

## Courtesy Translation

# ANNUAL FINANCIAL STATEMENTS

the

## ENAPTER AG

Heidelberg

as at 31 December 2021

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**ENAPTER AG**
**BALANCE SHEET**

as at 31 December 2021

Assets

	<u>31.12.2021</u> EUR	<u>31.12.2020</u> EUR
<b>A. <u>Fixed assets</u></b>		
I. <u>Property, plant and equipment</u>		
Operating and business equipment	5.001,00	2.807,00
II. <u>Financial assets</u>		
Shares in affiliated companies	<u>161.075.000,00</u>	<u>122.980.000,00</u>
	<u>161.080.001,00</u>	<u>122.982.807,00</u>
<b>B. <u>Current assets</u></b>		
I. <u>Receivables and other assets</u>		
1. Receivables from affiliated companies	825.503,61	30.643,10
2. other assets	590.403,56	49.003,66
II. <u>Balances with credit institutions</u>	<u>7.600.881,57</u>	<u>3.729.430,81</u>
	<u>9.016.788,74</u>	<u>3.809.077,57</u>
	<u>170.096.789,74</u>	<u>126.791.884,57</u>

Liabilities

	<u>31.12.2021</u> EUR	<u>31.12.2020</u> EUR
<b>A. <u>Equity</u></b>		
I. <u>Subscribed capital</u>	24.405.647,00	22.269.300,00
II. <u>Capital reserve</u>	151.455.112,78	105.287.478,78
III. <u>Accumulated loss</u>	<u>-6.248.510,32</u>	<u>-1.209.712,17</u>
	<u>169.612.249,46</u>	<u>126.347.066,61</u>
<b>B. <u>Provisions</u></b>		
Other provisions	<u>272.100,00</u>	<u>170.600,00</u>
<b>C. <u>Liabilities</u></b>		
1. Liabilities from deliveries and services	196.754,35	119.259,08
2. Liabilities to affiliated companies	5.000,00	35.000,00
3. Other liabilities	10.685,93	119.958,88
- thereof from taxes EUR 9,402.50 (previous year: EUR 1,046.32)		
- thereof from social security EUR 469.58 (previous year: EUR 0.00)		
	<u>212.440,28</u>	<u>274.217,96</u>
	<u>170.096.789,74</u>	<u>126.791.884,57</u>



## ENAPTER AG

### PROFIT AND LOSS ACCOUNT

for the period from 1 January to 31 December 2021

	01.01.2021- 31.12.2021	01.01.2020 - 31.12.2020
1. Revenues	115.772,10	0,00
2. Other operating income	293.785,89	141.359,06
3. Personnel expenses		
a) Wages and salaries	-248.281,15	-63.541,67
Social security contributions and pension		
b) scheme	-11.475,29	-5.089,02
4. Depreciation of property, plant and equipment	-2.066,85	-166,55
5. Other operating Expenses	-5.174.509,52	-915.892,77
6. Interest and similar income	9.731,51	1.375,00
7. Interest and similar expenses	-25.469,14	0,00
<b>8. Result after taxes</b>	<b>-5.042.512,45</b>	<b>-841.955,95</b>
9. Other taxes	3.714,30	0,00
<b>10. Net loss for the year</b>	<b>-5.038.798,15</b>	<b>-841.955,95</b>
11. Loss carried forward from the previous year	-1.209.712,17	-367.756,22
<b>12. Accumulated loss</b>	<b>-6.248.510,32</b>	<b>-1.209.712,17</b>

**ENAPTER AG****APPENDIX**

for the 2021 financial year

**I. General information**

The annual financial statements of Enapter AG, Heidelberg, Mannheim Local Court, HRB 735361, for the financial year from 1 January to 31 December 2021 were prepared on the basis of the accounting regulations of the German Commercial Code. In addition, the provisions of the German Stock Corporation Act (AktG) had to be observed.

The structure and presentation of the items in the balance sheet correspond to the regulations for large corporations (§ 266 HGB).

For the profit and loss account, the total cost method according to § 275 para. 2 HGB is applied.

As of 31 December 2021, Enapter AG has a share capital of EUR 24,405,647.00 with 24,405,647 no-par value bearer shares. The shares are admitted to the regulated market of the Frankfurt and Hamburg stock exchanges. Accordingly, as of the balance sheet date, the Company is considered a large corporation pursuant to section 267 (3) HGB in conjunction with section 264d HGB. The ISIN for the listed shares (International Securities Identification Number) is DE000A255G02, the WKN (securities identification number) is A255G0 and the stock exchange symbol is H20.

Enapter AG acts as a holding company providing control and functional services to the subsidiaries it controls (hereinafter "Enapter" or "Group" or "Unternehmensgruppe"). Enapter designs and manufactures hydrogen generators based on a patented anion exchange membrane electrolysis (AEM electrolysis) and pursues the vision of completely replacing fossil fuels with "green hydrogen".

**II. Accounting and valuation principles**

The valuation of assets and liabilities is based on the assumption that the company will continue as a going concern in accordance with § 252 para. 1 no. 2 HGB. As an early-stage technology company, the company is dependent on future external financing or the ability of its shareholders to provide the necessary funds in order to continue as a going concern. Enapter expects losses and related cash outflows to continue until mass production and associated sales of the electrolyzers are sustained. The operating break-even is expected in 2023 according to current planning. The financing of the group, in particular the Enapter campus in Saerbeck, is to be carried out with further equity, subsidies and debt capital. However, there is an inherent risk that financing rounds may not be successful as expected. In the event that the financial and earnings planning is missed or the planned injections of funds are not implemented on time, the company's existence would be at risk.

Management believes that Enapter AG and its subsidiary have sufficient resources, combined with reasonable plans to raise further resources, to maintain operations over the next 24-month period.

**The assets and liabilities** reported in the annual financial statements are valued individually as at the balance

sheet date.

Property, plant and equipment was recognised at acquisition or production cost and, if subject to wear and tear, reduced by scheduled depreciation.

**Financial assets** are recognised at acquisition cost in accordance with section 255 (1) HGB or, in the event of a probable permanent impairment, written down to the lower fair value on the balance sheet date.

For shares not traded on the organised market, the expected permanent impairment is determined on the basis of an impairment test.

**Receivables** and **other assets** are stated at nominal value, unless currency items are to be translated at the spot exchange rate on the balance sheet date in accordance with § 256a HGB or, in the case of identifiable individual risks, the lower fair value is to be stated.

**Cash and cash equivalents** are stated at nominal value.

When forming the **other provisions**, appropriate account was taken of the identifiable risks and uncertain liabilities on the balance sheet date. The settlement amount was measured at a level that is necessary according to reasonable commercial judgement.

All **liabilities** are shown in the balance sheet at their settlement amounts, unless currency items have to be translated at the spot exchange rate on the balance sheet date in accordance with § 256a HGB.

Liabilities in foreign currencies are initially valued at the exchange rate on the date of the transaction. Losses from exchange rate changes up to the balance sheet date are always taken into account, gains from exchange rate changes only for remaining terms of one year or less.

### III. Notes to selected items of the balance sheet

Shares in affiliated companies are reported under **financial assets**:

- Enapter GmbH (registered in the Commercial Register of the Berlin (Charlottenburg) District Court under HRB 201064, Reinhardtstraße 35, 10117 Berlin), shares 1 to 25,000 in Enapter GmbH, which convey a 100% interest in Enapter GmbH. By resolution of 27 December 2021, the company's share capital was increased from EUR 25,000 to EUR 500,000. The payment was made on 5 January 2022, and the entry in the commercial register was made on 10 January 2022. In the financial year, Enapter AG made payments into the capital reserves of Enapter GmbH totalling EUR 2,500,000.
- Enapter S.r.l. (registered with the Chamber of Commerce of Pisa, VAT n.13404981006, registered office: Via di Lavoria 56G, 56042 Crespina Lorenzana (PI), Italy), shares with a nominal value of EUR 499,900.00 in Enapter S.r.l., which represent a 99.98% interest in Enapter S.r.l.. In the financial year, Enapter AG made payments into the capital reserves of Enapter S.r.l. totalling EUR 15,350,000 (previous year: EUR 2,980,000).
- Enapter Immobilien GmbH (since 25 February 2021 registered in the Commercial Register of the Steinfurt District Court under HRB 13208, business address: Reinhardtstraße 35, 10117 Berlin), shares 1 to 25,000 in Enapter Immobilien GmbH, which convey a 100% interest in Enapter Immobilien GmbH. In the financial year, Enapter AG made payments into the capital reserves of Enapter Immobilien GmbH totalling TEUR 20,220.

Not yet included in the shares in affiliated companies as at 31 December 2021 are the shares in Enapter LLC, St. Petersburg (registered with the St. Petersburg Chamber of Commerce, n.1217800171489, registered office: St. Petersburg, Russia), shares in the nominal amount of RUB 10,000 (approx. EUR 117) in Enapter LLC, which convey a 100% interest in Enapter LLC, since the company was founded on 3 November 2021, but the capital contribution was not paid in until January 2022.

In accordance with § 253 HGB in conjunction with § 255 para. 1 HGB, the shares were valued at acquisition cost at the time of acquisition. Write-downs are made in accordance with section 253 (3) HGB if there is a probable permanent reduction in value. A write-down of shares in affiliated companies to the lower fair value was not necessary as at the balance sheet date.

Shares in affiliated companies are recognised at TEUR 161,075 as at the balance sheet date.

**Receivables from affiliated companies** include trade receivables of KEUR 116 (previous year KEUR 31). They exist against Enapter S.r.l. from a software licence agreement for the use of electrolysis software. These receivables have a remaining term of up to one year.

Furthermore, receivables from affiliated companies include a loan receivable from Enapter S.r.l. in the amount of KEUR 700 plus an interest receivable of KEUR 10. The loan to Enapter S.r.l. bears interest at 1.5 p.a. and has a remaining term of less than one year.

**Other assets**) consist mainly of VAT receivables of KEUR 297 (previous year: KEUR 49) and a prize money receivable of KEUR 293 and have a remaining term of up to one year.

**The bank balances** amount to TEUR 7,601 (previous year TEUR 3,729) and are freely available liquidity in current accounts.

## Equity

The subscribed capital of Enapter AG amounts to EUR 24,405,647 ,00 (previous year: EUR 22,269,300) as of 31 December 2021 after the implementation of the capital increases described below and is divided into 24,405,647 ordinary bearer shares (no-par value shares) with a notional value of EUR 1.00. The shares are admitted to the regulated market of the Frankfurt and Hamburg stock exchanges. The ISIN for the listed shares (International Securities Identification Number) is DE000A255G02, the WKN (securities identification number) is A255G0 and the stock exchange symbol is H20.

By resolutions of 16 February 2021 (resolution on the utilisation of the Authorised Capital 2020) and on 17 March 2021 (resolution on the determination of the volume of the capital increase from the Authorised Capital 2020), the Executive Board of the Company, with the consent of the Supervisory Board of 16 February 2021, had resolved a further capital increase of EUR 832,000.00 to EUR 23,101,300.00 from the Authorised Capital 2020, the implementation of which was entered in the Commercial Register of the Company on 6 April 2021.

By resolution of the Annual General Meeting of the Company on 6 May 2021, the Executive Board was authorised, with the consent of the Supervisory Board, to increase the share capital of the Company in the period up to 5 May 2026 once or several times by a total of up to EUR 11,550,650.00 by issuing up to 11,550,650 new no-par value bearer shares against cash contributions and/or contributions in kind (Authorised Capital 2021). The corresponding amendment to Article 4 (5) of the Articles of Association was entered in the Commercial Register of the Mannheim District Court on 4 October 2021.

The Executive Board had resolved on 28/29 October 2021, with the approval of the Supervisory Board on 28 October 2021, to increase the share capital of the Company by EUR 1,304,347.00 by issuing 1,304,347 new no-par value bearer shares, each with a notional interest in the share capital of the Company of EUR 1.00 ("New Shares"). The New Shares shall carry full dividend rights from 1 January 2021. Each New Share grants one vote at the General Meeting. They shall participate in any liquidation proceeds in proportion to their arithmetical share in the share capital. The New Shares will be issued against cash contribution at an issue price of EUR 1.00 per New Share. The subscription price is EUR 23.00 per New Share. The increase of the share capital was entered in the commercial register of the Company on 9 November 2021 and accordingly now amounts to EUR 24,405,647.00.

The authorisation of the Executive Board by resolution of the Annual General Meeting of 6 May 2021 to increase the share capital of the Company by up to EUR 11,550,650.00 (Authorised Capital 2021) is amended. After partial utilisation, the authorised capital still amounts to EUR 10,246,303.00.

The Annual General Meeting of 6 May 2021 resolved to cancel the Conditional Capital 2020 and to conditionally increase the share capital by up to EUR 9,245,520 (Conditional Capital WSV 2021). The conditional capital increase serves to service bonds that can be issued on the basis of the authorisation resolution of the Annual General Meeting of 6 May 2021.

The Annual General Meeting of 6 May 2021 created the conditions under company law for a variable remuneration system with a long-term incentive effect for current and future employees and members of the Executive Board of the company as well as to members of the management bodies and employees of current or future affiliated companies. For this purpose, a stock option plan ("Stock Option Plan 2021") was adopted, according to which the Executive Board shall be authorised, with the consent of the Supervisory Board, or the Supervisory Board, as the case may be, to issue up to 2,310,130 options to current and future employees and members of the Executive Board of the Company as well as to employees and members of the management bodies of currently or future affiliated companies. The share capital of the Company shall thereby be conditionally increased by up to EUR 2,310,130.00 by issuing up to 2,310,130 no-par value bearer shares (Conditional Capital SOP 2021). In the 2021 financial year, 322,900 shares were issued to employees, 50,000 of which were issued to members of the Executive Board. The conditional capital increase will only be carried out to the extent that the holders of the issued options exercise their right to subscribe to shares in the company.

The capital reserve amounts to EUR 151,455,112 as at 31 December 2021 (previous year: EUR 105,287,478) and developed as follows during the financial year:

	in EUR
Status as of 1 January 2021	105.287.478,78
Premium from the capital increase of 6.4.2021	17.472.000,00
Premium from the capital increase of 9.11.2021	28.695.634,00
Status as at 31 December 2021	151.455.112,78

As at 31 December 2021, the following accumulated deficit results:

	in EUR
Accumulated loss as at 1 January 2021	- 1.209.712,17
Net loss for the year	- 5.038.798,15
Accumulated loss as at 31 December 2021	- 6.248.510,32

Taking into account the subscribed capital, the capital reserve and the accumulated deficit, there is positive equity as of the balance sheet date of TEUR 169,612 (previous year: TEUR 126,347).

The **other provisions** of EUR 272,000 (previous year EUR 171,000) mainly include outstanding invoices for the costs of raising equity (EUR 125,000), costs of preparing and auditing the annual financial statements for the individual and consolidated financial statements (EUR 128,000) and provisions for personnel (EUR 14,000).

**Trade payables amounting** to TEUR 197 (previous year TEUR 119) have a remaining term of up to one year and are not secured.

**Liabilities to affiliated companies** include trade payables of KEUR 5 (previous year: KEUR 35). The liabilities to affiliated companies are due to Enapter LLC, St. Petersburg (previous year: BluGreen Ltd., Hong Kong), from a service contract. The liabilities have a remaining term of up to one year.

