

# FINANCIAL STATEMENTS 2023



ER CAPITAL NV  
DE VASTGOEDONDERNEMING



## FINANCIAL STATEMENTS 2023



## CONTENT

1	Consolidated balance sheet as at 31 December 2023 .....	6
2	Consolidated Profit and loss account for 2023 .....	8
3	Disclosure notes to the balance sheet and profit and loss account.....	9
3.1	General notes .....	9
3.1.1	Activities.....	9
3.1.2	Continuity.....	9
3.1.3	Registered office, legal form and registration number at the chamber of commerce.....	9
3.1.4	Group relationships.....	9
3.1.5	Correction of errors .....	10
4	General principles .....	12
4.1	General.....	12
4.2	Comparison with previous year.....	12
5	Accounting principles applied to the measurement of assets and liabilities .....	13
5.1	Intangible fixed assets .....	13
5.2	Tangible fixed assets.....	13
5.3	Deferred tax assets.....	13
5.4	Impairment of non-current fixed assets .....	13
5.5	Investment properties.....	14
5.6	Accounts receivable .....	15
5.7	Cash at banks and in hand.....	15
5.8	Equity .....	15
5.9	Provisions .....	15
5.9.1	General .....	15
5.9.2	Deferred tax liabilities .....	16
5.9.3	Other provisions.....	16
5.10	Long term debts .....	16
5.11	Current liabilities .....	16
6	Principles for the determination of the result .....	17
6.1	General.....	17
6.2	Rental income.....	17
6.3	Revaluation.....	17
6.4	Property expenses and operating expenses.....	17
6.5	Service charges.....	17
6.6	Employee benefits.....	18



6.6.1	Benefits to be paid periodically .....	18
6.7	Amortisation of intangible fixed assets and depreciation of tangible fixed assets .....	18
6.8	Financial Income and expenses .....	18
6.8.1	Interest income and interest expenses .....	18
6.8.2	Dividends .....	18
6.9	Taxes .....	18
6.10	Result from participations .....	19
7	Notes to the consolidated balance sheet as at December 31,2023 .....	20
7.1	Assets .....	20
7.1.1	Fixed assets .....	20
7.1.2	Current assets .....	22
7.2	Equity .....	23
	The shareholders' equity is explained in the notes to the company-only balance sheet.....	23
7.3	Liabilities.....	23
7.3.1	Provisions.....	23
7.3.2	Long-term debts.....	24
7.3.3	Current liabilities .....	28
7.4	Assets and liabilities not recognised in balance sheet.....	30
7.4.1	Contingent liabilities .....	30
7.4.2	Non-recognised assets and liabilities and contingent assets and liabilities .....	31
8	Notes to the consolidated Profit & Loss account for 2023 .....	32
8.1	Revenue.....	32
9	Subsequent events .....	33
10	Balance sheet as at 31 December 2023.....	36
11	Profit and loss account for 2023 .....	37
12	General principles .....	38
12.1	General.....	38
12.2	Registered office, legal form and registration number at the chamber of commerce .....	38
12.3	Comparison with previous year.....	38
12.4	Accounting principles applied to the measurement of assets and liabilities.....	38
12.5	Participating interests in group companies .....	38
12.6	Accounting principles for determining the result.....	39
12.7	Share in results of participating interests.....	39
13	Notes to the balance sheet as at December 31,2023.....	40
13.1	Assets .....	40

13.1.1	Fixed assets.....	40
13.1.2	Current assets.....	41
13.2	Equity .....	41
13.3	Liabilities.....	43
13.3.1	Long-term debts .....	43
13.3.2	Current liabilities.....	44
14	Independent auditors report .....	48





## CONSOLIDATED FINANCIAL STATEMENTS 2023

## 1 Consolidated balance sheet as at 31 December 2023 (after profit appropriation)

	Note	31 December 2023		31 December 2022 (restated)	
		€	€	€	€
<b>ASSETS</b>					
<i>Fixed assets</i>					
<b>Intangible fixed assets</b>					
Cost related to the incorporation and issue of shares		109,048		89,710	
Concessions, permit and intellectual property rights		<u>400,000</u>		<u>400,000</u>	
			509,048		489,710
<b>Tangible fixed assets</b>					
Other fixed operating assets			106,789		39,647
<b>Investment properties</b>	1		37,047,500		33,135,000
<b>Financial fixed assets</b>	2		<u>997,166</u>		<u>950,690</u>
			38,660,503		34,615,047
<i>Current assets</i>					
<b>Accounts receivable</b>	3				
Trade debtors		79,646		49,148	
Accounts receivable from other group companies		65,649		-	
Participant and related parties		224,231		140,557	
Other accounts receivable		201,457		206,360	
Prepayments and accrued income		<u>65,129</u>		<u>200,110</u>	
			636,112		596,175
<b>Cash at banks and in hand</b>	4		<u>1,105,475</u>		<u>286,395</u>
			1,741,587		882,570
			<u><b>40,402,090</b></u>		<u><b>35,497,617</b></u>

	Note	31 December 2023		31 December 2022 (restated)	
		€	€	€	€
<b>LIABILITIES</b>					
<b>Equity</b>	5		8,526,039		5,585,672
<b>Provisions</b>					
Deferred tax liabilities	6	3,110,381		2,903,470	
Other provisions	7	2,089,920		2,089,920	
			5,200,301		4,993,390
<b>Long-terms debts</b>					
Bond loans	8	2,753,615		2,605,426	
Subordinated loans	9	6,645,969		14,007,626	
Debts to lending institutions	10	2,622,109		-	
Financial lease obligations		73,076		16,612	
Debt to participating interest and companies	11	404,329		417,124	
Tax and social insurance	12	430,764		669,422	
Other debts	13	508,273		306,906	
			13,438,135		18,023,116
<b>Current liabilities</b>					
Debts to lending institutions	14	3,444,000		3,330,000	
Convertible loan	15	400,000		-	
Repayment obligation long-term debt	16	8,331,377		2,501,870	
Debts to suppliers and trade credits		112,492		237,559	
Tax and social insurance	17	247,114		287,931	
Other liabilities		1,867		1,518	
Accruals and deferred income	18	700,765		536,561	
			13,237,615		6,895,439
			<b>40,402,090</b>		<b>35,497,617</b>

## 2 Consolidated Profit and loss account for 2023

	Notes	2023		2022 (unaudited)	
		€	€	€	€
<b>Net turnover</b>		2,187,233		1,553,651	
Cost of sales		-704,802		-440,797	
Changes in value of investment properties		136,000		1,022,534	
<b>Gros margin</b>			1,618,431		2,135,388
<b>Costs</b>					
Wages and salaries	19	-533,512		-437,148	
Social security charges		-52,466		-44,782	
Amortisation of intangible assets		-21,746		-19,023	
Depreciation of tangible fixed assets		-9,984		-16,106	
Other operating expenses		-775,283		-610,982	
			<u>-1,392,991</u>		<u>-1,128,041</u>
<b>Operating result</b>			<b>225,440</b>		<b>1,007,347</b>
Financial income and expenses	20		-1,755,649		-953,245
<b>Result before tax</b>			<b>-1,530,209</b>		<b>54,102</b>
Taxes	21		-160,435		-425,074
<b>Result after tax</b>			<u><b>-1,690,644</b></u>		<u><b>-370,972</b></u>

## 3 Disclosure notes to the balance sheet and profit and loss account

### 3.1 General notes

#### 3.1.1 Activities

The activities of ER Capital N.V. and its subsidiaries primarily consist of obtaining, developing, encumbering, managing, exploiting, encumbering, and in rare cases alienation of small-scale commercial real estate, exclusively located in the Netherlands, property and assets in general.

