June 2023 to 31 December 2023 | 2022-2023 |
|--|--|----------------|
| | € | € |
| Interest income from group companies | | |
| Interest current account Henri Broen B.V. | 70,488 | 129,161 |
| Interest current account Broen Real State GmbH | - | 755 |
| Interest current account HenriPay B.V. | 67 | - |
| | <u>70,555</u> | <u>129,916</u> |

| | 1 June 2023 to 31 December 2023 | 2022-2023 |
|--|--|-----------------|
| | € | € |
| Interest expenses from shareholders and participating interests | | |
| Interest current account H. Broen | -13,847 | -8,727 |
| Interest expenses other parties | | |
| Interest bonds | -107,636 | -278,525 |
| Administrative expenses bonds | -13,949 | -26,433 |
| Interest and bank charges | -309 | -297 |
| | <u>-121,894</u> | <u>-305,255</u> |
| Financial income and expense | <u>-65,186</u> | <u>-184,066</u> |

TAXATION

| | 1 June 2023 to 31 December 2023 | 2022-2023 |
|--|--|----------------|
| | € | € |
| Income tax expense from current financial year | - | -84,574 |
| Income tax expense | <u>-</u> | <u>-84,574</u> |

SHARE IN RESULTS OF SUBSIDIARIES AND PARTICIPATING INTERESTS

| | 1 June 2023 to 31 December 2023 | 2022-2023 |
|---|--|-----------------|
| | € | € |
| Share in result of group companies | | |
| Henri Broen B.V. | -23,453 | -133,239 |
| Broen Real Estate GMBH | -104,619 | -116,132 |
| Henri Broen Construction B.V. | -13,958 | -3,711 |
| HenriPay B.V. | -988 | -1,923 |
| Total | <u>-143,018</u> | <u>-255,005</u> |

16 OTHER NOTES

EMPLOYEES

Disclosure average number of employees

During 1 June 2023 to 31 December 2023, on average 0,3 employees were employed on a full-time basis (2022-2023: nil).

PROFIT APPROPRIATION

Appropriation of the results

The annual report was adopted in the general meeting of shareholders. The general meeting of shareholders has determined the appropriation of result in accordance with the proposal being made to that end.

Proposed appropriation of the results

The board of directors proposes, with the approval of the supervisory board, that the result for the financial year 1 June 2023 to 31 December 2023 amounting to € -353,652 will be deducted from reserves.

SUBSEQUENT EVENTS

In June 2024 several plots of the Koningsbosch project were sold to a third party. The monastery plot, the supermarket plot and four additional plots. After the balance sheet date, the subsidiary Henri Broen B.V. was sold. For bondholders of the 7.5% HB Holding N.V. 20/25, this means that the realised and expected sales proceeds will be available to easily service the coupon payments and repay the bond in December 2025. It is expected that the remaining villa properties will be sold in the current financial year.

The wholly owned subsidiary HenriPay UAB was founded in Lithuania after the balance sheet date. HenriPay UAB is currently undergoing the application process to obtain an EMI (Electronic Money Institution) licence and has already successfully completed two of three steps.

The subsidiaries HenriPay B.V. and HenriPay OÜ are preparing to enter the European market and important proofs of concept were provided.

In the real estate field, a memorandum of understanding was signed with Marchica Med for a major property and tourism project in Nador, Morocco.

SIGNATURE

Eindhoven,

Name

Function

Signature

H. Broen

Managing director




N.G. Peschke

Supervisory director



M. Abele

Supervisory director



D.O. Christ

Supervisory director