**Other liabilities amounting** to TEUR 11 (previous year TEUR 120) consist mainly of tax liabilities (TEUR 9; previous year TEUR 1), social security liabilities (TEUR 0.5; previous year: TEUR 0).

#### IV. Notes to selected items of the income statement

The revenues of EUR 115,000 result from income from a licensing agreement for electrolyser software with an affiliated company. ).

**Other operating income** of KEUR 294 (previous year: KEUR 141) consists of income from prize money (KEUR 293) and income from currency translation (KEUR 1).

**Other operating expenses** of EUR 5,175,000 (previous year: EUR 916,000) result mainly from the costs of raising equity (EUR 2,237,000; previous year: EUR 74,000), licence fees for the electrolyser software (EUR 1,050,000; previous year: EUR 170,000), the stock exchange listing and other capital market costs (EUR 321,000; previous year: EUR 200,000), management compensation to the main shareholder BluGreen Ltd.



(TEUR 418; previous year: TEUR 105), services provided by the related company Enapter Co. Ltd. (TEUR 339; previous year: TEUR 91), accounting, financial statement and auditing costs (TEUR 152; previous year: TEUR 77), insurance and contributions (TEUR 145), legal and consulting costs (TEUR 138; previous year: TEUR 104), costs for the Enapter Advisory Board (TEUR 144; previous year: TEUR 36) and Supervisory Board (TEUR 54; previous year: TEUR 4), expenses from currency translation (TEUR 10; previous year TEUR 0) and other operating expenses (TEUR 166; previous year: TEUR 55).

The corresponding figures for expenses for the previous period are only comparable to a limited extent due to the contribution of the operating companies in October 2020.

## **V. Other information**

### **Declaration of Conformity pursuant to § 161 AktG**

In March 2022, the Executive Board and Supervisory Board of Enapter AG last issued a declaration of compliance with the recommendations of the Government Commission "German Corporate Governance Code" in the version of 16 December 2019 pursuant to Section 161 of the German Stock Corporation Act (AktG) and published it on the company's website at

<http://www.enapterag.de/investor-relations/corporate-governance/> made publicly available.

### **Board of Directors**

members of the Executive Board in the 2021 financial year:

- Mr Sebastian-Justus Schmidt, industrial clerk, Chiang Mai, Thailand;
- Mr Gerrit Kaufhold, tax consultant, Hamburg (from 1 June 2021);
- Mr Hansjörg Plaggemars, Diplom-Kaufmann, Stuttgart (until 31 May 2021).

Mr Sebastian-Justus Schmidt and Mr Gerrit Kaufhold did not hold any memberships in supervisory boards or other supervisory bodies within the meaning of Section 125 (1) sentence 5 of the German Stock Corporation Act (AktG) during their appointments as members of the Executive Board in the 2021 financial year in addition to their activities as members of the Executive Board of Enapter AG.

During his appointment to the Executive Board in the 2021 financial year, Mr Hansjörg Plaggemars held the following memberships in supervisory boards and other supervisory bodies within the meaning of section 125 (1) sentence 5 of the AktG in addition to his activities as an Executive Board member:

- 4basebio UK PLC, Cambridge/United Kingdom, Non-Executive Director,
- Altech Chemicals Limited, Subiaco/Australia, Non-Executive Director,
- Azure Minerals Ltd, West Perth/Australia, Non-Executive Director,
- CARUS AG, Heidelberg, Deputy Chairman of the Supervisory Board (until 28 June 2021),
- Gascoyne Resource Limited, West Perth/Australia, Non-Executive Director (since 01.07.2021),
- HW Verwaltungs AG, Halberstadt, Deputy Chairman of the Supervisory Board,

- Kin Mining NL, Mount/Australia, Non-Executive Director,
- PNX Metals Limited, Rose Park/Australia, Non-Executive Director,
- South Harz Potash Limited, Perth/Australia, Non-Executive Director,
- The Grounds Real Estate, Berlin, Member of the Supervisory Board (until 27.08.2021)
- Wiluna Mining Corporation Ltd, West Perth/Australia, Non-Executive Director (since 21.07.2021).

The Executive Board member Mr Schmidt does not receive any direct remuneration from Enapter AG, his settlement is made within the framework of a contractually agreed management remuneration to BluGreen Company Ltd, Hong Kong (BluGreen), which also includes other employees of BluGreen and does not contain any factors affecting profit or loss. In the 2021 financial year, the Supervisory Board tendered 50,000 options at a subscription price of EUR 22.00 per share to Mr Schmidt from the authorisation granted by the company's Annual General Meeting on 6 May 2021 to implement a 2021 share option plan.

Remuneration of KEUR 50 (previous period KEUR 30) was paid to the Executive Board member Mr Plaggemars and KEUR 140 (previous period KEUR 0) to Mr Kaufhold in the financial year. Profit-sharing, subscription rights and other share-based payments were not granted to the aforementioned Executive Board members in the 2021 financial year.

### **Supervisory Board**

members of the Supervisory Board in the 2021 financial year:

- Armin Steiner (Chairman of the Supervisory Board), Hanover, business economist;
- Oswald Werle (Deputy Chairman of the Supervisory Board), Feldkirch (Austria), industrial engineer;
- Ragnar Kruse, Hamburg, Managing Director.

In the financial year from 1 January to 31 December 2021, Mr Armin Steiner held the following memberships in supervisory boards and other supervisory bodies within the meaning of Section 125 (1) sentence of the German Stock Corporation Act (AktG) in addition to his position as Chairman of the Supervisory Board of Enapter AG:

- Member of the Supervisory Board of EASY SOFTWARE AG, Mülheim an der Ruhr
- Member of the Board of Directors, Beta Systems Software of North America, Inc, McLean, USA

Mr Steiner received Supervisory Board remuneration of KEUR 24 in the 2021 financial year (previous year: KEUR 0).

In the financial year from 1 January to 31 December 2021, Oswald Werle held the following memberships in supervisory boards and other supervisory bodies within the meaning of Section 125 (1) sentence of the German Stock Corporation Act (AktG) in addition to his activities as a member of the supervisory board of Enapter AG:

- Member of the Supervisory Board of Transnet Global S.à.r.l, Luxembourg
- Member of the Advisory Board of Enapter AG and Blugreen Company Limited, Hong Kong.

In the 2021 financial year, Mr Werle received Supervisory Board remuneration of TEUR 18 (previous year: TEUR 0) and TEUR 108 (previous year: TEUR 0) for his work as a member of the Advisory Board.

In the financial year from 1 January to 31 December 2021, Mr Ragnar Kruse was also a member of the Advisory Board of Enapter AG and Blugreen Company Limited, Hong Kong, in addition to his activities as Chairman of the Supervisory Board.

Mr Kruse received supervisory board remuneration of KEUR 12 in the 2021 financial year (previous year: KEUR 0).

### Number of employees

In the period from 1 January to 31 December 2021, the Company employed an average of three employees excluding the Executive Board (two part-time employees in the previous year).

### Group relations

Enapter AG, Heidelberg, prepares the consolidated financial statements for both the smallest and the largest group of companies.

The majority shareholder BluGreen Company Limited is a Hong Kong based unlisted corporation and does not prepare consolidated financial statements.

Subsidiaries of the Company within the meaning of Section 271 (2) HGB are Enapter GmbH, Berlin, Enapter S.r.l., Crespina Lorenzana (Pisa), Italy, Enapter Immobilien GmbH, Saerbeck and Enapter LLC, St.Petersburg. Enapter AG holds all shares in Enapter GmbH, Enapter Immobilien GmbH (since 11 January 2021), Enapter LLC, St. Petersburg and 99.98% of the shares in Enapter S.r.l.. The group's manufacturing operations are currently managed exclusively in Enapter S.r.l.:

<b>Society</b>	<b>Share</b>	<b>Result 2021</b>	<b>Equity as at 31.12.2021</b>
Enapter GmbH, Berlin	100,00 %	TEUR -254	TEUR 2,503
Enapter S.r.l., Pisa, Italy	99,98 %	TEUR -5,144	TEUR 15,341
Enapter Immobilien GmbH, Saerbeck	100,00 %	TEUR -36	TEUR 20,209
Enapter LLC, St. Petersburg, Russia	100,00 %	KEUR 5	KEUR 5

### Dependency Report

The Executive Board has prepared a report on relations with affiliated companies in accordance with § 312 of the German Stock Corporation Act (AktG).

### Contingent liabilities and other financial obligations

As in the previous year, there were no contingent liabilities as at the balance sheet date.

The company has concluded a licence agreement for the electrolyser software with a related company. The monthly charge was KEUR 85. The licence agreement was terminated at the end of the 2021 financial year and a new licence agreement was concluded with a related company. The term of the contract is one year. The contract is automatically renewed if neither party has terminated the contract 60 days before the end of the year.

The company has entered into a consultancy agreement with a related party. The monthly charge amounts to TEUR 30. The contract is for an indefinite period and can, however, be terminated in writing with a notice period of 3 months.

The company has entered into a management remuneration contract with an affiliated company. The monthly charge is KEUR 35. The contract is for an indefinite period and can, however, be terminated in writing with a notice period of 3 months.

### **Auditor's fee**

The total fee charged by the auditor is not disclosed in accordance with § 285 No. 17 of the German Commercial Code (HGB), as the information is provided in the consolidated financial statements of Enapter AG.

### **Events after the balance sheet date**

The invasion of sovereign Ukraine by Russian forces on 24 February 2022 represents a drastic event that will also leave clear traces in the global economy and thus in corporate accounting. The reactions were immediately noticeable on the goods and financial markets, and the democratic states united in imposing harsh sanctions against Russia. The consequences for Russia, but also for the imposing states, are already immediately apparent, but will also have considerable consequences for the global economy in the long term. Statements on the temporal extension of the crisis, which may also be exacerbated by further actions by Russia, are hardly possible at present. The direct and indirect effects of the war are to be classified as value-justifying for transactions on key dates before 24 February 2022.<sup>1</sup>

The war is a tragedy for the people, especially in Ukraine.

We are required by law to report on the uncertainties surrounding the economic impact of the war on the Company and the Enapter Group.

Of the total of 35 software developers in the Enapter Group, 29 employees work in St. Petersburg. A large number of these employees have left Russia. The employees continue to work for the Enapter Group at different locations. In our opinion, there is currently no significant economic risk for the Enapter Group and thus for the company.

The indirect consequences of the war can lead to business disruptions and interruptions, declines in demand, delivery failures and / or increases in costs. In particular, there is a risk that existing supply chains will be interrupted. Some of the Enapter Group's customers/suppliers experienced delays in internal processes, resulting in delayed order placement.

In addition, the ongoing spread of the coronavirus, particularly in Italy, led to the disruption of supply chains, which had a significant impact on the production of the electrolyzers. Especially if new, more dangerous

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<sup>1</sup> IDW Technical Note on the Impact of the Ukraine War on Accounting dated 8 March 2022

coronaviruses spread, there is still a risk of a global economic and financial crisis, which could have a negative impact on the Enapter Group's operations, financial position and results of operations, and thus also on the company. In particular, further or renewed disruptions of supply chains could negatively affect the production of the electrolyzers and thus the sales of the Enapter Group.

The Company announced on 7 April 2022 that the first part of the capital increase announced on 6 April 2022 has been successfully placed. Gross proceeds of EUR 30 million were raised in the pre-placement including the backstop by the major shareholder. The offer price per share was set at EUR 19.00. Against this background, the Executive Board, with the approval of the Supervisory Board, decided to increase the share capital by an amount of at least EUR 1,578,948.00 and up to EUR 6,315,789.00 by issuing at least 1,578,948 and up to 6,315,789 new shares ("New Shares") from the authorised capital while granting subscription rights to current shareholders. The total volume of the capital increase is divided into two tranches. The first part comprises the tranche from the pre-placement with gross proceeds of EUR 30 million. A second part with a volume of up to EUR 70 million is intended for subscription by strategic investors with whom Enapter AG is in advanced negotiations on cooperation agreements. BluGreen Company Limited, the main shareholder of Enapter AG with a stake of approximately 71.5% of the share capital, has committed itself in a backstop agreement to participate in the capital increase with an amount of up to EUR 15 million to the extent that the New Shares - apart from the New Shares intended for the strategic investors - are not subscribed otherwise. To enable the pre-placement and the allocation to strategic investors, the major shareholder has waived the exercise of its subscription rights. The existing shareholders have the opportunity to subscribe for shares within the scope of the subscription right. These subscriptions will reduce the amount of the backstop, if any, and thereafter the amount reserved for strategic investors. The total amount of shares placed is therefore not expected to be known until after the completion of the rights offering. The rights offering will commence at a later date and is subject to the approval of the EU Reconstruction Prospectus required for the offering by the German Federal Financial Supervisory Authority ("BaFin") and its publication. The related offer period for the exercise of the respective subscription rights is expected to take place in May/June 2022. The New Shares will be admitted to trading on the regulated market of the Frankfurt Stock Exchange (General Standard) and on the regulated market of the Hanseatische Wertpapierbörse Hamburg following the rights offering.

No other reportable events occurred prior to the preparation of the annual financial statements.

## **Notifications pursuant to the German Stock Corporation Act or the German Securities Trading Act**

### Notification of voting rights pursuant to section 40 (1) WpHG of 18 January 2021

- Mr Wilhelm Konrad Thomas Zours, has notified us pursuant to section 33 (1) WpHG that his percentage of voting rights in Enapter AG, Heidelberg, fell below the threshold of 3% on 15 January 2021 and amounted to 2.99% (this corresponds to 668,023 voting rights) on that date. 2.99% of the voting rights are to be attributed to Wilhelm Konrad Thomas Zours pursuant to section 34 para. 1 sent. 1 no. 1 WpHG. Attributed voting rights are held via the following companies controlled by him, whose voting rights in Enapter AG amount to 3% or more: Deutsche Balaton Aktiengesellschaft, VV Beteiligungen Aktiengesellschaft, Delphi Unternehmensberatung Aktiengesellschaft.

### Correction of voting rights notification pursuant to section 40 (1) WpHG of 18 January 2021

- Mr Wilhelm Konrad Thomas Zours, reported a correction to the voting rights notification of 18.01.2021 on 19.01.2021. The notification date was corrected from 18.01.2021 to 19.01.2021.

#### Notification of voting rights pursuant to section 40 (1) WpHG of 19 March 2021

- Mr Sergei Storozhenko, has notified us pursuant to section 33 (1) WpHG that his percentage of voting rights in Enapter AG, Heidelberg, exceeded the threshold of 3% on 16 March 2021 and amounted to 3.57% (this corresponds to 794,169 voting rights) on that day.

#### Notification of voting rights pursuant to section 40 (1) WpHG of 8 November 2021

Mr Sebastian-Justus Schmidt has notified us pursuant to section 33 (1) WpHG that his percentage of voting rights in Enapter AG, Heidelberg, amounted to 72.62% (this corresponds to 16,776,772 voting rights) on 2 November 2021. 72.62% of the voting rights are to be attributed to Mr Sebastian-Justus Schmidt pursuant to section 34 para. 1 sent. 1 no. 1 WpHG. Attributed voting rights are held via the following companies controlled by him, whose voting rights in Enapter AG amount to 3% or more: BluGreen Company Limited.