#### 3.1.2 Continuity

The financial result of ER Capital N.V. amounts to € -1,690,644 negative for the year 2023. Furthermore the operational cash flow is negative for 2023. The company is financed with current liabilities/long-term debts, including current account funds provided by banks and third parties. The continuity of the company depends to a significant extent on the willingness of banks and third parties to continue these financing facilities and positive roll out of the business plan. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. However management expects that the closing for refinance of € 18,6 mio will happen as scheduled in the last week of September 2024. Furthermore the cash flow will develop positively in the next financial years as a result of the following measures we have already taken and the plans we have made:

- Further refinancing at lower interest rates;
- Improving the current vacancy rates for some of the investment properties. Negotiations are already going on and promising;
- Establishing a stable base of rental income with the acquisition of three new investment properties end of September 2024;
- Increase fee income;
- Emission of four series of bonds.

Based on the conversations held with banks in respect of our measures and plans, ER Capital is confident that the financing facilities will be continued and the cash flows will improve.

#### 3.1.3 Registered office, legal form and registration number at the chamber of commerce

ER Capital N.V. is located in Rotterdam, Westplein 9a, and is registered at the Chamber of Commerce under number 29046021.

#### 3.1.4 Group relationships

The consolidated financial statements include the financial data of ER Capital N.V. and its group companies on 31 December 2023 of the year. Group companies are legal entities and companies over which the company exercises control.

Group companies are fully consolidated as from the date on which control is obtained and until the date that control ceases. The items in the consolidated financial statements are determined in accordance with consistent accounting policies. Profits and losses resulting from intragroup transactions are eliminated in full.



The company profit and loss account has been prepared using the exemption pursuant to Section 402 Part 9 of Book 2 of the Dutch Civil Code. Consequently, these financial statements include a condensed company profit and loss account.

The consolidation included the financial information of ER Capital N.V. and the following group companies:

<b>Name, statutory registered office</b>	<b>Share in issued capital %</b>	<b>Included in consolidation</b>
ERC Vastgoed I B.V. Rotterdam	100.00	Yes
ERC Vastgoed II B.V. Rotterdam	100.00	Yes
ERC Vastgoed III B.V. Rotterdam	100.00	Yes
ERC Vastgoed IV B.V. Rotterdam	100.00	Yes
ERC Vastgoed V B.V. Rotterdam	100.00	Yes
ERC Vastgoed VI B.V. Rotterdam	100.00	Yes
ERC Vastgoed VII B.V. Rotterdam	100.00	Yes
ERC Vastgoed VIII B.V. Rotterdam	100.00	Yes
ERC Vastgoed IX B.V. Rotterdam	100.00	Yes
ERC Vastgoed X B.V. Rotterdam	100.00	Yes
ERC Services en Administraties B.V. Rotterdam	100.00	Yes
ERC Support B.V. Rotterdam	100.00	Yes
ERC Capital Finance B.V. Rotterdam	100.00	Yes
ERC Capital Corporate Finance B.V. Rotterdam	100.00	Yes
ERC Capital Vastgoed Management Beheer B.V. Rotterdam	100.00	Yes

### 3.1.5 Correction of errors

The already completed financial statements of previous reporting periods, are corrected for material errors in the legal entity in order to provide the insight referred to in art. 2:362 sub 1 DCC. ER Capital N.V. reports and corrects these corrections in the first financial statements that have not yet been adopted following the financial statements in which the material error was made. ER Capital N.V. has processed the effect of the material error in the opening equity or in the closing equity of the previous financial year and adjusts the comparative figures. The previously adopted (incorrect) financial statements are not adjusted.

The effect on the consolidated opening balance per 1-1-2022 is:

	<b>Taxes</b>	<b>Goodwill</b>	
Equity per 31 December 2021			5,236,118
Effect error	-948,584	1,365,879	<u>-2,314,463</u>
Equity per 1 January 2022			2,921,655

Investment Property:

The corrections concern the fair value of the investment property in order to reflect the fair value per 31 December 2022. As a result of these correction the revaluation reserve has also been corrected.

Value 31 December 2022	34,210,831
Revised Value 31 December 2022	<u>33,135,000</u>
Difference	-1,075,831

Goodwill:

In 2017 Goodwill has been accounted for as a business combination. As the transaction was not a business combination but an asset transaction goodwill is not recognized.

The impairment of the Goodwill is corrected as per 1 January 2022. The impairment concerns an amount of € 1,365,879 in the opening balance per that date. The correction on the 2022 financial statement is:

Value 31 December 2022	1,092,703
Revised Value 31 December 2022	<u>-</u>
Difference	-1,092,703

Tax:

In the past a tax rate of 10% and 15% has been applied concerning to the deferred taxes. The rate of 25.8% had been applied as from the financial year 2022. The corrections have been made to the opening balance for the deferred tax assets and liabilities for a commercial and tax book value difference. Furthermore a deferred tax asset was recognized for carry forward losses. As the Company does not comply with recognition criteria for these losses a correction is made. The losses are still available but not recognized on balance.

*Deferred tax asset*

Value 31 December 2022	596,955
Revised Value 31 December 2022	<u>825,690</u>
Difference	228,735

*Deferred tax liability*

Value 31 December 2022	1,181,634
Revised Value 31 December 2022	<u>2,903,470</u>
Difference	1,721,836

## 4 General principles

### 4.1 General

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

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. In the balance sheet and profit and loss account, references are made to the Notes.

Income and expenses are allocated to the year to which they relate. Profits are only included to the extent that they have been realised on the balance sheet date. Obligations and potential losses that originated before the end of the reporting year are taken into account if they became known before the preparation of the financial statements.

### 4.2 Comparison with previous year

The valuation principles and method of determining the result are the same as those used in the previous year, with the exception of the changes in accounting policies as set out in the relevant notes.

The figures for 2022 have been reclassified where necessary to enable comparability with 2023.

## 5 Accounting principles applied to the measurement of assets and liabilities

### 5.1 Intangible fixed assets

Intangible fixed assets are stated at historical cost less amortisation. Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset (or of the cash-generating unit to which the asset belongs) is higher than its recoverable amount.

Amortisation is charged as a fixed percentage of cost. The useful life and the amortisation method are reassessed at the end of each financial year.

### 5.2 Tangible fixed assets

Other tangible fixed assets are valued at historical cost or production cost including directly attributable costs, less straight-line depreciation based on the expected future life and impairments.

Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use.

### 5.3 Deferred tax assets

Deferred tax assets are stated under the financial fixed assets if and to the extent it is probable that the tax claim can be realised in due course. These deferred tax assets are valued at nominal value and have a predominantly long-term character.

### 5.4 Impairment of non-current fixed assets

On each balance sheet date, the company assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the recoverable amount of the asset is determined. If it is not possible to determine the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

An impairment occurs when the carrying amount of an asset is higher than the recoverable amount; the recoverable amount is the higher of the realisable value and the value in use. An impairment loss is directly recognised in the profit and loss account while the carrying amount of the asset concerned is concurrently reduced.

The realisable value is initially based on a binding sale agreement; if there is no such agreement, the realisable value is determined based on the active market, whereby usually the prevailing bid price is taken as market price. For the determination of the value in use, an estimate is made of the future net cash flows in the event of continued use of the asset / cash-generating unit; these cash flows are discounted. If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying

amount that would have been determined if no impairment value adjustment for the asset concerned had been reported. An impairment of goodwill is not reversed

## 5.5 Investment properties

The investment property in operation is externally valued. If the management board deems this important, the investment property in operation will be valued externally more frequently. The external valuations are carried out by independent experts. Where the external valuation carried out by the independent expert did not align with the financial statement reporting period, management reassessed the fair value determined at the valuation date and corrected for any material fair value changes at the financial statement year end.