#### Notification of voting rights pursuant to section 40 (1) WpHG of 11 November 2021

Mr Sebastian-Justus Schmidt, has notified us pursuant to section 33 (1) WpHG that on 9 November 2021 his percentage of voting rights in Enapter AG, Heidelberg, amounted to 68.74% (this corresponds to 16,776,772 voting rights). 68.74% of the voting rights are to be attributed to Mr Sebastian-Justus Schmidt pursuant to section 34 para. 1 sent. 1 no. 1 WpHG. Attributed voting rights are held via the following companies controlled by him, whose voting rights in Enapter AG amount to 3% or more: BluGreen Company Limited.

#### Notification of voting rights pursuant to section 40 (1) WpHG of 11 November 2021

- Mr Wilhelm Konrad Thomas Zours, has notified us pursuant to section 33 (1) WpHG that his percentage of voting rights in Enapter AG, Heidelberg, exceeded the threshold of 3% on 4 November 2021 and amounted to 3.44% (this corresponds to 795,118 voting rights) on that date. 3.44% of the voting rights are to be attributed to Wilhelm Konrad Thomas Zours pursuant to section 34 para. 1 sent. 1 no. 1 WpHG. Attributed voting rights are held via the following companies controlled by him, whose voting rights in Enapter AG amount to 3% or more: Deutsche Balaton Aktiengesellschaft, VV Beteiligungen Aktiengesellschaft, Delphi Unternehmensberatung Aktiengesellschaft, 2invest AG.

#### Notification of voting rights pursuant to section 40 (1) WpHG of 12 November 2021

- mwb fairtrade Wertpapierhandelsbank AG has notified us pursuant to section 33 (1) WpHG that its percentage of voting rights in Enapter AG, Heidelberg, exceeded the threshold of 5% on 9 November 2021 and amounted to 5.34% (representing 1,304,347 voting rights) on this date. This acquisition of voting rights took place in the context of the settlement of a capital measure.

#### Notification of voting rights pursuant to section 40 (1) WpHG of 27 December 2021

- mwb fairtrade Wertpapierhandelsbank AG, has notified us pursuant to section 33 (1) WpHG that its percentage of voting rights in Enapter AG, Heidelberg, fell below the threshold of 5% on 22 December 2021 and amounted to 0.00% (this corresponds to 0 voting rights) on this date.

#### Notification of voting rights pursuant to section 40 (1) WpHG of 28 December 2021

Mr Sebastian-Justus Schmidt, has notified us pursuant to section 33 (1) WpHG that his percentage of voting rights in Enapter AG, Heidelberg, amounted to 73.98% (this corresponds to 18,055,491 voting rights) on 23 November 2021. 73.98% of the voting rights are to be attributed to Mr Sebastian-Justus Schmidt pursuant to section 34 para. 1 sent. 1 no. 1 WpHG. Attributed voting rights are held via the following companies controlled by him, whose voting rights in Enapter AG amount to 3% or more: BluGreen Company Limited.

Correction of the voting rights notification pursuant to section 40 (1) WpHG of 27 December 2021

- On 29.12.2021, mwb fairtrade Wertpapierhandelsbank AG, reported a correction to the voting rights notification of 27.12.2021. Accordingly, the date of the threshold contact was corrected to 23.12.2021.

Notification of voting rights pursuant to section 40 (1) WpHG of 30 December 2021

- Mr Wilhelm Konrad Thomas Zours has notified us pursuant to section 33 (1) WpHG that his percentage of voting rights in Enapter AG, Heidelberg, fell below the threshold of 3% on 23 December 2021 and amounted to 2.85% (this corresponds to 694,918 voting rights) on that date. 2.89% of the voting rights were attributed to Wilhelm Konrad Thomas Zours pursuant to section 34 para. 1 sent. 1 no. 1 WpHG. Attributed voting rights are held via the following companies controlled by him, whose voting rights in Enapter AG amount to 3% or more: Deutsche Balaton Aktiengesellschaft, VV Beteiligungen Aktiengesellschaft, Delphi Unternehmensberatung Aktiengesellschaft, 2invest AG.

Heidelberg, 28 April 2022

gez. Sebastian-Justus Schmidt

*Board of Directors*

signed Gerrit Kaufhold

*Board of Directors*

**Enapter AG**
**FIXED ASSETS SCHEDULE**

for the period from 1 January to 31 December 2021

	Acquisition and production costs				Depreciation				Net book values	
	01.01.2021	Access	Disposals	31.12.2021	01.01.2021	Access	Disposals	31.12.2021	31.12.2020	31.12.2021
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>I. <u>Property, plant and equipment</u></b>										
1. Operating and Business equipment	2.973,55	4.260,85	676,85	6.557,55	166,55	2.066,85	676,85	1.556,55	2.807,00	5.001,00
	2.973,55	4.260,85	676,85	6.557,55	166,55	2.066,85	676,85	1.556,55	2.807,00	5.001,00
<b>II. <u>Financial assets</u></b>										
1. Shares in affiliated Company	122.980.000,00	38.095.000,00	0,00	161.075.000,00	0,00	0,00	0,00	0,00	122.980.000,00	161.075.000,00
	122.980.000,00	38.095.000,00	0,00	161.075.000,00	0,00	0,00	0,00	0,00	122.980.000,00	161.075.000,00
	122.982.973,55	38.099.260,85	676,85	161.081.557,55	166,55	2.066,85	676,85	1.556,55	122.982.807,00	161.080.001,00



## COMBINED MANAGEMENT REPORT

for the financial year from 1 January to 31 December 2021 of Enapter  
**Enapter AG, Heidelberg and the Enapter Group**

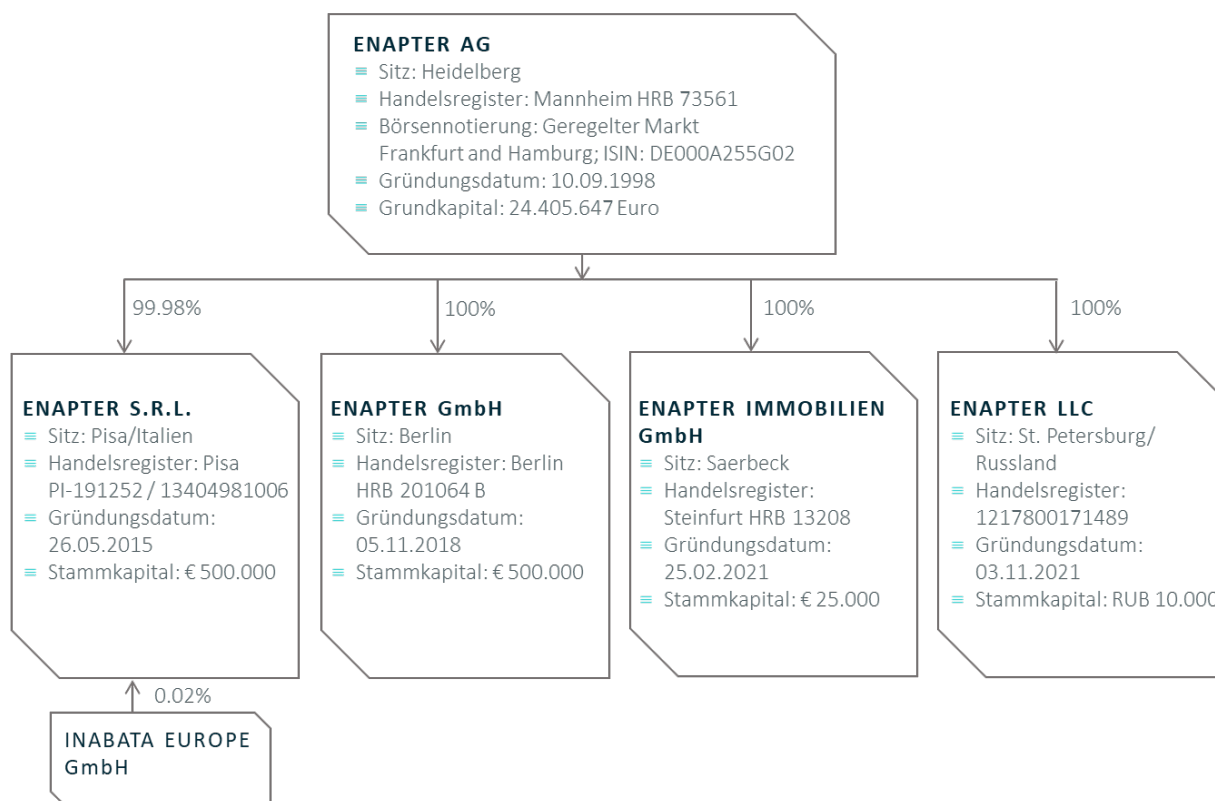
### Fundamentals of the company and the group

#### Reporting company

Enapter AG is a stock corporation under German law (hereinafter "Enapter AG") with its registered office in Heidelberg. Enapter AG is registered in the Commercial Register of the Local Court of Mannheim under the number HRB 735361. The business address is Reinhardtstrasse 35 in 10117 Berlin.

As of 31 December 2021, Enapter AG has a share capital of EUR 24,405,647.00 with 24,405,647 no-par value bearer shares. The shares are admitted to the regulated market of the Frankfurt and Hamburg stock exchanges. The ISIN for the listed shares (International Securities Identification Number) is DE000A255G02, the WKN (securities identification number) is A255G0 and the stock exchange symbol is H20.

Enapter AG acts as an investment company that provides management and functional services to the subsidiaries it controls (hereinafter "Enapter" or "Group" or "Unternehmensgruppe"). It is also responsible for the financing of the group.



#### Distinction between parent company and group

To clarify which information relates to the parent company and which to the group of companies, "Enapter AG" is always used for the parent company. For disclosures relating to the group, "Enapter", "group" or "group" or "group of companies" is used. Where the above distinctions do not apply and no other separate references are made, the information relates equally to the group of companies and the parent company.

## Business activity

Enapter is active in the field of renewable energies with a focus on hydrogen/electrolysis. Specifically, the Enapter Group develops and manufactures hydrogen generators - electrolyzers - based on a patented anion exchange membrane electrolysis (AEM electrolysis).

AEM electrolysis combines the advantages of current electrolysis technologies without their disadvantages, and Enapter is convinced that AEM technology is the cheapest way to produce hydrogen. On this basis, Enapter is entering the market with a product approach that envisages the standardised mass production of electrolyzers that can be assembled in any size as in a "modular system". Similar to the PC, which - plugged together in thousands as so-called "blade computers" in today's server farms - replaced the mainframe, or the solar module, which - plugged together in thousands - replaces coal-fired power plants, a modular electrolyser can quickly be used worldwide.

The production of the electrolyzers as well as research and development is currently carried out at the Pisa/Italy site at Enapter S.r.l.

Enapter GmbH in Berlin, Germany, is the operating company in Germany with headquarters in Berlin and a branch office in Saerbeck. Communication, marketing and business development for Europe were managed from the Berlin office during the financial year. In addition, a team of engineers and specialists based in this company - divided between the Berlin and Saerbeck locations - is working on the project planning for the Enapter Campus, which is to be built in Saerbeck, and on the further development of the product design.

## Research and development

Enapter is a leader in the commercialisation of AEM electrolysis technology. In addition to the speed of scaling up through mass production, the company focuses primarily on research and development in order to expand its competitive advantage and secure market share in the long term. To this end, the research & development departments are constantly being expanded.

The site in Pisa/Italy was extended in 2021 with an additional building, which was expanded with laboratories and a clean room - a room in which the concentration of airborne particles is kept very low to ensure freedom from dust and dirt.

AEM electrolysis technology is still at a young stage of its development and, according to (not only) Enapter, still offers great potential for innovation. Enapter's R&D team is conducting research in electrochemistry, where the focus is on improving the catalysts and the membrane-electrode unit, and also on the mechanical further development of the stack, where the focus is on improved sealing concepts, higher pressure resistance, and easier assembly in automated manufacturing processes. The other focus topics are the preparation for mass production of the modular electrolyser, including the development of the production processes and machines, and the development of the product platform for the megawatt (MW) application range. These two topics have each received millions of euros in funding from projects in Germany.

In addition to continuous improvement of current products, Enapter also intends to develop new production processes in electrolysis technology, such as chemical compression technology, hydrogen purity, efficiency improvements in hydrogen production while reducing energy demand, and membrane technologies. It is expected that the R&D effort at Enapter will be very substantial for many years to come, and currently the R&D team is already being expanded to the new site in Saerbeck/Germany, where a new R&D centre is to be built. It is expected that due to the increasing interest of the market in electrolysis, and especially in the AEM technology, the competitive situation will become more intense in the coming years. Enapter intends to maintain and expand its technological lead through effective and intensive R&D.

As of 31 December 2021, the Enapter Group employs a total of 83 (previous year: 44) people in research and development, including software development.

A large number of research collaborations with external partners support the exchange of knowledge and research activities. These include, among others

- ≡ a long-standing collaboration with the German Aerospace Centre (DLR). A new project proposal for the scaling and long-term characterisation of the Enapter electrolyzers with the consortium partners DLR, Evonik, and EWE Gasspeicher was submitted to Project Management Jülich (PTJ) in August 2020,
- ≡ the research partnership with the University of Pisa, which is an important talent pool due to its proximity to Enapter's production site.

Research and development expenses amount to EUR 3,709,000 in 2021 (previous year: EUR 2,435,000), or around 44% of sales revenues (previous year: 118%).

## Patents

The most important patent of the Enapter Group is the patent granted for a "device for the on-demand production of hydrogen by electrolysis of aqueous solutions on a dry cathode". The patent describes Enapter's special cell design that enables pure hydrogen at high pressure by means of a very simple production method. This patent protects Enapter's AEM electrolysis technology against imitation, as the dry cathode concept does not depend on a particular type of membrane or catalyst formulation.

Enapter also develops other processes and applies for patents to possibly use them for future products and business concepts/further developments. For example, a patent has been filed for a liquid degassing means and process, which relates to a component of the electrolyser module for degassing the circulating electrolyte. In addition, a patent application was filed for an electrochemical cell that is free of ionomers and/or binders and uses an AEM and a dry cathode.

## Corporate management

The company is managed on the basis of a monthly integrated planning statement consisting of an income statement, balance sheet and cash flow statement. The key indicators and the most significant financial performance indicators are sales revenue, order backlog, EBITDA and liquidity development.

Enapter AG calculates EBITDA as a performance indicator with the aim of showing the group's earning power and to enable comparability over time or in an industry comparison. EBITDA is defined as earnings before

interest, taxes, depreciation and amortisation and results from earnings before taxes plus interest and similar expenses less other interest and similar income plus depreciation and amortisation. In addition to the financial result and taxes, this performance indicator also neutralises distorting effects on the operating business activity resulting from different depreciation methods and valuation margins.

The financial performance indicators are continuously controlled and monitored by the Executive Board. The integrated reporting is made available to the Supervisory Board of the company on a monthly basis.

## Business year

The 2021 financial year of Enapter AG began on 1 January 2021 and ended on 31 December 2021.