The fair value is the market value (purchasing costs payable by the purchaser), i.e. the estimated amount for which the property could be sold on the balance sheet date between well-informed and willing parties who are independent, where the parties are acting carefully and without duress.

The independent appraisers are instructed to appraise the property in accordance with the Appraisal and Valuation Standards published by the Royal Institute of Chartered Surveyors (RICS) and the International Valuation Standards published by the International Valuation Standards Council (IVSC). These guidelines contain mandatory rules and best practice guidelines for all RICS members and appraisers.

The appraisers use the discounted cash flow (DCF) method and the capitalisation method for determining the fair value. In the event that both methods are applied, the respective outcomes are compared. The net value is calculated by deducting normal purchaser's costs for the property. The reported values are the rounded average from the two valuation methods.

Expenditure dating from after the purchase will be added to the carrying amount if it is plausible that it will give rise to future economic gains. All other expenditure, such as repair and maintenance, is chargeable to the result for the period in which those costs were incurred.

Profits or losses resulting from a change in the fair value of an investment property are recognised in the profit and loss account as 'unrealised changes in fair value of investment property' in the period in which they occur.

Profits or losses resulting from the disposal of investment property are determined as the difference between the net income from disposal and the most recently published book value of the investment property. The profits or losses are recognised in the period in which the disposal takes place and entered under 'realised results on disposal of investment property'.

In addition, a revaluation reserve is formed and charged against the equity account balance other reserves. The revaluation reserve is formed for the positive difference between the fair value and initial historical or production cost (excluding any depreciation or impairment costs) and after deduction of relevant (deferred) tax liabilities.

Investment properties are not depreciated.

## 5.6 Accounts receivable

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Receivables are subsequently valued at the amortised cost price. Provisions for bad debts are deducted from the carrying amount of the receivable.

Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

## 5.7 Cash at banks and in hand

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 valued at nominal value.

## 5.8 Equity

If ER Capital N.V. purchases some of its own shares, the historical cost of the purchased shares is deducted from the “other reserves”, or from any other reserves, provided that this is permitted under the articles of association, until these shares are cancelled or sold. If purchased shares are sold, any proceeds are added to the reserve from which the purchase of these shares was initially deducted

Costs directly related to the purchase, sale and/or issue of new shares are recognised directly in share capital, net of any relevant tax effects.

Movements in equity include movements resulting from the profit appropriation of the result as well as movements in respect of issues and dividends declared. After the profit distribution, the part of the result not eligible for dividend is added to the other reserves.

Increases in the value of assets and liabilities stated at current cost are included in the revaluation reserve. The revaluation reserve is formed per individual asset or liability and does not exceed the difference between the carrying amount based on historical cost and the carrying amount based on current cost. If an asset or liability is disposed of, any revaluation reserve in existence for that asset is released to the other reserves. In determining the revaluation reserve, an amount for deferred tax liabilities is deducted, calculated at the nominal tax rate.

## 5.9 Provisions

### 5.9.1 General

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. If obligations are expected to be reimbursed by a third party, such reimbursement is included as an asset in the balance sheet if it is probable that such reimbursement will be received when the obligation is settled.

#### 5.9.2 Deferred tax liabilities

The provision for deferred taxes arises from the temporary differences between the commercial and fiscal valuation and is calculated as the nominal value of the future tax liabilities based on the applicable tax rate, less any losses available for set-off. The nominal deferral is calculated on the basis of the legal rules of the country in which the property or company is located. Deferred tax balances are valued at nominal value.

#### 5.9.3 Other provisions

The other provisions have been formed for actual liabilities existing at the balance sheet date, where it is probable that an outflow of resources is necessary and the size of which is at can be estimated reliably. The other provisions are valued at nominal value.

### 5.10 Long term debts

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.

The difference between stated book value and the mature redemption value is accounted for as interest cost in the profit and loss account on the basis of the effective interest rate during the estimated term of the long-term debts.

### 5.11 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 and minus transaction costs. This is usually the nominal value.

## 6 Principles for the determination of the result

### 6.1 General

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

### 6.2 Rental income

Rent revenues receivable under operating leases are recognised on a straight line basis over the term of the lease, except for contingent rental income which is recognised when it arises.

Incentives for lessees to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the tenant will exercise that option.

Premiums received to terminate leases are recognised in the profit and loss account when they arise as other income.

### 6.3 Revaluation

Results arising from the revaluation of properties are recognised in the profit and loss account based on the difference between the fair value at the end of the current year compared with the fair value at the previous year.

### 6.4 Property expenses and operating expenses

Property expenses and operating expenses are accounted for in the period in which these were incurred.

### 6.5 Service charges

In case of service contracts with third parties, services charges are recovered from tenants. Service charges in respect of vacant property are expensed. These mainly relate to gas, water, electricity, cleaning and security. Service charges for which the Company acts as a principal are presented in the profit and loss account. Therefore, for those property investments for which the Company is in control of the service charges, the service charges invoiced to tenants and the corresponding expenses are shown separately on an accrual basis.



## 6.6 Employee benefits

### 6.6.1 Benefits to be paid periodically

The benefits payable to personnel are recorded in the profit and loss account on the basis of the employment conditions.

## 6.7 Amortisation of intangible fixed assets and depreciation of tangible fixed assets

Intangible fixed assets and tangible fixed assets are amortised and depreciated from the date of when they are available for use, based on the estimated economic life / expected future useful life of the asset. Land and investment properties are not depreciated.

## 6.8 Financial Income and expenses

### 6.8.1 Interest income and interest expenses

Interest income and 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.

### 6.8.2 Dividends

Dividends to be received from participations and securities not carried at net asset value are recognised as soon as ER Capital N.V. has acquired the right to them.

## 6.9 Taxes

The corporate income taxes include both current and deferred taxes, taking into account tax facilities and non-deductible costs. No taxes are deducted from profits if and to the extent that it is possible to offset these profits against losses incurred in previous years.

Taxes are deducted from losses if it is possible to offset them against profits made in previous years and this results in a tax refund. Taxes are also deducted if it can be reasonably assumed that losses can be offset against future profits. The taxes are calculated on the results, taking into account tax facilities.

ER Capital N.V. and some of its group companies form part of a corporate income tax unity. ER Capital N.V. heads this corporate income tax unity. The companies within the tax unit are jointly and severally liable for the tax unity as a whole.

In respect of the tax matters within the tax unity, the parent company settles with the subsidiary as if it were independently liable for tax.

Subsidiaries are not granted (or denied) any benefits which they would not have (or would have) enjoyed as independent taxpayers. This means that the acute expense and any deferred tax positions (off settable loss) are recognised in the current account with the parent company.

Within the tax unity, deferred tax positions relating to temporary differences in the valuation of assets and liabilities for tax purposes are included in the deferred tax position of the particular entity itself and therefore included in the consolidation.

#### 6.10 Result from participations

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 ER Capital N.V.

## 7 Notes to the consolidated balance sheet as at December 31,2023

### 7.1 Assets

#### 7.1.1 Fixed assets

##### 1) *Investment properties*

Investment property	2023
	€
<i>Fair value as of 1 January</i>	33,135,000
<b>Investments</b>	3,775,590
Changes in value	136,910
<i>Fair value as of 31 December</i>	<b>37,047,500</b>

The investment properties relate to commercial office real estate. The investment properties are valued at fair market value based on a valuation performed by an external independent valuers. Where the external valuation carried out by the independent expert did not align with the financial statement reporting period, management reassessed the fair value determined at the valuation date and corrected for any material fair value changes at the financial statement year end.

The valuation has been prepared in accordance with the International Valuation Standards (IVS) and the Dutch Register for Commercial Real Estate Valuers (NRVT) adopting two valuation methods, the Capitalisation Approach and the Discounted Cash Flow Method.