## Accounting and auditing

Enapter AG prepares its consolidated financial statements in accordance with the applicable regulations of the International Financial Reporting Standards (IFRS) as they are to be applied in the EU. The individual financial statements are prepared in accordance with the provisions of the German Commercial Code (HGB).

For the financial year 2021, use was made of the option of a combined management report (hereinafter also referred to as "management report"). This management report combines the management report of Enapter AG and the group management report of the corporate group and was prepared in accordance with §§ 289, 289a, 289f, 315, 315a and 315d HGB.

The Annual General Meeting on 6 May 2021 elected MSW GmbH Wirtschaftsprüfungsgesellschaft, Berlin, as auditor for the annual financial statements and the consolidated financial statements for the financial year 2021. There are no business, personal, financial or other relationships between the auditing company, its executive bodies and audit managers on the one hand and Enapter on the other hand that could give rise to doubts about the independence of the auditors. MSW GmbH Wirtschaftsprüfungsgesellschaft did not participate in the accounting or the preparation of the annual or consolidated financial statements of Enapter AG.

The valuation of assets and liabilities is based on the assumption that the company will continue as a going concern.

## Rounding differences

Unless otherwise stated, all amounts are given in thousands of euros (TEUR). For computational reasons, rounding differences of +/- one unit (TEUR, %, etc.) may occur in the information presented in these financial statements.

## Forward-looking statements

This management report contains forward-looking statements. These statements reflect our own assessments and assumptions - including those of third parties (such as statistical data relating to the industry and to global economic developments) - at the time they were made or at the date of this report. Forward-looking statements are always subject to uncertainties. Should the estimates and assumptions

prove to be inaccurate or only partially accurate, actual results may differ - even significantly - from expectations.

## Economic conditions and business performance

### Economic framework conditions

The Enapter Group generates its sales with customers in Germany, Europe and the rest of the world, especially in Asia. In this respect, the development of the real gross domestic product (GDP) in Germany and Europe as well as the overall global economic development is relevant for the development of demand for Enapter's products. In addition to integrators and research and laboratory facilities, customers include a number of large companies and corporations that also operate internationally and are thus more dependent on economic developments worldwide. Of primary importance for Enapter is the investment activity in certain industries, such as energy production and storage, fertiliser manufacturers, the steel and methanol industry, the animal feed industry or the chemical industry, which in turn may depend on the development of raw material and world market prices.

The Corona pandemic also left clear traces in almost all economic sectors in 2021. Production was curtailed, in some cases massively, in the service sectors as well as in the manufacturing industry. The effects of the Corona pandemic were also clearly visible on the demand side. Due to the almost parallel global course of the pandemic and comparable containment measures, the downturn was almost synchronous internationally. Government consumer spending had a stabilising effect during the Corona crisis, although not all sectors were able to benefit from it in the same way.

According to initial calculations by the Federal Statistical Office (Destatis), the price-adjusted gross domestic product (GDP) in 2021 was 2.7 % higher than in 2020 (also adjusted for calendar effects)<sup>2</sup>. Despite the ongoing pandemic situation, the German economy was able to recover somewhat from the sharp slump in 2020. However, economic output has not yet returned to pre-crisis levels. The main reason for this is the massive slump these countries suffered in spring 2020. The majority of EU countries had increases, but they were below the EU average.<sup>3</sup>

Despite the increases in 2021, economic output in most economic sectors has not yet returned to the pre-crisis level. For example, economic output in the manufacturing sector in 2021 was still 6.0 % below the level of 2019<sup>4</sup>. Reasons for this were in particular also material and supply bottlenecks as well as a slowdown in economic momentum in many countries.

Material and supply bottlenecks also led to a significant increase in material procurement costs. In particular, monthly inflation rates increased in the second half of 2021. In addition to the base effect from the temporary reduction in VAT rates in the previous year, the cost of energy products was also responsible for the high inflation rate, especially in December 2021. Energy prices rose by 18.3 per cent compared to the previous year. The CO2 price and the development of raw material costs also had an impact. Both heating oil (+61.0 per cent) and fuels (+33.8 per cent) became more expensive compared to the previous year. In the same period, food prices rose by an above-average 6.0 per cent (November 2021: +4.5 per cent).<sup>5</sup>

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<sup>2</sup> [https://www.destatis.de/DE/Presse/Pressemitteilungen/2022/01/PD22\\_020\\_811.html](https://www.destatis.de/DE/Presse/Pressemitteilungen/2022/01/PD22_020_811.html)

<sup>3</sup> The monthly "Konjunkturbulletin international" - [vdma.org](http://vdma.org) - VDMA

<sup>4</sup> [https://www.destatis.de/DE/Presse/Pressemitteilungen/2022/01/PD22\\_020\\_811.html](https://www.destatis.de/DE/Presse/Pressemitteilungen/2022/01/PD22_020_811.html)

<sup>5</sup> [https://www.destatis.de/EN/Press/2022/01/PE22\\_025\\_611.html](https://www.destatis.de/EN/Press/2022/01/PE22_025_611.html)

In summary, supply chains remain tight and have been a major concern for industrial companies globally. The survey results show that shortages of inputs have led to a sharp increase in purchase prices<sup>6</sup>

### Market for green hydrogen

The market for green hydrogen is at the beginning of a rapid growth curve. The International Energy Agency (IEA)<sup>7</sup> estimated the global demand for pure hydrogen at more than 70 million tonnes per year. Oil refineries and fertiliser manufacturers account for the largest share. Another 45 million tonnes per year are used in the steel and methanol industries, but without the hydrogen being separated from other gases beforehand (mixed hydrogen).

Today, hydrogen is mainly used in industrial applications. The four most important applications are oil refining (33%), ammonia production (27%), methanol production (11%) and the direct reduction of iron ore (3%). Furthermore, hydrogen is used in float glass, polysilicon, semiconductor, electronics, food and chemical production (others: 26%).

Currently, however, about 99% of the hydrogen used is produced from fossil fuels or is a waste product from other chemical processes. For the energy transition to succeed quickly, it is not only necessary to replace the current CO<sub>2</sub>-emitting, "grey" hydrogen with CO<sub>2</sub>-neutral "green" hydrogen. Rather, the large-scale and competitive availability of green hydrogen opens up the possibility of replacing all fossil fuels in all areas of application, be it in the field of synthetic fuels, transport, heating and cooling, but also long-term energy storage and a multitude of possible new areas of application, such as agriculture and the food industry.

The complete decarbonisation of the entire energy system requires a great deal of green hydrogen and the efforts to build a worldwide hydrogen infrastructure are immense. To this end, the German government has adopted a hydrogen strategy in the cabinet and is funding the development of the market with a total of EUR 9.0 billion.<sup>8</sup> Similar efforts are being made in other EU countries and outside the EU. In announcing its hydrogen strategy, the EU Commission proposed to promote the installation of at least 6 GW by 2024.

### Business development

In 2021, the Enapter Group achieved sales of around EUR 8.4 million (previous year: EUR 2.1 million) with electrolyzers and related components. Together with the change in inventories of work in progress and finished goods of around EUR 0.5 million, an operating performance of around EUR 9.0 million was achieved. Due to the ongoing spread of the so-called coronavirus in the course of the COVID 19 pandemic, there were operational disruptions and interruptions, especially in the supply chains. As a result, not all existing orders could be delivered on time. Nevertheless, the planned sales revenues were essentially achieved. The expansion of production capacities at the Pisa site contributed to this in particular.

Enapter achieved an EBITDA of -7.6 million euros. This means that the development of earnings in 2021 was also in line with the company's own expectations. The order backlog at the end of 2021 was around 10.4 million euros, of which around 8.1 million euros fell into the 2022 financial year and around 2.3 million euros into the 2023 financial year. Customer enquiries increased strongly in 2021, so that qualified customer enquiries of around 260 million euros had been formed by the beginning of 2022.

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<sup>6</sup> [The monthly "Konjunkturbulletin international" - vdma.org - VDMA](https://www.vdma.org/VDMA)

<sup>7</sup> IEA, "The Future of Hydrogen", 2019

<sup>8</sup> <https://www.bmwi.de/Redaktion/DE/Publikationen/Energie/die-nationale-wasserstoffstrategie.html>

## Major events

- ≡ Enapter Immobilien GmbH was founded in January 2021 and in February 2021 acquired the land in Saerbeck on which the Enapter Campus will be built, where mass production will start in 2023. The Enapter Campus enables the mass production of AEM electrolyzers and is intended to serve as a blueprint for other production sites worldwide. The groundbreaking ceremony took place in Saerbeck on 14 September 2021. The electrolyser production, warehouses, offices and laboratories for research and development will be built on around 80,000 square metres by 2023.
- ≡ The share capital of Enapter AG was increased to 23,103,000.00 euros in March/April 2021 through the issue of 832,000 shares. The capital increase was entered in the commercial register of the Mannheim Local Court on 6 April 2021. With the implementation of the cash capital increase, Enapter AG received €17.8 million in cash and cash equivalents after deduction of the costs of raising the capital.
- ≡ The Annual General Meeting approved the implementation of the share option plan for employees and executives on 6 May 2021. The aim of this stock option plan is primarily to create incentives for the beneficiaries aimed at a more sustainable increase in the value of the company.
- ≡ In the first quarter, Enapter completed an analysis of the carbon footprint of the EL 2.1 electrolyser and was thus able to gain a good overview of the CO<sub>2</sub> emissions generated during the production and lifetime of the electrolyser. Depending on which fossil fuels are replaced, up to 93% of CO<sub>2</sub> emissions can be saved by using the EL 2.1.
- ≡ Enapter was selected from hundreds of candidates as one of the World Economic Forum's "Technology Pioneers". The Technology Pioneers are early- to growth-stage companies from around the world that are engaged in the deployment of new technologies and innovations that the World Economic Forum believes will have a significant impact on the economy and society.
- ≡ The Ministry for Economic Affairs, Innovation, Digitalisation & Energy of the State of North Rhine-Westphalia is supporting the innovative approach to machine development for mass production with a total of around 9.4 million euros. On 22 February 2021, Enapter GmbH had submitted an application of around 10.1 million euros to the project management organisation Jülich for the project Innovative Development of Machine Blueprints for AEM Mass Production for the implementation period 1 April 2021 to 31 March 2025. This was approved on 11 June 2021 for a total amount of around 9.4 million euros. Of this, Enapter GmbH will receive grants of 7.3 million euros in the years 2021 to 2023, the rest in the years 2024 to 2025. In this project, the necessary automation elements for the mass production of the AEM electrolyser at the Saerbeck site will be developed, tested and implemented in order to realise the considerable cost reduction potential of the AEM technology in practice. Up to 66 employees\* will work on the project. They are part of the more than 300 jobs that will be created at the Enapter Campus in the climate community of Saerbeck, NRW.
- ≡ On 28 June 2021, Enapter received the NRW.Global Business Award. The award recognises investors and companies that have chosen North Rhine-Westphalia (NRW) as a business location.
- ≡ The German Federal Ministry of Education and Research (BMBF) has recognised the innovative potential of the AEM Multicore (Dem Enapter Megawatt (MW) Electrolyser) and is funding its development with around 5.6 million euros. The innovative electrolyser is expected to be on the market as early as 2022. Enapter is working closely with Münster University of Applied Sciences (FH

Münster) on the development, which will also receive part of the funding. At the beginning of 2021, Enapter GmbH submitted an application to the project management organisation Jülich for a federal grant on a cost basis of 6.5 million euros for the project Development, design and construction of the first AEM electrolyser in the megawatt class, the Enapter AEM Multicore, under the funding measure Basic Energy Research in the funding call for ideas competition Hydrogen Republic of Germany - Lead Projects on Green Hydrogen. This was approved on 6 July 2021 in the amount of around 5.6 million euros. Of the approved grants, Enapter GmbH will receive grants of around 3 million euros in the years 2021 to 2023 and around 2.6 million euros in the years 2024 to 2025.

- ≡ Upon application, Enapter Immobilien GmbH received two grant notices from KfW on 6 August 2021 for non-repayable grants totalling EUR 7.2 million based on the KfW BEG programme. The grant notices are based on applications submitted by Enapter Immobilien GmbH on 20 July 2021 for BEG non-residential building grant (463), which is granted for energy-efficient construction. The grants cover the first two construction phases of the Enapter Campus and will be paid out at the end of the construction.
- ≡ The Enapter Group has started construction of its first mass production facility in Saerbeck in North Rhine-Westphalia (the so-called "Enapter Campus" consisting of a mass production facility with warehouses, a research and development centre and an administration building). Construction on the approximately 80,000 square metre site began with the "groundbreaking" in mid-September 2021. Completion is scheduled for the end of 2022 and the start of production in the second quarter of 2023.
- ≡ Enapter has won the 2021 Earthshot Prize, sponsored by Prince William and the Royal Foundation, in the Fix our Climate category. The Earthshot Prize is an unprecedented global search for inspiring and innovative solutions to address the major environmental challenges facing our planet. The goal of the prize is to mobilise collective action to support humanity's ability to innovate, problem solve and repair our planet. The prize money of one million pounds (about 1.2 million euros) will be used to build the mass production facility at the Enapter campus on the one hand, and for further investment in research and development on the other. The visibility of the Earthshot Prize also led to Enapter playing a prominent role at COP26, the world climate conference in Glasgow. Enapter Co-Founder Vaitea Cowan had the opportunity to present the AEM technology to multipliers such as Bill Gates and Michael Bloomberg. The Prime Minister of Great Britain, Boris Johnson, directly referred to the innovation of the AEM electrolyser in a speech broadcast on TV.
- ≡ Enapter GmbH received the first order for its new product, the AEM Multicore, in October 2021 via its sales and integration partner H2 Core Systems GmbH. Enapter is thus entering the market for large-scale plants for the production of hydrogen from renewable energy sources in the megawatt range on the basis of its modular and patented AEM technology.
- ≡ On 3 November 2021, Enapter LLC, St. Petersburg/Russia, a corporation under Russian law as a wholly owned subsidiary of Enapter AG, was established.
- ≡ The share capital of Enapter AG was increased to 24,405,647 euros in October/November 2021 through the issue of 1,304,347 shares. The capital increase was entered in the commercial register of the Mannheim Local Court on 9 November 2021. With the implementation of the cash capital increase, Enapter AG received €28.3 million in cash and cash equivalents after deduction of the costs of raising the capital.



## Net assets, financial position and results of operations of the Enapter Group

The Enapter Group is active in research and development in the field of hydrogen systems with a focus on electrolysis, project management in Renewable Energy Systems and Smart Grid Technology, software development for Smart Grid, Smart Energy and Industry 4.0 and Internet of Things (IoT), as well as in the manufacturing and production, design, trading and resale of electrolyzers and related products and related software and control systems.

Today's operational business currently takes place at the Enapter S.r.l. site in Pisa, Italy. There, manual series production was further expanded so that in the second half of 2021, production could also be carried out in shift operation if required.

Enapter GmbH in Berlin, Germany, is the operating company in Germany with headquarters in Berlin and a branch office in Saerbeck. Communication, marketing and business development for Europe were managed from the Berlin office during the financial year. In addition, a team of engineers and specialists based in this company - divided between the Berlin and Saerbeck locations - is working on the project planning for the Enapter Campus, which is to be built in Saerbeck, and on the further development of the product design.

### Earnings situation

Earnings situation in TEUR <sup>9</sup>	1.1.-31.12. 2020	+/-	1.1.-31.12. 2021
Revenues	2.070	6.372	8.442
<i>Increase in turnover in %</i>		308%	
Change in inventory	242	299	540
<b>Operating performance</b>	<b>2.312</b>	<b>6.671</b>	<b>8.982</b>
<i>Increase in operating performance in %</i>		289%	
Cost of materials	- 2.320	- 5.554	- 7.874
<i>Cost of materials in % of operating performance</i>	- 100%		- 88%
<b>Gross profit</b>	<b>- 8</b>	<b>1.117</b>	<b>1.109</b>
<i>Gross profit margin</i>	0%		12%
Own work capitalised	2.208	1.122	3.330
Other operating income	605	761	1.367
Personnel expenses	- 3.356	- 4.240	- 7.596
<i>Personnel expenses in % of operating performance</i>	- 145%		- 85%
Other operating expenses	- 2.369	- 3.459	- 5.828
<i>Operating expenses in % of operating performance</i>	- 102%		- 65%
<b>EBITDA</b>	<b>- 2.920</b>	<b>- 4.699</b>	<b>- 7.619</b>
<i>EBITDA margin</i>	- 126%		-85%
Depreciation	- 625	- 378	- 1.002
<i>Depreciation in % of operating performance</i>	- 27%		- 11%
<b>EBIT</b>	<b>- 3.545</b>	<b>- 5.076</b>	<b>- 8.621</b>
<i>EBIT Margin</i>	- 153%		- 96%
Financial result	- 21	- 67	- 88

<sup>9</sup> Unless otherwise stated, all amounts are given in thousands of euros (TEUR). For computational reasons, rounding differences of +/- one unit (TEUR, %, etc.) may occur in the information presented in these financial statements.

Income taxes	- 3	11	8
Group result	- 3.569	- 5.133	- 8.702
Result margin	- 154%		- 97%

In 2021, the Enapter Group achieved a turnover of EUR 8,442,000 with electrolysers and related components, of which EUR 4,330,000 (51%) was with customers in Germany, EUR 1,350,000 (16%) in the rest of the European Union and EUR 2,762,000 (33%) with customers in the rest of the world, thus achieving about four times the turnover of the entire previous year. However, due in particular to delays in the procurement of materials in the wake of the COVID 19 pandemic, not all existing orders could be delivered on time.

Together with the change in inventories of work in progress and finished goods, the operating performance increased significantly by KEUR 6,671 compared to the previous period to KEUR 8,982.

The increase in the cost of materials from KEUR 2,320 to KEUR 7,874 is due to the increase in production. The cost of materials ratio improved in comparison to the previous period, but here too the Corona pandemic meant that not all components were available in the required time and quality on the procurement side, so that alternative suppliers had to be used.

The other own work capitalised relates to development costs for intangible assets, which were capitalised in the amount of KEUR 3,330 in the reporting year. The additions in 2021 mainly relate to development costs for ongoing internal projects in product development that will be completed in subsequent years and then amortised on a scheduled basis over the expected useful life.

Personnel expenses have increased significantly, mainly due to the increase in personnel in Italy for R&D and production and in connection with additional personnel for the planned establishment of mass production of electrolysers in Germany at the Saerbeck site ("Enapter Campus"). As of the balance sheet date 31 December 2021, 189 people (31.12.2020: 100) are employed in the Enapter Group, of which 83 are in R&D, 68 in production and 38 in administration, sales and business development.

Other operating expenses of EUR 5,828,000 in 2021 (previous period: EUR 2,369,000) consist mainly of software development and management services of related parties (EUR 1,807,000), expenses for other external service providers (EUR 789,000), sales and marketing costs (EUR 517,000), legal, consulting and audit costs (EUR 500,000), and software licences (EUR 1,832,000). 807,000), expenses for other external service providers (789,000), sales, distribution and marketing costs (517,000), legal, consulting and auditing costs (500,000), software licences (332,000), capital market costs (321,000), operating supplies (155,000), insurance, contributions and fees (169,000), costs for the advisory board (144,000) and ancillary rental and service costs (122,000).

Consolidated EBITDA amounted to TEUR - 7,619 for 2021 (previous period: TEUR - 2,920), while consolidated profit amounted to TEUR - 8,702 (previous period: TEUR - 3,569), which is within the expected range.

## Net worth

in TEUR	31.12.2020	+/- in EUR	+/- in %	31.12.2021
<b>Net worth</b>				
<b>Current assets</b>	<b>6.633</b>	<b>23.286</b>	<b>351%</b>	<b>29.919</b>
<i>in % of balance sheet total</i>	<i>46%</i>			<i>48%</i>
Bank balances	4.248	15.356	361%	19.604
Inventories	1.300	2.304	177%	3.604
Trade receivables	184	2.454	1333%	2.638
Other current assets	901	3.172	352%	4.073
<b>Non-current assets</b>	<b>7.917</b>	<b>24.305</b>	<b>307%</b>	<b>32.222</b>
<i>in % of balance sheet total</i>	<i>54%</i>			<i>52%</i>
Property, plant and equipment	2.870	21.115	736%	23.985
Intangible assets	3.977	3.133	79%	7.110
Other non-current assets	1.070	56	5%	1.127
<b>Total assets</b>	<b>14.550</b>	<b>47.591</b>	<b>327%</b>	<b>62.141</b>

The Group's net assets show non-current assets, in particular intangible assets, property, plant and equipment and rights of use, which increased by EUR 24,305,000 from EUR 7,917,000 to EUR 32,222,000 compared to 31 December 2020, and current assets, in particular bank balances and inventories, which increased by EUR 23,286,000 from EUR 6,633,000 to EUR 29,919,000 compared to the previous year.

The additions to intangible assets mainly result from the capitalisation of development costs for existing and new projects. Additions to property, plant and equipment consist of investments in land and buildings (KEUR 3,390), plant and machinery (KEUR 1,097), office furniture and equipment (KEUR 436) and advance payments and assets under construction for the expansion of production in Italy (KEUR 330) and advance payments for the planned construction of the production facility in Saerbeck (KEUR 16,317) less depreciation and transfers.

Current assets consist mainly of bank balances, which increased from EUR 4,248,000 to EUR 19,604,000 compared to the previous year 2020, mainly due to the cash capital increase in autumn 2021. Other current assets include inventories of EUR 3,604,000 (31.12.2020: EUR 1,300,000) and other assets and trade receivables of EUR 6,711,000 (31.12.2020: EUR 1,085,000).

## Financial position

In TEUR	31.12.2020	+/- in EUR	+/- in %	31.12.2021
<b>Financial position</b>				
<b>Current liabilities</b>	<b>4.452</b>	<b>5.945</b>	<b>134%</b>	<b>10.397</b>
<i>in % of balance sheet total</i>	<i>31%</i>			<i>17%</i>
Liabilities from deliveries and services	947	5.440	574%	6.387
Current financial liabilities	1.524	- 184	- 12%	1.340
Short-term provisions	239	277	116%	516
Other current liabilities and accrued expenses	1.742	412	24%	2.154
<b>Long-term debt</b>	<b>1.353</b>	<b>3.871</b>	<b>286%</b>	<b>5.224</b>
<i>in % of balance sheet total</i>	<i>9%</i>			<i>8%</i>
Non-current financial liabilities	589	2.695	458%	3.284
Non-current provisions	278	234	84%	512
Accruals and deferrals	486	942	194%	1.428
<b>Equity</b>	<b>8.745</b>	<b>37.775</b>	<b>432%</b>	<b>46.520</b>
<i>in % of balance sheet total</i>	<i>60%</i>			<i>75%</i>
<b>Total equity and liabilities</b>	<b>14.550</b>	<b>47.591</b>	<b>327%</b>	<b>62.141</b>

The share capital of Enapter AG increased from TEUR 22,270 by TEUR 2,136 to TEUR 24,406 in the reporting year in the course of the cash capital increases. With the implementation of the cash capital increase, Enapter AG received EUR 46,067,000 in cash and cash equivalents after deduction of the costs of raising the capital.

The capital reserve as at 31 December 2021 amounts to EUR 37,615,000, the increase in which is attributable to the capital increases carried out; the revenue reserves and other reserves amount to EUR - 15,501,000 as at 31 December 2021. The equity ratio as at 31 December 2021 is 75% (31.12.2020: 60%).

Non-current liabilities increased by EUR 3,871,000 from EUR 1,353,000 as at 31 December 2020 to EUR 5,224,000, mainly due to two loans of nominally EUR 2,500,000 and EUR 600,000 received during the reporting period. The financial liabilities shown above also include leasing liabilities of TEUR 575 (long-term) and TEUR 155 (short-term).

The increase in trade payables from EUR 947,000 to EUR 6,387,000 is mainly due to services used for the construction of the Enapter Campus in Saerbeck.

Deferred income (current and non-current) includes grants for completed R&D projects that receive government funding in Italy. Deferred income totalling TEUR 1,548 (PY TEUR 707) mainly includes R&D grants deferred into the future; these will be released over the expected useful life of the capitalised asset when the project to which it relates will be completed. Of these, KEUR 119 have a term of up to one year and KEUR 1,428 have a term of more than one year.

Other liabilities include advance payments received from customers in the amount of TEUR 985 (31.12.2020: TEUR 755). The relatively high advance payments received also result from the order conditions, which generally provide for a 60% advance payment after order confirmation and a 40% advance payment before delivery/shipment.

At the beginning of the financial year, the Group's equity amounted to TEUR 8,745. Mainly due to the cash capital increase, reduced by the net loss for the period of TEUR -8,702, equity increased by TEUR 37,775 to TEUR 46,520.

The balance sheet total according to IFRS has increased from TEUR 14,550 as at 31 December 2020 to TEUR 62,141 as at 31 December 2021.

## Cash flow

CASH FLOW IN TEUR	1.1.-31.12. 2020	+/- in EUR	1.1.-31.12. 2021
Cash flow from operating activities	- 2.137	-5.860	-7.997
Cash flow from investing activities	- 3.788	- 21.276	-25.064
Cash flow from financing activities	8.819	39.598	48.417
<b>Change in cash and cash equivalents</b>	<b>2.894</b>	<b>12.462</b>	<b>15.356</b>
Cash and cash equivalents at the beginning of the period	1.354	2.894	4.248
Cash and cash equivalents at the end of the period	4.248	15.356	19.604

The cash flow from operating activities decreased from TEUR -2,137 to TEUR -7,997, mainly due to the lower annual result.

Cash flow from investing activities amounts to TEUR - 25,064 and consists mainly of capitalised development costs for intangible assets and patents of TEUR - 3,483 and investments in property, plant and equipment of TEUR - 21,570.

The cash flow from financing activities in the financial year amounts to TEUR 48,417 and consists mainly of inflows from the cash capital increases of TEUR 48,304 less costs of raising capital of TEUR -2,237, inflows and borrowings of TEUR 3,075, repayments of financial liabilities of TEUR - 612 and other transactions totalling TEUR -113.

## Overall statement on economic development

Revenues increased by EUR 6.2 million from approximately EUR 2.1 million in 2021 to approximately EUR 8.4 million in 2021. Enapter achieved an EBITDA of -7.6 million euros. This means that the earnings development in 2021 was also in line with our own expectations. During the financial year, we were also affected by the continuing spread of the COVID 19 pandemic, so that not all existing orders could be delivered on time, which led to a change in inventories of work in progress and finished goods of around EUR 0.5 million. Including this change in inventory, an operating performance of around EUR 9.0 million was achieved in 2021.

The existing production capacities at the Pisa site were further expanded. Construction of the Enapter Campus in Saerbeck was started in 2021.

As of 31 December 2021, Enapter has equity of around EUR 46.5 million (previous year: EUR 8.7 million), which corresponds to an equity ratio of around 75% as of the balance sheet date (previous year: 60%). This means that the non-current assets (52% of total assets) are covered by equity as of 31 December 2021.

## Notes to the financial statements of Enapter AG (Holding)

Earnings situation in TEUR	1.1.-31.12. 2020	+/- in EUR	1.1.-31.12. 2021
Revenues	0	116	116
Other operating income	141	152	294
Personnel expenses	- 69	- 191	- 260
Other operating expenses	- 916	- 4.259	- 5.175
<b>EBITDA</b>	<b>- 843</b>	<b>- 4.182</b>	<b>- 5.025</b>
Depreciation	0	- 2	- 2
Financial result	1	- 17	- 16
Income taxes	0	4	4
<b>Annual result</b>	<b>- 842</b>	<b>- 4.197</b>	<b>- 5.039</b>

The revenues from the licensing of the electrolyser software (EUR 116,000) result from the onward invoicing to the Italian subsidiary.

Other operating income consists mainly of income from the first tranche of the Earthshot prize (EUR 293,000).

Personnel expenses of EUR 260,000 (previous year: EUR 69,000) increased in particular due to new hires in 2021, but are also only comparable with the previous year to a limited extent, as the company's operating activities began in the autumn of the previous year.

**Other operating expenses of EUR 5,175,000** (previous year: EUR 916,000) result mainly from the costs of raising equity (EUR 2,237,000; previous year: EUR 74,000), licence fees for the electrolyser software (EUR 1,050,000; previous year: EUR 170,000), the stock exchange listing and other capital market costs (EUR 321,000; previous year: EUR 200,000), management compensation to the main shareholder BluGreen Ltd. (TEUR 418; previous year: TEUR 105), services provided by the related company Enapter Co. Ltd. (TEUR 339; previous year: TEUR 91), accounting, financial statement and auditing costs (TEUR 152; previous year: TEUR 77), insurance and contributions (TEUR 145), legal and consulting costs (TEUR 138; previous year: TEUR 104), costs for the Enapter Advisory Board (TEUR 144; previous year: TEUR 36) and Supervisory Board (TEUR 54; previous year: TEUR 4), expenses from currency translation (TEUR 10; previous year TEUR 0) and other operating expenses (TEUR 166; previous year: TEUR 55).

In the financial year 2021, Enapter AG generated a net loss according to HGB of TEUR 5,039 (previous year: net loss of TEUR 842).