The properties, are valued by the external independent valuers at EUR 37,047,500 (2022: EUR 33,135,000). The cumulative fair value changes amounts to EUR 3,191,839 (2022: EUR 3,054,929).

The average yields (being gross initial yield and discount rate) of the portfolio valuations ranges within the range of 5.6% - 9.6% (2022: 6.9% - 9.3%). The average estimated market rental values (ERV) per square meter per month of the portfolio valuations ranges within the range of EUR 85 - EUR 153 (2022: EUR 98 – 148).

The Property in Hoofddorp is valued as a redevelopment project as residential property taken into account the projected development costs, other related costs, projected revenues, finance component and project risks.

2) *Financial fixed assets*

	31 December 2023	31 December 2022
	€	€
<b>Financial fixed assets</b>		
Deferred tax assets related to the revaluation of investment properties	872,166	825,690
Loan Business Building B.V.	125,000	125,000
	<u>997,166</u>	<u>950,690</u>

The deferred tax assets related to the revaluation of investment properties all related to the fiscal unity of ER Capital N.V.

Concerning the loan Business Building B.V. 6% interest has been calculated. The maturity date of the loan is 31 December 2027.

## 7.1.2 Current assets

### 3) Accounts receivable

	31 December 2023	31 December 2022
	€	€
<b>Trade debtors</b>	<b>79.646</b>	<b>49.148</b>
<b>Accounts receivable from other group companies</b>		
Current account ER Capital ExVbCo B.V.	65.649	0
<b>Participant and related parties</b>		
Current account S.J. Eelkman Rooda	64.040	61.577
Current account Overhill Holding B.V.	160.191	78.980
	<b>224.231</b>	<b>140.557</b>
Concerning this receivables 4% interest has been calculated, when the amounts transcend 17,500 EUR		
<b>Other accounts receivable</b>		
Current account Business Building B.V.	80.739	16.754
Current account Serjo Beleggingen B.V.	89.633	77.991
Current account BH Tupolevlaan Building B.V.	3.750	2.750
Current account BVC Holding B.V.	1.667	1.667
Current account ERC Partners B.V.	7.800	5.995
Prepaid amount	5.077	3.013
Other receivables	-	500
Compensation insurer	-	81.612
Turnover tax	-3.287	0
Rent deposits	16.078	16.078
	<b>201.457</b>	<b>206.360</b>
<b>Prepayments and accrued income</b>		
Revenue to be invoice	-	10.711
Rent and service costs	16.744	20.930
Interest	1.443	-
Contributions and subscriptions	600	-
Credit voices to be received	54	-
Service charges to be received	43.633	148.766
Depot tankcard	450	718
Depot postage	-	1.045
Operating costs to be received	-	702
Prepaid operating costs	1.003	-
Other amounts receivable/prepayments	1.202	17.238
	<b>65.129</b>	<b>200.110</b>
	<b>636.112</b>	<b>596.175</b>

### 4) Cash at banks and in hand

At 31 December 2023 € 1,105,475 is free at disposal.

## 7.2 Equity

### 5) Group Equity

The shareholders' equity is explained in the notes to the company-only balance sheet.

## 7.3 Liabilities

### 7.3.1 Provisions

#### 6) Deferred tax liabilities

Deferred tax liabilities are recognised for the taxable temporary differences between the tax base and the accounting base of the appropriate balance sheet items. The current tax rate is 25.8% for 2023 and 2022.

The deferred tax liability relates to the following temporary differences:

	Book value	Fiscal value	Difference		Result provision
	€	€	€	%	€
Investment property	37,047,500	26,819,345	10,228,155	25,8	2,971,832
Fiscal provision on maintenance	0	-537,014	537,014	25,8	138,550
	<u>37,047,500</u>	<u>26,282,331</u>	<u>10,765,169</u>		<u>3,110,382</u>
	<u>2023</u>	<u>2022</u>			
	€	€			
Balance as of 1 January	2,903,470	2,194,494			
Addition	<u>206,911</u>	<u>708,976</u>			
Balance as of 31 December	<u>3,110,381</u>	<u>2,903,470</u>			

The fiscal unity concerns ERC Vastgoed I B.V. and ERC Vastgoed II B.V. The total book value amounts € 37,047,500 (fiscal unity € 23,413,500). The total fiscal value amounts € 26,819,345 (fiscal unity € 16,814,395).

The deferred tax liability is valued at nominal value and has a predominantly long-term character.

#### 7) Other provisions

The other provisions are concerning the share of future sales results with respect to the property development of Hoofddorp, based in the expected profit-sharing arrangement based on the estimates realisable value.

### 7.3.2 Long-term debts

Summary of long-term debts due in 1 year, 1 to 5 years and after 5 years:

Long term debt due within 1 year: EUR 0  
 Long term debt due with 1 to 5 years: EUR 13,338,148  
 Long term debt due after 5 years: EUR 99,987

#### 8) Bond loans

Bond loans and convertible loans	31 December 2023	31 December 2022
	€	€
Overhill Holding B.V. convertible loan	-	400,000
Bond loans series 2007-2028	1,495,000	1,695,000
Bond loans series A	738,000	-
Credited interest bonds	520,615	510,426
	<u>2,753,615</u>	<u>2,605,426</u>

Overhill Holding B.V. concerns a convertible loan at a price of € 1.00 per share. The loan is due for repayment at 2 January 2024 and will be converted by the end of September 2024.

Collateral provided, one first right of pledge is granted on all the shares in the capital of:

- - ER Capital Participatie Management B.V., established at Rotterdam
- - ER Capital Vastgoed Management en Beheer B.V., established at Rotterdam
- - ER Services en Administraties B.V., established at Rotterdam
- - ERC Vastgoed I B.V., established at Rotterdam.

The Dutch five-year government interest rate is paid on the bond loans series 2007-2008 with a surcharge of 1% interest and is credited. The bond loan will be repaid in four installments from 2028 to 2031.

An interest rate of 7.8% is paid on the bond loans series A. The bond loan will be repaid latest from 28 February 2024.

9) *Subordinated loans*

<b>Subordinate loans</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
	€	€
(Mortgage) loan DH	900,000	-
Mortgage loan RNHB B.V.	-	8,250,213
Loan J.G. Vastgoed B.V.	99,987	125,063
Mortgage loan I VV	1,550,000	1,550,000
Mortgage loan II GD	1,550,000	1,550,000
Mortgage loan RAS	2,145,982	2,132,350
Mortgage loan AK	400,000	400,000
	<u>6,645,969</u>	<u>14,007,626</u>

The original mortgage loan DH (€ 1.6 mio) was due for repayment at 30 April 2023, but was at that date in order to negotiate the refinancing arrangement. The refinance arrangement concerns a new mortgage loan (€ 0.9 mio) at an interest rate of 8% per annum. The new maturity date is 31 October 2028. ER Capital N.V. and Overhill B.V. guarantee the new loan.

Collateral provided (loan of € 1.6 mio), right of (second) mortgage on the following registered properties (only concerning the original loan DH):

- Purmerend, Stationsweg 11-16
- Purmerend, Stationsweg 21-26
- Heerhugowaard, J. Duikerweg 12
- Bilthoven, Jan van Eijcklaan 6 en Rembrandlaan 1
- Venlo, Noorderpoort 11
- Den Bosch, Rietveldenweg 72-86

Mortgage loan RNHB B.V. carries interest at an rate of 4.9% per annum. The debtor (ERC Vastgoed II B.V.) is obliged to an annual repayment of € 181,480. The loan will be repaid on 30 September 2024.