Net assets in TEUR	31.12.2020	+/- in EUR	+/- in %	31.12.2021
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<b>Assets</b>				
Fixed assets				
Property, plant and equipment	3	2	67%	5
Financial assets	122.980	38.095	31%	161.075
<b>Total fixed assets</b>	<b>122.983</b>	<b>38.097</b>	<b>31%</b>	<b>161.080</b>
<i>in % of balance sheet total</i>	<i>97%</i>			<i>95%</i>
Current assets				
Receivables and other assets	80	1.336	1670%	1.416
Bank balances	3.729	3.872	104%	7.601
<b>Total current assets</b>	<b>3.809</b>	<b>5.208</b>	<b>137%</b>	<b>9.017</b>
<i>in % of balance sheet total</i>	<i>3%</i>			<i>5%</i>
<b>Total assets</b>	<b>126.792</b>	<b>43.305</b>	<b>34%</b>	<b>170.097</b>
<b>Capital</b>				
Equity				
Subscribed capital	22.269	2.137	10%	24.406
Reserves	105.287	46.168	44%	151.455
Accumulated loss	- 1.210	- 5.039	416%	- 6.249
<b>Total equity</b>	<b>126.346</b>	<b>43.266</b>	<b>34%</b>	<b>169.612</b>
<i>in % of balance sheet total</i>	<i>100%</i>			<i>100%</i>
Provisions	171	101		272
Liabilities	275	- 63		212
<b>Total capital</b>	<b>126.792</b>	<b>43.305</b>	<b>34%</b>	<b>170.097</b>

The assets position mainly shows financial assets amounting to TEUR 161,075. The shares in affiliated companies are reported under financial assets:

- Enapter GmbH (registered in the Commercial Register of the Local Court of Berlin (Charlottenburg) under HRB 201064, Reinhardtstraße 35, 10117 Berlin), shares 1 to 25,000 in Enapter GmbH, conveying a 100% interest in Enapter GmbH.
- Enapter S.r.l. (registered with the Chamber of Commerce of Pisa, VAT n.13404981006, registered office: Via di Lavoria 56G, 56042 Crespina Lorenzana (PI), Italy), shares with a nominal value of EUR 499,900.00 in Enapter S.r.l., conveying a 99.98% shareholding in Enapter S.r.l..
- Enapter Immobilien GmbH (since 25 February 2021 registered in the Commercial Register of the Local Court of Steinfurt under HRB 13208, business address: Reinhardtstraße 35, 10117 Berlin), shares 1 to 25,000 in Enapter Immobilien GmbH, conveying a 100% interest in Enapter Immobilien GmbH.

In the financial year, Enapter AG made payments into the capital reserves of Enapter S.r.l. totalling TEUR 15,350 (previous year TEUR 2,980). EUR 2,500k was paid into the capital reserves of Enapter GmbH. Payments amounting to TEUR 20,220 were made into the capital reserves of Enapter Immobilien GmbH.

Not yet included in the shares in affiliated companies as at 31 December 2021 are the shares in Enapter LLC, St. Petersburg (registered with the St. Petersburg Chamber of Commerce, n.1217800171489, registered office: St. Petersburg, Russia), shares in the nominal amount of RUB 10,000 (approx. EUR 117) in Enapter

LLC, which convey a 100% interest in Enapter LLC, since the company was founded on 3 November 2021, but the capital contribution was not paid in until January 2022.

Another significant component of Enapter AG's assets is the bank balance, which has increased from TEUR 3,729 to TEUR 7,601 compared to the previous year due to the capital increases.

The subscribed capital of Enapter AG amounts to EUR 24,405,647.00 (previous year: EUR 22,269,300) as of 31 December 2021 after the implementation of the capital increases described below.

By resolutions of 16 February 2021 (resolution on the utilisation of the Authorised Capital 2020) and on 17 March 2021 (resolution on the determination of the volume of the capital increase from the Authorised Capital 2020), the Executive Board of the Company, with the consent of the Supervisory Board of 16 February 2021, had resolved a further capital increase of EUR 832,000.00 to EUR 23,101,300.00 from the Authorised Capital 2020, the implementation of which was entered in the Commercial Register of the Company on 6 April 2021.

The Executive Board had resolved on 28/29 October 2021, with the approval of the Supervisory Board on 28 October 2021, to increase the share capital of the Company by EUR 1,304,347.00 by issuing 1,304,347 new no-par value bearer shares, each with a notional interest in the share capital of the Company of EUR 1.00 ("New Shares"). The New Shares shall carry full dividend rights from 1 January 2021. Each New Share grants one vote at the General Meeting. They shall participate in any liquidation proceeds in proportion to their arithmetical share in the share capital. The New Shares will be issued against cash contribution at an issue price of EUR 1.00 per New Share. The subscription price is EUR 23.00 per New Share. The increase of the share capital was entered in the commercial register of the Company on 9 November 2021 and accordingly now amounts to EUR 24,405,647.00.

The capital reserve amounts to EUR 151,455,112 as at 31 December 2021 (previous year: EUR 105,287,478) and developed as follows during the financial year:

	in TEUR
Status as of 1 January 2021	105.287
Premium from the capital increase of 6.4.2021	17.472
Premium from the capital increase of 9.11.2021	28.696
Status as at 31 December 2021	151.455

As at 31 December 2021, the following accumulated deficit results:

	in TEUR
Accumulated loss as at 1 January 2021	- 1.210
Net loss for the year	- 5.039
Accumulated loss as at 31 December 2021	- 6.249

Taking into account the subscribed capital, the capital reserve and the accumulated deficit, there is positive equity of TEUR 169,612 (previous year: TEUR 126,347) as of the balance sheet date, which corresponds to an equity ratio of almost 100%.

Other provisions increased by EUR 101,000 from EUR 171,000 to EUR 272,000 in the financial year and mainly consist of provisions for annual financial statement and audit costs in the amount of EUR 128,000.



Trade payables amounting to TEUR 197 (previous year TEUR 119) have a remaining term of up to one year and are not secured.

Liabilities to affiliated companies include trade payables of KEUR 5 (previous year KEUR 35). The liabilities to affiliated companies are due to Enapter LLC, Russia, from a service contract. The liabilities have a remaining term of up to one year.

Other liabilities amounting to TEUR 11 (previous year TEUR 120) consist mainly of liabilities for wage and church tax (TEUR 9).

Total assets increased from EUR 126,792,000 as at 31 December 2020 to EUR 170,097,000 as at 31 December 2021, primarily due to the capital increases carried out.

#### **Financial position**

With regard to the financial position, we refer to the consolidated group cash flow statement under "Results of operations, net assets and financial position of the Enapter Group", since the company, as a holding company, also provides financing for the subsidiaries.

#### **Report on material risks and opportunities**

Our risk policy is in line with our strategy to provide the market with low-cost electrolysers of high availability and quality by scaling our production, while also increasing our enterprise value. To achieve this, we manage appropriate risks and opportunities and avoid inappropriate risks.

Systematic and efficient risk management is a dynamic and constantly evolving task for the Executive Board of Enapter AG. Due to the change in focus from an associated company to an operating group of companies, the risks were also newly determined and evaluated. In the following, the main risk positions are documented and the main features of the accounting-related internal control system and risk management system are presented.

In this context, the Enapter understands the accounting-related internal control system as the principles, procedures and measures to ensure the effectiveness and efficiency of accounting, to ensure the correctness of bookkeeping and to ensure compliance with the relevant legal regulations. The individual components of the risk management system are described in more detail below.

While the risk management system is aimed at identifying and classifying risks, the internal control system is aimed at reducing risks through control measures. The internal control system is thus an integral part of the risk management system and is therefore summarised below.

The performance of both systems has general limits. Even an internal control system and a risk management system that can basically be judged as effective cannot provide absolute security for the avoidance of material misstatements or losses.

The Executive Board designs the scope and orientation of the systems set up on its own responsibility and in consultation with the Supervisory Board according to the company-specific requirements. The processes are adapted to the size and structure of the Enapter Group.

The objectives of the internal control system and the risk management system can be described as follows:

- Identification and assessment of risks;
- Limitation of identified risks;
- Reviewing identified risks in terms of their impact on the consolidated and individual financial statements of Enapter AG and Enapter subsidiaries and mapping these risks accordingly.

The entire process of preparing the financial statements for the individual financial statements under commercial law and the consolidated financial statements under IFRS is framed by a strict dual control principle and IT access restrictions.

In an annual risk inventory, risks are first listed. These are then assigned to company divisions. They are then classified according to the probability of occurrence as follows:

Probability of occurrence	Description
0% to 5	Very low
6% to 25%	Low
26% to 50%	Medium
51% to 100%	High

Then a classification is made according to the degree of financial impact at the time of risk occurrence as follows. Due to the change in business activity, these thresholds were halved compared to the thresholds of the previous year:

Erwartete Auswirkung in T€	Grad der Auswirkung
T€ 0 bis T€ 250	Niedrig
T€ 250 bis T€ 1.000	Moderat
T€ 1.000 bis T€ 5.000	Wesentlich
> T€ 5.000	Gravierend

Finally, both classifications are condensed into an overall risk assessment from "low" to "medium" to "high" according to the following matrix:

Overall risk assessment	Probability of occurrence			
	Very low	Low	Medium	High
Low	low	low	medium	medium
Moderate	low	medium	medium	medium
Essential	medium	medium	medium	high
Grave	medium	medium	high	high

Controls are then established to limit the respective risks. The controls are then classified according to their characteristics:

- Type of control (manual or automatic)

- Effect of the control (preventive or detective) and
- Frequency of the control

With regard to accounting-related risks, these controls essentially consist of higher-level plausibility assessments as well as reconciliation actions.

The supervisory board receives all relevant (interim) financial statements at the draft stage for its information and as a basis for its audit activities. In addition, the supervisory board generally receives monthly reports and, at the discretion of the executive board or at the request of the supervisory board, reports tailored to its information needs, in which the integrated planning account, including the liquidity situation and planning, is presented at the level of the individual companies and in a consolidated group view according to IFRS.

The use of interactive Power BI dashboards also allows management to monitor key metrics from production to finance in real time.

Significant risks associated with an operating activity and the planned growth strategy, in particular for the resulting financing strategy, exist as follows as at the balance sheet date:

### Sales and market-related risks

The Enapter Group is active in a young market whose products must assert themselves against others, especially established products, and in which significantly increasing competition is to be expected. Enapter's AEM technology must also assert itself against currently established technologies. The establishment of the Enapter Group's products could fail / be delayed / be unprofitable.

The supply demand for our electrolyzers is currently very high. This shows that the market acceptance of our electrolyzers is very high due to their versatile and scalable properties. However, it cannot be ruled out that competitors will also bring more compact and more easily scalable products to market, which will then compete with the current or future model range of Enapter electrolyzers.

The economic success of Enapter depends on the development of a mass market for the Enapter Group's products. The development of such a market could fail to materialise altogether or take longer than expected. As a result, the Enapter Group may not be able to market its products in the expected timing or quantities.

Enapter is currently experiencing very high demand, even beyond the forecast period of 2022. Due to the existing order backlog and the expected incoming orders from the sales pipeline with expressions of interest from potential customers, we generally assess the sales and market-related risks as moderate until the end of 2022. Regarding the uncertainties caused by the Russia-Ukraine war since February 2022 with regard to our market expectations, we refer below to the special "Risks due to armed conflicts, especially the Ukraine war".

### Risks in procurement and production

Mass production could encounter technical implementation problems, as mass production of the electrolyzers is technically and organisationally demanding. A possibly persistent or re-intensified spread of the coronavirus in the course of the COVID-19 pandemic may lead to operational disruptions and interruptions, especially in the supply chains.

Due to the continuing spread of the coronavirus, there were delays in procurement in the reporting period in particular, so that not all existing orders could be delivered on time. Overall, however, the major bottleneck in the supply chain also had a positive effect on the company's development, as we have broadened our position in the supply chain. This resulted in a better negotiating position in terms of quality and, not least, material costs.

Here, too, we refer to the uncertainties caused by the Russia-Ukraine war described below.

However, if production or marketing cannot be realised as planned, this would have a significant impact on the key figures turnover, EBITDA and net income.

### Risks from armed conflicts, especially the war in Ukraine

The war is a tragedy for the people, especially in Ukraine.

We are required by law to report on the uncertainties surrounding the economic impact of the war on the Company and the Enapter Group.

The invasion of sovereign Ukraine by Russian forces on 24.02.2022 represents a drastic event that will also leave clear traces in the global economy and thus in corporate accounting. The reactions were immediately noticeable on the goods and financial markets, and the democratic states united in imposing harsh sanctions against Russia. The consequences for Russia, but also for the imposing states, are already immediately apparent, but will also have considerable consequences for the global economy in the long term. At present, it is hardly possible to make statements on the temporal extension of the crisis, which may also be exacerbated by further actions on the part of Russia.

Of the total of 35 software developers in the Enapter Group, 29 employees work in St. Petersburg. A large number of these employees have left Russia. The employees continue to work for the Enapter Group at different locations. In our opinion, this does not currently pose a significant economic risk for the Enapter Group and thus for the company, but it could become a high risk if the war continues, especially due to the indirect consequences of the war described below.

Significant risks affect the real economy, e.g. from its supply chains (especially with regard to energy demand), on its sales markets, with regard to the supply of credit by banks or from cyber attacks. The indirect consequences of the war can lead to business disruptions and interruptions, declines in demand, delivery failures and / or increases in costs. In particular, there is a risk that existing supply chains will be interrupted. We and some of the Enapter Group's customers / suppliers have already experienced delays in internal processes.

Enapter AG and its subsidiaries have a strict policy to comply with such sanctions. To this end, an internal compliance check has been set up before taking on customers or other contractual partners. It cannot be ruled out that Russia will take countermeasures to the sanctions imposed by the EU, the US and the UK, which could lead to further restrictions on the exchange of goods and services as well as capital movements and even to the nationalisation of Enapter LLC.

The effects of the armed conflicts on the overall economic development, international trade and transport as well as on the financial and goods markets and thus for our business development cannot be assessed conclusively and appropriately by us; the continuation of the war or even an escalation of the conflict will probably have a significant negative impact on our business activity.

## Risks in connection with the planned expansion strategy

There are risks from the construction of the mass production facility in Saerbeck in North Rhine-Westphalia, particularly with regard to the cost increase of the Enapter campus and/or the completion and financing, of the construction project.

The Enapter Group has begun construction of its first mass production facility in Saerbeck in North Rhine-Westphalia (the so-called "Enapter Campus" consisting of a mass production facility with warehouses, a research and development centre and an administration building). Construction on the approximately eighty thousand square metre site began with a "ground-breaking ceremony" in mid-September 2021. The campus is scheduled for completion by the end of 2022. The first deliveries from the site to customers are scheduled for 2023.

In parallel, Enapter continues to produce electrolysers in series production at the Italian site and continues to invest heavily in research and development.

The financing of the group, in particular the Enapter campus in Saerbeck, is to be carried out with equity, subsidies and debt capital.

For the financing of the Enapter Group, primarily Enapter S.r.l. and planning and construction services of the Enapter Campus, a capital increase with a gross issue volume of EUR 18.3 million was carried out in March 2021 and another capital increase with a gross issue volume of EUR 30 million was carried out in October/November 2021 for the initial financing of the construction services in connection with the Enapter Campus and for the financing of working capital.

Funding for the Enapter Campus and for working capital until 2023 includes subsidies of around EUR 20.4 million out of a total of around EUR 25.9 million that have already been approved by the project sponsors:

On 5 August 2020, Enapter GmbH submitted an application to the Project Management Organisation Jülich (part of the Forschungszentrum Jülich GmbH and responsible for processing and granting funding from the Federal Ministry for Economic Affairs and Energy) for a federal grant on a cost basis of EUR 0.8 million for the joint project Alkaline Electrolysis (ALELY), sub-project: Development of a new stack and system design for the production of an improved and enlarged AEM electrolyser prototype. The funds are to be made available in the planning period from 1 February 2021 to 31 January 2024. The federal grant in the amount of EUR 0.7 million was awarded in the grant decision of 30 August 2021.

On 22 February 2021, Enapter GmbH submitted an application to the project management organisation Jülich for funding of EUR 6.4 million for the project Development, design and construction of the first AEM electrolyser in the megawatt class, the AEM Multicore, under the funding measure Basic Energy Research in the funding area Call for Ideas Competition Hydrogen Republic of Germany - Lead Projects on Green Hydrogen. In response to this application, project funding was granted in the amount of 60% of the actual costs incurred, up to a maximum of EUR 5.6 million, in a funding decision dated 5 July 2021. The actual amount of the grant will only be determined in the final decision after the proof of use to be submitted has been reviewed and is subject to change until then.

Enapter GmbH also submitted a further application of EUR 10,094,314.00 to the project management organisation Jülich on 22 February 2021 for the project Innovative Development of Machine Blueprints for AEM Mass Production for the implementation period 1 April 2021 to 31 March 2025. In this project, the necessary automation elements for the mass production of the AEM electrolyser are to be developed, tested and implemented in order to realise the cost reduction potential of the AEM technology in practice,

according to the Enapter Group. In response to this application, project funding amounting to 50% of the total eligible expenditure of EUR 18.7 million was granted in the form of a grant or allocation in the form of a funding decision dated 11 June 2021, i.e. up to a maximum amount of EUR 9.4 million. The grant is valid for the period from 2021 to the end of 2025 (approval period).

Upon application, Enapter Immobilien GmbH received two grant notices from KfW on 6 August 2021 for non-repayable grants totalling EUR 7.2 million on the basis of the KfW-BEG programme. On 14 February 2022, a further three grant notifications totalling EUR 2.8 million were issued on the basis of the KfW-BEG Programme. The grant notifications are based on applications submitted by Enapter Immobilien GmbH on 20 July 2021 and 28 December 2021 for BEG non-residential building grant (463), which is granted for energy-efficient construction. The grants cover the first two construction phases of the Enapter Campus (decision dated 06 August 2021) and construction phases three and four of the Enapter Campus (decision dated 14 February 2022) and are paid out at the end of the construction measure.

On 21 December 2021, Enapter GmbH applied to the project management organisation Jülich for an application in the amount of EUR 0.3 million for the project "Life Cycle Impact Zero". The application was approved on 14 April 2022.

The land for the Enapter Campus in Saerbeck was already acquired in spring 2021 from the company's own funds (purchase price EUR 1.8 million). To ensure the completion of the production hall (construction phase 1) and the research and development facilities (construction phase 2) in the third quarter of 2022 and to secure costs, general planning contracts and a general contractor agreement were concluded with Goldbeck in 2021. With the conclusion of the general contractor agreement with a renowned construction company for commercial real estate at fixed completion dates and prices, the risks of delayed completion and cost increases, especially due to sharply rising building materials and a shortage of subcontractors carrying out the construction work, are minimised.

Around EUR 28 million was paid for the Enapter campus from own funds by mid-April 2022.

In total, after the payments made from own funds and the subsidies, there is a further financing requirement for the Enapter Campus and for working capital - as of mid-April 2022 - of around EUR 76 million.

At the beginning of April 2022, a capital increase with gross proceeds of EUR 30 million was placed. Against this background, the Executive Board, with the approval of the Supervisory Board, decided to increase the capital by an amount of at least EUR 1,578,948.00 and up to EUR 6,315,789.00 by issuing at least 1,578,948 and up to 6,315,789 new shares from the authorised capital while granting subscription rights to current shareholders.

The total volume of the capital increase is divided into two tranches. The first part comprises the tranche from the pre-placement with the above-mentioned gross proceeds of EUR 30 million. A second part with a volume of up to EUR 70 million is intended for subscription by strategic investors with whom Enapter is in advanced negotiations on cooperation agreements. BluGreen Company Limited, the main shareholder of Enapter with a shareholding of approximately 71.5% of the share capital, has committed itself in a backstop agreement to participate in the capital increase with an amount of up to EUR 15 million to the extent that the new shares - apart from the new shares intended for the strategic investors - are not subscribed for elsewhere.

Depending on the proceeds from the placement of the offer shares of the second part of the capital increase in 2022, the company plans to take out bank loans totalling up to EUR 90 million. The company has

commissioned an external service provider to support it with the bank financing. A deficiency guarantee for up to 80 % of the loan volume by the State of North Rhine-Westphalia has been promised for the debt financing by banks.

There can be no guarantee that the financing measures can be implemented to the extent that sufficient funds are available for - from the Enapter Group's perspective - necessary investments. Likewise, there is a risk that the Enapter Group will not be able to raise necessary funds elsewhere or at reasonable conditions. The board is confident that it will be able to close the gap. However, should the fundraising not succeed, the Enapter Group would not be able to implement its business activities as planned and the company's continued existence would be at risk.

### Liquidity risks

Enapter was able to significantly increase sales revenues by EUR 6.3 million from around EUR 2.1 million in 2020 to EUR 8.4 million in 2021. Enapter expects the losses and associated liquidity outflows to continue until mass production and the associated sales of the electrolyzers have started on a sustainable basis. According to current planning, the operating break-even is expected in 2023.

Based on the political backing from EU and national funding programmes, as well as the initial talks with potential lenders and the demand on the capital market for "hydrogen" shares, Enapter expects to be able to raise the necessary funds.

In the course of further talks on debt capital and on subsidies, Enapter will also examine other options to possibly raise additional funds from these areas beyond the planned amounts, whereby it is also conceivable, due to the stage of the talks, that funds can only be raised to a lesser extent than currently planned.

Whether these financings will be successful is uncertain, among other things also against the background of the current uncertainties due to the ongoing Corona pandemic. If the financing cannot be raised as planned, and as a result mass production is delayed or cannot be realised with the planned turnover, this would have a significant impact on the Enapter Group's business. There is a risk that the construction project could not be carried out as planned or could be delayed, so that the mass production of electrolyzers could start late. This would have a significant impact on the key figures liquidity, revenue, EBITDA and net profit.

Risks threatening the company's existence within the next 12 months could arise if the planned capital measures cannot be implemented or if they are significantly below the expected volume. Due to the political support within the framework of the national and international hydrogen strategies of Germany, the EU and other countries and the measures already initiated to achieve and support programmes to reach the set climate targets, as well as in particular the initial discussions with the strategic investors and potential debt capital providers and the generally good demand on the capital market for "hydrogen" shares, the Executive Board assumes that it will be able to raise the required funds. As soon as the equity measures and the timeframe are specified, Enapter will announce the capital measure.

### Litigation

Risks from legal disputes are not apparent. There are no lawsuits against the company. A fine imposed by the Federal Financial Supervisory Authority (BaFin) in 2015 was deferred until 30 September 2021 and paid on time.

### Overall assessment of the risk situation

Currently, taking into account Enapter's current direction, there are specific risks that are monitored to the extent that they are within the company's sphere of influence. Enapter estimates the overall risk of the listed operational risks to be moderate. Risks threatening the company's existence within the next 12 months may arise if the financing strategy for the development and expansion of the Enapter Campus is not implemented as planned. With the liquidity available at the time of preparing the consolidated financial statements from the capital increase in November 2021, the planned implementation of the capital increase in April/May 2022 and the planned borrowing, taking into account the state guarantee from North Rhine-Westphalia, the completion of the Enapter Campus and the working capital requirements would be covered beyond the next 12 months. Payment targets and order commencements could still be postponed if necessary in the event of a financing gap.

### Opportunities

Enapter is not alone in thinking that green hydrogen can become the oil of the 21st century. According to this analogy, electrolyser manufacturers would have the relevance of today's oil and gas producers. To successfully position themselves for this market opportunity, the key is to scale up quickly to provide low-cost electrolysers with high availability and quality. To this end, Enapter develops and manufactures electrolysers based on its patented Anion Exchange Membrane ("AEM") technology.

Enapter is the technology leader in innovative Anion Exchange Membrane (AEM) electrolysis, which can be used to produce green hydrogen. The technology enables the construction of efficient and cost-effective standardised electrolysers and stacks that can be scaled up to larger units according to the principle of modularity. Energy Management System software developed in-house ensures easy operation, control and monitoring as well as high compatibility. Patents and strong in-house research and development capabilities give Enapter a sustainable competitive advantage. The company plans to set up mass production, which will drastically reduce production costs through scaling, standardisation and automation. The goal is the low-cost production of green hydrogen at a level competitive with fossil fuels already on a small scale. Due to the political backing and the ever-increasing pressure on companies to save CO<sub>2</sub>, Enapter expects strong and long-lasting demand for electrolysers.

The market for adapters includes all types of hydrogen applications, which require electrolysers of all sizes for production. The provision of green hydrogen concerns a global market because green hydrogen is well suited as a vehicle for the transformation and storage of renewable energy sources and thus contributes to the achievement of climate targets. According to the German government, Germany alone will need 44 gigawatts of electrolyser capacity by 2030 and 213 gigawatts by 2050. The government's CO<sub>2</sub> pricing acts as an accelerator of the transformation process from "grey" to "green" in the production of hydrogen.

## Report on the expected development

### Economic framework conditions

The Russian war of aggression in Ukraine poses substantial risks for the German economy. However, the effects are difficult to quantify at this point in time. They depend heavily on the duration and intensity of the war. Since the beginning of the military invasion, there have been extreme price increases for energy and



raw materials. Trade flows and supply chain relationships are also affected. Uncertainty about further economic development remains correspondingly high.<sup>10</sup>

A sharp rise in the inflation rate can be observed: it was 7.3% in March 2022, largely driven by an explosive increase in energy prices as a result of the outbreak of war on 24 February 2022. The further development of the price level can hardly be reliably predicted because neither the duration nor the outcome of the war can be foreseen at present. Since Germany imports large parts of its gas requirements from Russia, there is a high risk here for the price level development for this energy source. Although gas prices declined again in March, they started from a very high level in the run-up to the Russian war of aggression. Currently, they are still more than four times higher than their long-term average. Germany will have to pay significantly more for energy in 2022 than in previous years.

In its new forecast, the IMF expects global growth of only 3.6 percent in 2022. This is 0.8 percentage points less than assumed in January. For the Eurozone, the IMF expects growth to be 1.1 percentage points lower at 2.8 per cent. In Germany, gross domestic product (GDP) is expected to grow by only 2.1 per cent - a downgrade of the January forecast by 1.7 percentage points.<sup>11</sup>

### Market for green hydrogen

The decarbonisation targets of the European Union, Germany and other countries are expected to increase the future demand for hydrogen. In December 2020, the European Union agreed to tighten its climate protection targets. By 2030, greenhouse gas emissions are to be reduced by 55% compared to 1990, and climate neutrality is to be achieved by 2050. So far, Germany has set a 55% reduction in greenhouse gas emissions (1990 baseline) by 2030 in its national climate protection law, with separate targets for the energy, industry, buildings, transport, agriculture and waste sectors compared to the 1990 reference year. In the course of the tightening of the European Union, Agora Energiewende expects a new target of 65%. Germany is also aiming for complete climate neutrality by 2050.<sup>12</sup> To achieve this, all sectors of the economy would have to be converted to carbon-free energy sources in the coming decades. In certain areas - for example in the steel industry and parts of the chemical industry or the transport sector - hydrogen produced with low emissions will play an important role.<sup>13</sup> Price increases for grey hydrogen, also due to the Ukraine crisis, can accelerate the conversion process to green hydrogen.

The National Hydrogen Strategy aims to ensure that Germany maintains its global pioneering role in hydrogen technologies. In addition to the climate policy aspects, hydrogen technologies are also about strengthening energy self-sufficiency, many sustainable jobs, new value creation potentials and a global market worth billions<sup>14</sup>.

Enapter therefore expects demand for electrolysers to increase significantly for the coming financial year and the next few financial years.

### Turnover development and introduction of new products

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<sup>10</sup> <https://www.bmwk.de/Redaktion/DE/Pressemitteilungen/Wirtschaftliche-Lage/2022/20220413-die-wirtschaftliche-lage-in-deutschland-im-april-2022.html>

<sup>11</sup> <https://www.zdf.de/nachrichten/wirtschaft/iwf-senkt-wachstumsprognose-ukraine-krieg-100.html>

<sup>12</sup> Study NORD LB 3/2021 with reference to Agora Energiewende, Stiftung 2o, Roland Berger: Klimaneutralität 2050: Was die Industrie jetzt von der Politik braucht, 2021

<sup>13</sup> [Aurora Energy Research: Hydrogen electrolysers with more than 213 gigawatts in the pipeline worldwide by 2040 - pv magazine Deutschland \(pv-magazine.de\)](https://www.pv-magazine.de/Aurora-Energy-Research-Hydrogen-electrolysers-with-more-than-213-gigawatts-in-the-pipeline-worldwide-by-2040-pv-magazine-Deutschland-pv-magazine.de)

<sup>14</sup> <https://www.bmwi.de/Redaktion/DE/Dossier/wasserstoff.html>

Today's operational business currently takes place at the Enapter S.r.l. site in Pisa, Italy. There, manual series production was further expanded in 2021, so that significantly higher quantities could be produced in the second half of 2021, also in shift operation. With the commissioning of chemical production in another building in Pisa in the first half of 2022, stack production in particular can be significantly increased.

The current model of the Enapter Group is the electrolyser "EL 2.1", which will be supplemented by the more compact "EL Model 4" in mid-2022. Both are based on AEM technology with a dry cathode.

With the EL 4.0, a significant milestone is realised from the existing series production towards mass production of electrolysers from 2023. The EL 4.0 is more compact, lighter and also cheaper than the predecessor model. The dimensions have been reduced by 4.5 cm and the weight by 17 kg to 38 kg. Thanks to its compact design and simple installation, the EL 4.0 is suitable for almost any conceivable green hydrogen application. At the same time, the modular design makes it possible to connect as many units in series as required to produce the desired amount of green hydrogen. The latest AEM electrolyser can be used extremely flexibly under a wide range of conditions globally: it can be operated with direct and alternating current and is available in water- and air-cooled variants. Deliveries of the EL 4.0 will begin in the second half of 2022. Even before the official market launch, there are more than 400 customer orders for the new device.

As of mid-April 2022, the total order backlog for 2022 is over EUR 8.2 million, with a further EUR 2.2 million already contractually fixed for 2023. The sales pipeline is well filled with expressions of interest from potential customers. Current customer enquiries add up to around EUR 300 million. A year ago, customer enquiries at this time were still around EUR 20 million.

For 2022 as a whole, we continue to expect a significant increase in revenue. We continue to adhere to the revenue forecast of EUR 44.8 million confirmed in January 2022 due to the increased production capacities at the Pisa site and the order backlog as well as the expected order intake from the orders currently being negotiated. However, revenue recognition is subject to a certain risk due to the particular uncertainties caused by the Russia-Ukraine war, the ongoing Corona crisis and the resulting delays in orders, as well as renewed possible supply chain disruptions. In the first quarter of 2022, supply chain disruptions, but also the conversion of manufacturing to EL 4.0, have impacted production.

### Result forecast and overall statement

For 2022, we expect EBITDA of around EUR -7 million.