Collateral provided, right of (first) mortgage on the following registered properties:

- Purmerend, Stationsweg 11-16
- Purmerend, Stationsweg 21-26
- Heerhugowaard, J. Duikerweg 12
- Bilthoven, Jan van Eijcklaan 6 en Rembrandlaan 1
- Venlo, Noorderpoort 11
- Den Bosch, Rietveldenweg 72-86

Loan J.G. Vastgoed B.V. concerns a loan received in 2019. The interest on this loan is 4% per annum. This interest rate is increased annually by 1%. The loan runs until 1 October 2029. Early redemption is possible without penalty. Mr. S.J. Eelkman Rooda and Mr. M. Quist are jointly and severally liable for this debt.

Mortgage Loan I VV of € 1,550,000 was granted on October 6, 2021 to finance the registered property at the Diamantlaan 3 in Hoofddorp. A profit-sharing scheme applies to the loan. Redemption will take



place in a period of 5 years ending 30 September 2026. The lenders have agreed to this loan on the expressed condition that, if the property is sold to a third party, both Diamantlaan 3 and Diamantlaan 1 in Hoofddorp will be jointly and simultaneously sold.

Mortgage loan II GD of € 1,550,000 was granted on October 6, 2021 to finance the registered property at the Diamantlaan 3 at Hoofddorp. A profit-sharing scheme applies to the loan. Redemption will take place in a period of 5 years ending 30 September 2026. The lenders have agreed to this loan on the expressed condition that, if the property is sold to a third party, both Diamantlaan 3 and Diamantlaan 1 in Hoofddorp will be jointly and simultaneously sold.

Collateral provided on both loans mentioned above is right of (first) mortgage on the registered property at a value of € 10 mio.

Mortgage loan RAS of € 2,200,000 was granted on August 1, 2022 to finance the registered property at the Wekkerstraat 20 in Eindhoven. The maturity date is 27 December 2027. The interest rate is 7.98%, fixed and to be paid on a yearly base. Collateral is provided, right of mortgage on the plot with a “self storage building”. Collateral is provided registration in the amount of € 2,2 mio plus 40% for interest and costs at the value of € 3,5 mio.

Mortgage loan AK of € 400,000 was received on December 23, 2022 to finance a concession paid for the operating of a petrol station. The maturity date is 31 December 2027. The interest rate is 8.00%, to be paid in advance per calendar year on January of each year. Furthermore, variable interest rate is 50% of the (gross) profit in the debtor's capital before tax achieved in any year, whereby the actual costs are capped at the aforementioned interest rate (8%), increased by an amount of EUR 5K, to be indexed annually on the basis of the CPI.

Collateral provided is a right of first mortgage on on all existing and future rights and claims that the debtor now has on the operator of the petrol station and on all existing and future rental claims

#### 10) Debts to lending institutions

<b>Debts to lending institutions</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
	€	€
Mortgage loan Mogelijk Zakelijke Hypotheken Fonds III	1,361,542	-
Mortgage loan Mogelijk Zakelijke Hypotheken Fonds V	1,260,567	-
	<b>2,622,109</b>	

The mortgage loan of € 1,400,000 (Mogelijk Zakelijke Hypotheken Fonds III) is granted to finance the registered property located at the Aalborg 8 at Barendrecht. Redemptions will take place after five years on March 31, 2028. The interest rate is 6.75% fixed till the year 2028. An administration fee of € 437.50 is payable per month, i.e. 0.375% on an annual basis on the principal amount of the loan.

For the benefit of the lender, as collateral provided, are rights of mortgage and pledge:

- establishment of first mortgage on the Property

- pledge, first in priority, of current and future rental receivables and insurance tokens
- pledge, first in priority, of certain present and future movable property.

The mortgage loan of € 1,300,000 (Mogelijk Zakelijke Hypotheken Fonds V) is granted to finance the registered property located on Industrieweg 35 in Den Helder. Redemptions are paid during a period of 5 years, on August 31, 2028. The interest rate is 6.95% fixed until 2028. An administration fee of € 541.67 is payable per month, i.e. 0.5% on an annual basis on the principal amount of the loan.

For the benefit of the lender, as collateral provided, are rights of mortgage and pledge:

- establishment of first mortgage on the Property
- pledge, first in priority, of current and future rental receivables and insurance tokens
- pledge, first in priority, of certain present and future movable property.

#### 11) Debt to participating interest and companies

<b>Debt to participating interest and companies</b>	31 December 2023	31 December 2022
	€	€
Loan ER Capital Multifeeder I B.V.	404,329	417,124

The interest rate is 4% per annum. The maturity date is 31 December 2028. The loan can be repaid at any time without charges.

#### 12) Tax and social insurance

<b>Tax and social insurance</b>	31 December 2023	31 December 2022
	€	€
Payroll tax	28,274	67,007
Turnover tax	372,572	538,845
Interest and fines tax authorities	29,918	63,570
	<u>430,764</u>	<u>669,422</u>

Concerning the turnover tax and pay-roll tax the Tax Authorities granted a special regime for repayment as result of the COVID regulations. Repayment will continue for 5 year, starting from 1 October 2022.

#### 13) Other debts

Other debts concern the tenant's deposits from investment properties.

### 7.3.3 Current liabilities

#### 14) Debts to lending institutions

The mortgage loan of € 3,500,000 (RAX Finance) is granted on 21 November 2022 to finance the registered properties located at Elektronicaweg 40 at Delft and Diamantlaan 1 at Hoofddorp. The closing commission of €70,000 has been deducted from the loan. An amount of € 100,000 is held as a commitment. The loan has a term of 12 months and can be extended by ten months at a renewal fee of 0.25%. Early repayment is possible from June 30, 2023. The interest is equal to the 1-month Euribor rate plus 7.5% per year, payable monthly in arrears.

For the benefit of the lender, as collateral provided, are rights of mortgage and pledge:

- 1st mortgage registration in the amount of € 3,500,000 plus 40% for interest and costs on the Registered Goods
- pledge, first in priority, of current and future rental receivables
- pledge, first in priority, insurance proceeds.

#### 15) Convertible loan

Overhill Holding B.V. concerns a convertible loan at a price of € 1.00 per share. The loan was due to repayment at 2 January 2024 and will be converted by the end of September.

Collateral provided, one first right of pledge is granted on all the shares in the capital of:

- ER Capital Participatie Management B.V., established at Rotterdam
- ER Capital Vastgoed Management en Beheer B.V., established at Rotterdam
- ER Services en Administraties B.V., established at Rotterdam
- ERC Vastgoed I B.V., established at Rotterdam.

#### 16) Repayment obligation long-term debt

<b>Repayment obligation long-term debt</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
	€	€
(Mortgage) loan RNHB B.V.	8,290,785	181,480
Subordinate loans	-	679,000
Loan J.G. Vastgoed B.V.	23,263	21,750
Mortgage loan DH	-	1,600,000
Financial lease	17,329	19,640
	<b>8,331,377</b>	<b>2,501,870</b>

Terms and conditions of the loans are mentioned in the notes referring to 9).

17) *Tax and social insurance*

<b>Tax and social insurance</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
	€	€
Turnover tax (incl. Corona postponement)	158,088	179,874
Pay-roll tax (incl. Corona postponement)	54,213	66,662
Dividend tax	34,813	41,395
	<u>247,114</u>	<u>287,931</u>

Concerning the turnover tax and pay-roll tax the Tax Authorities granted a special regime for repayment as result of the COVID regulations. Repayment will continue for 5 years, starting from 1 October 2022.

18) *Accruals and deferred income*

<b>Accruals and deferred income</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
	€	€
Holiday pay	14,076	11,654
Holiday pay accruals	3,927	3,927
Audit fee	60,000	23,851
Rental income received in advance	333,689	203,154
Vehicle expenses	918	-
Net dividend	114,095	50,078
Amounts to be paid	68,501	37,228
ExVbCo B.V.	20	-
Interest Rax Red III	-	15,154
Settlement of service costs	-	25,638
Interest Overhill Holding B.V.	-	1,000
Pre-payment service costs	9,503	3,878
Compensation bond conversion	-	35,000
Operating costs	63,005	-
Advanced payment on shares to be issues	12,000	99,999
Interest loan Stichting Administratiekantoor BC	-	26,000
Interest on subordinate loan AK	21,031	-
	<u>700,765</u>	<u>536,561</u>

## 7.4 Assets and liabilities not recognised in balance sheet

### 7.4.1 Contingent liabilities

#### *Fiscal Unity*

The parent company is part of the fiscal unity ER Capital N.V., for corporate income tax and VAT purposes and for that reason is jointly and severally liable for the tax liabilities of the whole fiscal unity.

The fiscal unity for corporate income tax:

- ERC Vastgoed I B.V.
- ERC Vastgoed II B.V.
- ERC Vastgoed V B.V.
- ERC Vastgoed VI B.V.
- ERC Support B.V.
- ER Capital Finance B.V.
- ER Capital Vastgoed Management & Beheer B.V.
- ER Capital Corporate Finance B.V.
- ER Services en Administratie B.V.

Excluded from the fiscal entity are:

- ERC Vastgoed III B.V.
- ERC Vastgoed IV B.V.
- ERC Vastgoed VII B.V.
- ERC Vastgoed VIII B.V.
- ERC Vastgoed IX B.V.
- ERC Vastgoed X B.V.

The corporate income tax for the group companies is calculated as if they are independently taxable. A difference as a result of tax burden will be accounted for by the parent company.

The fiscal entity for VAT:

- ER Capital N.V.
- ERC Support B.V.
- ER Capital Vastgoed Management en Beheer B.V.
- ER Services en Administraties B.V.
- ER Capital Corporate Finance B.V.
- ER Capital Finance N.V.
- ERC Vastgoed I B.V.
- ERC Vastgoed II B.V.
- ERC Vastgoed III B.V.
- ERC Vastgoed VI B.V.
- ERC Vastgoed VII B.V.

Not part yet from the fiscal entity are:

- ERC Vastgoed VIII B.V.
- ERC Vastgoed IX B.V.
- ERC Vastgoed X B.V.

Excluded from the fiscal entity are:

- ERC Vastgoed IV B.V.
- ERC Vastgoed V B.V.



#### 7.4.2 Non-recognised assets and liabilities and contingent assets and liabilities

##### *Rental Commitments buildings*

The company and its group companies have long term rental commitments, which relate to the rent of the office. The commitments for rent amounts to € 70,000 per year and service costs that amounts to € 15,000 per year.

##### *Deferred tax assets*

The group has carried forward tax losses available to use against future taxable profits from the financial years 2018 to 2023. The available tax losses carried forward for the ER Capital N.V. fiscal unity amounts to € 889,488 and for the entire consolidated group it amounts to € 1,022,475. No deferred tax assets has been recognised for these carried forward tax losses.

## 8 Notes to the consolidated Profit & Loss account for 2023

### 8.1 Revenue

The gross margin is 73.9%.

The recovery of service charge cost is included on a net base for a gross amount of € 292,549.

#### 19) Wages

During 2023, on average 5.0 employees were employed on a full-time basis (2022: 5.0).

<b>Wages and salaries</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
	€	€
Wages	317,042	258,348
Other personnel cost	216,470	178,800
	<u>533,512</u>	<u>437,148</u>

#### 20) Financial income and expenses

<b>Financial income and expenses</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
	€	€
Interest income and similar income	18,330	23,142
Interest charge and similar charges	-1,773,979	-976,387
	<u>-1,755,649</u>	<u>-953,245</u>

<b>Interest income and similar income</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
	€	€
Interest receivable Business Building B.V.	6,888	15,609
Interest Tax Authorities	-	36
Interest receivable ExVbCo B.V.	2,649	-
Interest receivable Overhill Holding B.V.	2,375	2,376
Interest receivable dhr. S.J. Eelkman Rooda	2,463	2,368
Interest receivable ER Capital Multifeeder I B.V.	2,119	-3,801
Interest receivable Serjo Beleggingen B.V.	3,342	3000
	<u>19,836</u>	<u>19,588</u>
Recharged Interest on tenants	-1,506	3,554
	<u>18,330</u>	<u>23,142</u>

<b>Interest charge and similar charges</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
	€	€
Interest bond loans	-70,416	-19,345
Interest ER Capital Multifeeder I B.V.	-18,324	-17,680
Interest loan JG Vastgoed B.V.	-10,775	-9,913
Interest Overhill Holding B.V. convertible loan	-4000	-4000
Interest loan DH	-90000	-96000
Bankcharges	-4,385	-5,048
Interest mortgage loan RNHB B.V.	-412,391	-385,833
Interest Alphera Financial Services financial lease	-2,339	-884
Interest Mercedes-Benz Financial Services Nederland B.V. financial lease	-319	-669
Interest subordinate loan AK	-53,031	-16,859
Interest mortgage loan STAK BC	-96,899	-145000
Interest Rax Finance	-376,024	-7,154
Interest onderhandse lening RAS	-175,560	-
Interest ING Bank N.V. mortgage loan	-	-157,452
Interest mortgage loan (Mogelijk Zakelijke Hypotheken Fonds III)	-80,981	-
Interest Hypothecarie lening (Mogelijk Zakelijke Hypothekenfonds V)	-25,042	-
Interest subordinate loan Casa	-17000	-
Administrative cost mortgage loan Mogelijk cs	-6,957	-228
Interest Tax Authorities	360	-
Depreciation of financing costs	-78,063	-110,322
Redemption fee (penalties)/succes fee	-251,833	-
	<b>-1,773,979</b>	<b>-976,387</b>

## 21) Taxes

The movement of the provision of the deferred tax liabilities concerning the revaluation of the investment properties. The total amount concerns € 160,435 (fiscal unity € 70,733).

## 9 Subsequent events

In 2024 it is scheduled to add 6 properties to our property portfolio.

Three of them have already been added prior to the 1st of September 2024:

- Emmeloord
- Amstelveen 15, Dordrecht
- Oosterhout

On the 30th of September 2024 the next three properties will be added:

- Amstelveen 11, Dordrecht





- Alblasterdam
- Zoetermeer

With the purchase of Emmeloord and Oosterhout new borrowings have been entered into. In both cases hypothecary loans via RNHb. Amstelwijck 15, Dordrecht was purchased without external commitments.

In 2024 the issuance of bonds and shares continued. For both the bonds and shares the € 5 mio threshold of AFM defines the maximum of issued shares and bonds.

- Bonds (2024): € 4,262,000. (part of series A that started in 2023, furthermore series B t/m D). No new issuances are scheduled this year due to the threshold.
- Shares: Current issuance of Cumprefs runs until the 26 October 2024 and can be extended under the current prospectus.



## COMPANY ONLY FINANCIAL STATEMENTS 2023

## 10 Balance sheet as at 31 December 2023

(after profit appropriation)

	Notes	31 December 2023		31-12-2022 (restated)	
		€	€	€	€
<b>ASSETS</b>					
<b>Fixed assets</b>					
Intangible fixed assets	22	109,048		89,710	
Financial fixed assets	23	<u>6,869,227</u>		<u>7,135,327</u>	
			6,978,275		7,225,037
<b>Current assets</b>					
Accounts receivable	24	7,851,563		3,271,734	
Cash at banks and in hand	25	<u>634,718</u>		<u>13,961</u>	
			8,486,281		3,285,695
			<u><b>15,464,556</b></u>		<u><b>10,510,732</b></u>

	Notes	31 December 2023		31-12-2022 (restated)	
		€	€	€	€
<b>LIABILITIES</b>					
<b>Equity</b>					
	26		10,000,246		6,046,240
<b>Long-terms debts</b>					
Bond loans and convertible loans	27	2,753,615		2,605,426	
Tax and social insurance	28	<u>373,357</u>		<u>572,497</u>	
			3,126,972		3,177,923
<b>Current liabilities</b>					
Convertible loan	29	400,000		-	
Debts to group companies	30	1,479,047		848,365	
Debts to suppliers and trade credits		3,928		29,293	
Tax and social insurance	31	192,116		221,584	
Other liabilities and accruals	32	<u>262,247</u>		<u>187,327</u>	
			2,337,338		1,286,569
			<u><b>15,464,556</b></u>		<u><b>10,510,732</b></u>

## 11 Profit and loss account for 2023

	2023		2022 (unaudited)	
	€	€	€	€
Cost of sales		<u>-113,068</u>		<u>-82,611</u>
<b>Costs</b>				
Management fee	-400,000		-400,000	
Amortisation of intangible assets	-21,746		-19,023	
Other operating expenses	<u>13,434</u>		<u>-299,377</u>	
		<u>-408,312</u>		<u>-718,400</u>
<b>Operating result</b>		<b><u>-521,380</u></b>		<b><u>-801,011</u></b>
Financial income and expenses		<u>102,452</u>		<u>82,377</u>
<b>Result before tax</b>		<b><u>-418,928</u></b>		<b><u>-718,634</u></b>
Result participations		<u>-266,141</u>		<u>490,211</u>
<b>Result after tax</b>		<b><u>-685,069</u></b>		<b><u>-228,423</u></b>

## 12 General principles

### 12.1 General

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, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

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. In the balance sheet and profit and loss account, references are made to the Notes

### 12.2 Registered office, legal form and registration number at the chamber of commerce

ER Capital N.V is located in Rotterdam, Westplein 9a, and is registered at the Chamber of Commerce under number 29046021.

### 12.3 Comparison with previous year

The valuation principles and method of determining the result are the same as those used in the previous year, with the exception of the changes in accounting policies as set out in the relevant notes.

The figures for 2022 have been reclassified where necessary to enable comparability with 2023.

### 12.4 Accounting principles applied to the measurement of assets and liabilities

For the accounting policies, please refer to the accounting policies of the consolidated financial statements, unless stated otherwise below.

### 12.5 Participating interests in group companies

Participating interests in group companies are valued using the net asset value method. Under this method, participating interests are carried at the company's share in their net asset value. The net asset value increases with its share in the results of the participating interest and its share in the changes recognized directly in the equity of the participating interest as from the acquisition date, determined in accordance with the accounting policies disclosed in these financial statements.

The net asset value decreases with the entity's share in the dividend distributions from the participating interest. The company's share in the results of the participating interest is recognized in the income statement. If and to the extent the distribution of profits is subject to restrictions, these are included in a legal reserve. The company's share in direct equity increases and decreases of participating interests is also included in the legal reserve, except for asset revaluations recognized in the revaluation reserves.

If the value of the participating interest under the net asset value method has become nil, this method is no longer applied, with the participating interest being valued at nil as long as the net asset value remains negative.

In connection with this, any long-term interests that, in substance, form part of the investor's net investment in the participating interest are included. A provision is formed if and to the extent the company is liable for all or part of the debts of the participating interest or if it has a constructive obligation to enable the participating interest to repay its debts. A subsequent obtained share of the profit of the participating interest is recognized only if and to the extent that the accumulated share of the previously unrecognized loss has been compensated.

## 12.6 Accounting principles for determining the result

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.

## 12.7 Share in results of 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 ER Capital N.V.

## 13 Notes to the balance sheet as at December 31,2023

### 13.1 Assets

#### 13.1.1 Fixed assets

##### 22) *Intangible fixed assets*

	<u>31 December 2023</u>	<u>31 December 2022</u>
	€	€
Costs related to the incorporation and issue of shares	<u>109,048</u>	<u>89,710</u>

##### *Depreciation percentages*

Incorporation and share issue expenses	20%
--	-----

##### 23) *Financial fixed assets*

	<u>31 December 2023</u>	<u>31 December 2022</u>
	€	€
<b>Participations from group companies</b>		
ERC Vastgoed I B.V. at Rotterdam (100%)	2,685,468	3,143,123
ERC Vastgoed II B.V. at Rotterdam (100%)	483,805	709,094
ERC Vastgoed III B.V. at Rotterdam (100%)	1	1
ERC Vastgoed IV B.V. at Rotterdam (100%)	638,869	733,676
ERC Vastgoed V B.V. at Rotterdam (100%)	1	1
ERC Vastgoed VI B.V. at Rotterdam (100%)	138,055	10
ERC Vastgoed VII B.V. at Rotterdam (100%)	1	-
ERC Vastgoed VIII B.V. at Rotterdam (100%)	1	-
ERC Vastgoed IX B.V. at Rotterdam (100%)	1	-
ERC Vastgoed X B.V. at Rotterdam (100%)	1	-
ER Services en Administraties B.V. at Rotterdam (100%)	1	1
ERC Support B.V. at Rotterdam (100%)	1	1
ER Capital Corporate Finance B.V. at Rotterdam (100%)	1	5,652
ER Capital Finance N.V. at Rotterdam (100%)	294,399	283,707
ER Capital Vastgoed Management Beheer at Rotterdam (100%)	378,622	10,061
	<u>4,619,227</u>	<u>4,885,327</u>
<b>Receivables from group companies</b>		
ERC Vastgoed II B.V. at Rotterdam	<u>2,250,000</u>	<u>2,250,000</u>
<b>Total</b>	<u>6,869,227</u>	<u>7,135,327</u>

### 13.1.2 Current assets

#### 24) Accounts Receivables

<b>Accounts receivable from group companies</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
	€	€
ERC Vastgoed I B.V.	75,998	40,179
ERC Vastgoed II B.V.	384,863	198,830
ERC Vastgoed IV B.V.	-550	1,487
ERC Vastgoed V B.V.	17,452	-
ERC Vastgoed VI B.V.	8,359	-
ER Services en Administraties B.V.	670	625
ER Capital Finance N.V.	7,364,771	3,030,613
	<b>7,851,563</b>	<b>3,271,734</b>

#### 25) Cash at banks and in hand

At 31 December 2023 € 634,718 is free at disposal.

### 13.2 Equity

#### 26) Equity

	Issued share capital	Share premium	Revaluation reserve	Legal and statutory reserves	Other reserves	Total
	€	€	€	€	€	€
As of 1 January 2023	228.978	9.213.581	3.055.585	89.710	-6.541.614	6.046.240
Issue of shares	82.881					82.881
Share premium contributions		4.995.312			-253	4.995.059
Movement for revaluation for the year			-100.630		100.630	0
Movement intangible asset for the year				19.338	-19.338	0
Results					-685.069	-685.069
Dividend					-438.865	-438.865
Book value as of 31 December 2023	311.859	14.208.893	2.954.955	109.048	-7.584.509	10.000.246

In the general meeting of shareholder (9 September 2024) the shareholders ratified the management's decision to distribute an interim dividend charged to the general or share premium reserve on the (certificates of) profit-sharing cumulative preference shares 2023.



	31 December 2023	31 December 2022
	€	€
<b>Issued share capital</b>		
Subscribed and paid-up are:		
3,274,586 common shares A nominal value € 0.05 each	163,729	163,230
2,962,503 cumulative preference shares nominal value € 0.05 each	148,125	65,743
100 common shares M nominal value € 0.05 each	5	5
	<u>311,859</u>	<u>228,978</u>
	2023	2022
	€	€
<b>Share premium</b>		
Balance as of 1 Januari	9.213.581	5.224.635
Deposit	4.995.312	4.128.094
Dividend	-	-139.148
Balance as of 1 December	<u>14.208.893</u>	<u>9.213.581</u>
<b>Revaluation reserve</b>		
Balance as of 1 Januari	3.055.585	1.725.966
Allocation concerning revaluation investment property	-100.630	1.329.619
Balance as of 1 December	<u>2.954.955</u>	<u>3.055.585</u>
<b>Legal reserve</b>		
<i>Reserve for capitalised incorporation and share issue costs</i>		
Balance as of 1 Januari	89.710	95.116
Allocation	19.338	-5.406
Balance as of 1 December	<u>109.048</u>	<u>89.710</u>
<b>Other reserves</b>		
Balance as of 1 Januari	-6.541.614	-4.234.013
Result for financial year	-685.069	-228.423
Allocation	81.039	-1.323.959
Dividend to be paid	-438.865	-755.219
Other mutations		
Balance as of 1 December	<u>-7.584.509</u>	<u>-6.541.614</u>

### 13.2.1 Differences in equity and profit or loss between the company and consolidated financial statements

The difference between equity in the company balance sheet and shareholders' equity in the consolidated balance sheet is explained, among other things, by the fact that participating interests included in the consolidation have negative net asset values, but are valued at €1 in the company balance sheet.

No liability or other guarantee has been issued by ER Capital N.V. for these companies. The difference between company and consolidated shareholders' equity is EUR 1,474,207.

## 13.3 Liabilities

### 13.3.1 Long-term debts

#### 27) Bond loans and convertible loans

<b>Bond loans and convertible loans</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
	€	€
Overhill Holding B.V. convertible loan	-	400,000
Bond loans series 2007-2028	1,495,000	1,695,000
Bond loans series A	738,000	-
Credited interest bonds	520,615	510,426
	<b>2,753,615</b>	<b>2,605,426</b>

Overhill Holding B.V. concerns a convertible loan at a price of € 1.00 per share. The loan is due for repayment at 2 January 2024 and will be converted by the end of September 2024.

Collateral provided, one first right of pledge is granted on all the shares in the capital of:

- - ER Capital Participatie Management B.V., established at Rotterdam
- - ER Capital Vastgoed Management en Beheer B.V., established at Rotterdam
- - ER Services en Administraties B.V., established at Rotterdam
- - ERC Vastgoed I B.V., established at Rotterdam.

The Dutch five-year government interest rate is paid on the bond loans series 2007-2008 with a surcharge of 1% interest and is credited. The bond loan will be repaid in four instalments from 2028 to 2031.

An interest rate of 7.8% is paid on the bond loans series A. The bond loan will be repaid latest from 28 February 2024.

28) *Tax and social insurance*

<b>Tax and social insurance</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
	€	€
Turnover tax	373,357	538,845
Interest and fines tax authorities	0	33,652
	<u>373,357</u>	<u>572,497</u>

Concerning the turnover tax and pay-roll tax the Tax Authorities granted a special regime for repayment as result of the COVID regulations. Repayment will continue for 5 year, starting from 1 October 2022.

13.3.2 *Current liabilities*

29) *Convertible loan*

Overhill Holding B.V. concerns a convertible loan at a price of € 1.00 per share. The loan was due to repayment at 2 January 2024 and will be converted by the end of September.

Collateral provided, one first right of pledge is granted on all the shares in the capital of:

- - ER Capital Participatie Management B.V., established at Rotterdam
- - ER Capital Vastgoed Management en Beheer B.V., established at Rotterdam
- - ER Services en Administraties B.V., established at Rotterdam
- - ERC Vastgoed I B.V., established at Rotterdam.

30) *Debts to group companies*

<b>Debt to group companies</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
	€	€
ERC Vastgoed III B.V.	35,110	29,359
ERC Vastgoed V B.V.	-	1
ERC Vastgoed VI B.V.	-	10
ERC Vastgoed VII B.V.	10	-
ERC Vastgoed VIII B.V.	10	-
ERC Vastgoed IX B.V.	10	-
ERC Vastgoed X B.V.	10	-
ERC Support B.V.	1,440,194	817,518
ER Capital Corporate Finance B.V.	1,523	-
ER Capital Vastgoed Management Beheer	2,180	1,477
	<b>1,479,047</b>	<b>848,365</b>

An interest rate of 2% is charged on the current account if the balance is higher than € 17,500.

31) *Tax and social insurance*

<b>Taxes</b>	<u>31 December 2023</u>	<u>31 December 2022</u>
	€	€
Turnover tax	157,303	180,189
Dividend tax	34,813	41,395
	<u>192,116</u>	<u>221,584</u>

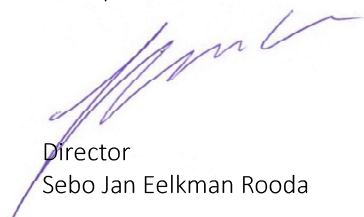
32) *Other liabilities and accruals*

<b>Other liabilities</b>	<u>zondag 31 december 2023</u>	<u>zaterdag 31 december 2022</u>
	€	€
Audit fee	60,000	1,250
Net dividend	114,095	50,078
Amounts to be paid	46,152	36,000
Operating costs	30,000	-
Advanced payment on shares to be issued	12,000	99,999
	<u>262,247</u>	<u>187,327</u>



### Signing of the financial statements

Rotterdam, 25 September 2024  
ER Capital N.V.

A handwritten signature in blue ink, appearing to read "Sebo Jan Eelkman Rooda", is written over a faint, light blue rectangular stamp. The signature is fluid and cursive.

Director  
Sebo Jan Eelkman Rooda



## 14 Independent auditors report

## **INDEPENDENT AUDITOR'S REPORT**

To: The shareholders of ER Capital N.V.

### **A. Report on the audit of the financial statements 2023 included in the annual report**

#### **Our opinion**

We have audited the financial statements 2023 of ER Capital N.V. with its statutory seat in Rotterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of ER Capital N.V. (the 'Company') as at 31 December 2023 and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- the consolidated and company balance sheet as at 31 December 2023;
- the consolidated and company profit and loss account for 2023 ; and
- the notes comprising of a summary of the accounting policies and other explanatory information.

#### **Basis for our opinion**

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

We are independent of the Company in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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



**Emphasis of material uncertainty related to going concern**

We draw attention to the going concern section in the note 3.1.2 (Continuity) of the financial statements which indicates that the company has a negative financial result and negative cash flows and depends to a significant extent on the willingness of banks and third parties to continue financing facilities and the successful roll out the plans as described in the note. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Unaudited corresponding figures**

We have not audited the financial statements 2022. Consequently, we have not audited the corresponding figures included in the income statement and in the related notes.

**B. Report on the Other Information included in the annual report**

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

Based on the following procedures performed, we conclude that the other information:

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

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

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

The director is responsible for the preparation of other information as required by Part 9 of Book 2 of the Dutch Civil Code.

## **C. Description of responsibilities regarding the financial statements**

### **Responsibilities of the director for the financial statements**

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

As part of the preparation of the financial statements, the director is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the director should prepare the financial statements using the going concern basis of accounting, unless the director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The director should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

### **Our responsibilities for the audit of the financial statements**

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director;
- concluding on the appropriateness of the director's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items

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

Amsterdam, 25 September 2024

Confinant Audit & Assurance B.V.

Signed on the original: drs. M.Heerschop RA



ER CAPITAL NV

DE VASTGOEDONDERNEMING

ER CAPITAL NV  
WESTPLEIN 9A  
3016 BM ROTTERDAM

010-2881446

INFO@ERCAPITAL.NL  
WWW.ERCAPITAL.NL