Particular uncertainties exist with regard to the procurement of materials due to the Russia-Ukraine war and the Corona pandemic. Enapter has a high level of vertical integration and value creation. For the production of the electrolyser, which consists of the components stack, gas block, process tank with pump, cooling, electronics and the housing. The most important chemical elements include nickel, iron and cobalt. Nickel is a sought-after raw material, especially for the energy transition. The largest producer of nickel metal comes from Russia. Against the background of the sanctions against Russia, nickel has become more expensive since the beginning of the Ukraine crisis. Cobalt is also a valuable raw material for microelectronics and battery technology. So there is a certain risk of shortages. The price of cobalt has already risen after the start of the Corona pandemic. We see possible effects on manufacturing costs, but cannot reliably quantify the effects due to the unpredictable price developments. It is planned to increase procurement and price security by concluding longer-term supply contracts.

Personnel expenses will increase significantly due to new hires for the expansion of our locations in Italy and Germany.

Enapter expects losses and the associated outflow of liquidity to continue until mass production and the associated sales of the electrolyzers have started on a sustainable basis. An operational break-even is expected in 2023 after the mass production of the electrolyzers at the "Enapter Campus" manufacturing site in Saerbeck has started.

## Takeover-relevant data and further information

As a listed company whose voting shares are listed on an organised market within the meaning of Section 2 (7) of the German Securities Acquisition and Takeover Act (WpÜG), Enapter AG is obliged to include in the management report the information specified in Sections 289a and 315a of the German Commercial Code (HGB). They are intended to enable a third party interested in taking over a listed company to form a picture of the company, its structure and any obstacles to takeover.

### Composition of the subscribed capital

The subscribed capital of Enapter AG amounted to EUR 24,405,647 as of the balance sheet date and was divided into 24,405,647 no-par value ordinary bearer shares with a notional interest in the share capital of EUR 1.00 per share. The share capital is fully paid up in the amount of EUR 24,405,647. All shares carry the same rights and obligations; there are no shares of different classes. Each share in Enapter AG grants one vote and the same share in the profits at the Annual General Meeting.

The Company currently has the following authorised and conditional capital:

By resolution of the Annual General Meeting of 5 May 2021, the Executive Board is authorised, with the consent of the Supervisory Board, to increase the share capital of the Company once or several times within five years by up to EUR 11,550,650.00 against contributions in cash and/or in kind. Shareholders' subscription rights may be excluded (Authorised Capital 2021).

The Executive Board resolved on 28 October 2021, with the consent of the Supervisory Board of the same date, to carry out a capital increase by issuing up to EUR 1,304,347 new no-par value bearer shares with a pro rata amount in the share capital of the Company of EUR 1.00 each ("New Shares") at a subscription price of EUR 23.00 per share, making use of the Authorised Capital 2020.

In the course of the capital increase, 1,304,347 new shares were subscribed and thus the share capital of the company was increased by EUR 1,304,347 to EUR 24,405,647.00 with entry in the commercial register on 9 May 2021. The Authorised Capital 2021 was utilised to this extent and is therefore still available with a volume of EUR 10,246,303.00 until 5 May 2026.

The Annual General Meeting of 5 May 2021 cancelled the conditional increase of the share capital by up to EUR 618,900 (Conditional Capital 2020) and authorised the Executive Board, with the consent of the Supervisory Board, to issue convertible bonds and/or bonds with warrants or profit participation rights with or without conversion or subscription rights (collectively hereinafter also referred to as "Bonds") in a total nominal amount of up to EUR 250,000,000.00 on one or more occasions until 5 May 2026. The holders of the Bonds referred to in the preceding sentence may be granted conversion or subscription rights to up to 9,240,520 no-par value bearer shares of the Company with a pro rata amount of the share capital of up to EUR 9,240,520.00 in total. The conversion and subscription rights may be serviced from a conditional capital to be resolved in this or future general meetings, from existing or future authorised capital and/or from a

cash capital increase and/or from existing shares and/or provide for a cash settlement instead of the delivery of shares.

The conditional capital increase serves to grant no-par value shares to the holders of warrant or convertible bonds, profit participation rights or participating bonds (or combinations of these instruments, including, for example, convertible bonds with attached warrants) (together the "Bonds"), each with option or conversion rights or obligations. -Bonds, each with option or conversion rights or obligations, which are issued on the basis of the authorisation resolved by the Annual General Meeting of 8 October 2020 until 7 October 2025 by the Company or a group company of the Company within the meaning of section 18 of the German Stock Corporation Act (AktG) in which the Company directly or indirectly holds at least 90% of the votes and capital.

a) Restrictions affecting voting rights or the transfer of shares

The company has no rights from its own shares. In the cases of § 136 AktG, the voting right from the shares concerned is excluded by law.

The free transferability of a total of 17,338,220 Enapter shares is currently restricted due to the lock-up to which the former holder of these shares, BluGreen, has committed. BluGreen has undertaken not to sell, transfer, encumber, assign or grant options on or otherwise dispose of the originally held shares in Enapter AG, either directly or indirectly, for a period of up to six months after the last listing of all Enapter shares to be admitted ("Lock-Up").

b) Direct or indirect shareholdings exceeding 10% of the voting rights

With regard to direct and indirect shareholdings in the capital of Enapter AG exceeding ten percent, reference is made to the information provided in the notes to the financial statements of Enapter AG under item "VII.

For the consolidated financial statements, please refer to the disclosures in the notes under "IV. OTHER DISCLOSURES AND EXPLANATIONS, K. Disclosures under the German Stock Corporation Act and the German Securities Trading Act".

c) Statutory provisions and provisions of the Articles of Association on the appointment and dismissal of members of the Executive Board and the amendment of the Articles of Association

Members of the Executive Board are appointed and dismissed on the basis of §§ 84, 85 AktG. Pursuant to § 84 AktG, Executive Board members are appointed by the Supervisory Board for a maximum term of five years. A repeated appointment or extension of the term of office is permissible. Pursuant to § 5 of the Articles of Association, the Executive Board of Enapter AG consists of one or more members. The supervisory board decides on the number of members of the executive board, the appointment and revocation of the appointment as well as the employment contracts. The supervisory board may appoint a chairman of the executive board and a deputy chairman. The supervisory board may revoke the appointment of a member of the executive board for good cause. Such cause is namely gross breach of duty, inability to manage the business properly or withdrawal of confidence by the general meeting, unless confidence has been withdrawn for obviously improper reasons. The supervisory board may issue rules of procedure for the executive board. With effect from 15 November 2020, the supervisory board has issued rules of procedure for the executive board.

Any amendment to the articles of association shall require a resolution of the general meeting. The resolution of the general meeting requires a majority of at least three quarters of the share capital represented when the resolution is adopted. Pursuant to § 179 (2) sentence 2 AktG, the articles of association may stipulate a different capital majority, but only a larger capital majority for a change in the object of the company. According to the Articles of Association of Enapter AG, the Annual General Meeting passes its resolutions with a simple majority of the votes cast and - if the law prescribes a capital majority in addition to the voting majority - with a simple majority of the share capital represented when the resolution is passed, unless mandatory statutory provisions to the contrary apply.

### Dependency Report

The Executive Board of Enapter AG has prepared a report on the company's relationship with affiliated companies pursuant to Section 312 (1) sentence 1 AktG. The Executive Board of Enapter AG declares as follows:

"In the legal transactions and measures listed in the report on relations with affiliated companies for the financial year ended 31 December 2021, Enapter AG has, according to the circumstances known to the Executive Board at the time the legal transactions were carried out or the measures were taken or omitted, received appropriate consideration for each legal transaction and has not been disadvantaged by the fact that the measures were taken or omitted."

### Remuneration report

The remuneration report for the 2021 financial year together with the auditor's report pursuant to section 162 of the German Stock Corporation Act (AktG) will be made permanently available to the public at <https://enapterag.de/corporate-governance/>.

### Declaration on Corporate Governance pursuant to § 289f HGB and § 315d HGB

The corporate governance statement pursuant to § 289f HGB and § 315d HGB is permanently available on the company's website at <https://enapterag.de/corporate-governance/>.

## RESPONSIBILITY STATEMENT BY THE LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and the combined management report includes a fair review of the development and performance of the business and the position of the Enapter Group and Enapter AG, together with a description of the principal opportunities and risks associated with the expected development of the Enapter Group and Enapter AG.

Heidelberg, 28 April 2022

gez. Sebastian-Justus Schmidt  
*Board of Directors*

signed Gerrit Kaufhold  
*Board of Directors*

## INDEPENDENT AUDITOR'S REPORT

To Enapter AG, Heidelberg

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT**

#### *Audit Opinions*

We have audited the annual financial statements of Enapter AG, which comprise the balance sheet as at 31 December 2021, the income statement for the financial year from 1 January 2021 to 31 December 2021, and the notes to the financial statements, including a description of the accounting policies. We have also audited the combined management report of Enapter AG for the financial year from 1 January 2021 to 31 December 2021. We have not audited the content of the parts of the management report mentioned in the section "Other information" in accordance with German legal requirements.

In our opinion, based on the findings of our audit, the consolidated financial statements are

- the attached annual financial statements comply in all material respects with the German commercial law provisions applicable to corporations and give a true and fair view of the net assets and financial position of the Company as at 31 December 2021 and of its results of operations for the financial year from 1 January 2021 to 31 December 2021 in accordance with German principles of proper accounting and
- the enclosed combined management report as a whole provides a suitable view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements, and accurately presents the opportunities and risks of future development. Our opinion on the management report does not extend to the content of the components of the management report mentioned in the section "Other information".

In accordance with § 322 para. 3 sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any reservations concerning the correctness of the annual financial statements and the combined management report.

#### *Basis for the audit judgements*

We conducted our audit of the annual financial statements and the combined management report in accordance with section 317 of the German Commercial Code (HGB) and the EU Auditor Regulation (No. 537/2014; hereinafter "EU-APrVO") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility under those regulations and standards is further described in the "Auditor's responsibility for the audit of the annual financial statements and the management report" section of our audit opinion. We are independent of the Company in accordance with European law as well as German commercial law and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. Furthermore, in accordance with Article 10 (2) (f) EU-APrVO, we declare that we have not performed any prohibited non-audit services in accordance with Article 5 (1) EU-APrVO. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and the management report.

#### *Material uncertainty related to the going concern assumption*

We refer to the information in the section "Report on material risks and opportunities" of the combined management report, in which the legal representatives explain that the expansion of the Enapter campus requires the injection of further capital and that the company's continued existence is at risk if the financial and earnings planning is not met.

The risks described indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and represent a going concern risk within the meaning of section 322 (2) sentence 3 HGB.

#### *Reasons for determining the material uncertainty as the most significant assessed risk of material misstatement*

The company expects the losses and associated liquidity outflows to continue until mass production and the associated sales of the electrolyzers have started on a sustainable basis. The operating break-even is expected in 2023 according to current planning. The further financing of the group, in particular of the Enapter campus in Saerbeck, is to be carried out with equity, subsidies and debt capital. Against the background of the associated uncertainty as to how and for how long the running costs can be financed, we consider this to be a particularly important audit matter. The risk to the financial statements is that the company does not adequately present the uncertainty related to going concern. The risk to the financial statements is also that the Board of Directors wrongly assumes a positive forecast for the continuation of the company's operations and that the assets and liabilities are therefore not correctly accounted for.

#### *Audit approach and conclusions*

We have examined the disclosures made in the management report in the section "Report on material risks and opportunities" to determine whether they are complete and sufficiently accurate to provide information on the material risks to which the Company is exposed and which could jeopardise the existence of the Company. We consider the disclosures made to be understandable, complete and sufficiently accurate. With regard to the company's ability to continue as a going concern, we have assessed, on the one hand, the balance sheet equity and the earnings situation and, on the other hand, the company's liquidity to meet current costs as well as the planning documents and underlying assumptions of the company.

According to the results of our audit, the going concern assumption is appropriate.

Our audit opinions are not modified with respect to this matter.

#### *Particularly important audit matters in the audit of the annual financial statements*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year from 1 January 2021 to 31 December 2021. In addition to the matter described in the section "Material uncertainty related to going concern", we have not identified any key audit matters to be disclosed in our audit opinion.

#### **Other information**

The legal representatives are responsible for the other information. The other information comprises the following components of the management report that have not been audited as to their content:

- the reference to the declaration on corporate governance with corporate governance report pursuant to § 289f HGB and the information to which the reference refers,
- the reference to the remuneration report pursuant to § 162 AktG and the information to which the reference



refers,

- Responsibility statement by the legal representatives (section 264 (2) sentence 3 HGB, section 289 (1) sentence 5 HGB.)

Our audit opinions on the financial statements and the management report do not cover the other information and, accordingly, we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, we have a responsibility to read the other information and, in doing so, consider whether the other information is

- are materially inconsistent with the financial statements, the content of the audited components of the management report or our knowledge obtained during the audit; or
- otherwise appear to be materially misrepresented.

#### *Responsibility of the legal representatives and the supervisory board for the annual financial statements and the management report*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with German generally accepted accounting principles for business entities. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to going concern. Furthermore, they are responsible for preparing the financial statements on the basis of the going concern principle, unless this is precluded by factual or legal circumstances.

Furthermore, management is responsible for the preparation of the management report, which as a whole provides a suitable view of the Company's position and is consistent in all material respects with the annual financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development. Furthermore, management is responsible for the preparations and measures (systems) that it has deemed necessary to enable the preparation of a management report in accordance with the applicable German legal requirements and to provide sufficient appropriate evidence for the statements made in the management report.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and the management report.

#### *Auditor's responsibility for the audit of the annual financial statements and the management report*

Our objective is to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides a suitable view of the Company's position and is consistent, in all material respects, with the annual financial statements and the audit findings, complies with German legal requirements and suitably presents the opportunities and risks of future development, and to issue an auditor's report that includes our audit opinion on the annual financial statements and the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and EU-APrVO and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 and management report.

During the audit, we exercise professional judgement and maintain a critical attitude. Furthermore

- Identify and assess the risks of material misstatement of the annual financial statements and management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting material misstatements is higher for noncompliance than for misstatement, as noncompliance may involve fraud, forgery, intentional omissions, misleading representations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the financial statements and of the arrangements and actions relevant to the audit of the management report 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 those systems of the Company.
- we evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the going concern basis of accounting used by management 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 and the management report or, if such disclosures are inadequate, to modify our respective audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit opinion. However, future events or conditions may result in the Company being unable to continue as a going concern.
- we assess the consistency of the management report with the annual financial statements, its compliance with the law and the understanding of the Company's position given by it.
- We perform audit procedures on the forward-looking statements made by management in the management report. On the basis of sufficient appropriate audit evidence, we in particular verify the significant assumptions underlying the forward-looking statements made by the legal representatives and assess the appropriate derivation of the forward-looking statements from these assumptions. We do not express an independent opinion on the forward-looking statements or the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

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

We make a declaration to those charged with governance that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that may reasonably be thought to bear on our independence and the safeguards that have been put in place to address them.

From the matters we discussed with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure of the matter.

## **OTHER STATUTORY AND OTHER LEGAL REQUIREMENTS**

### ***Report on the audit of the electronic reproductions of the annual financial statements and the management report prepared for the purpose of disclosure in accordance with section 317 (3a) HGB***

#### *Audit opinion*

In accordance with section 317 (3a) of the German Commercial Code (HGB), we have performed a reasonable assurance audit to determine whether the reproductions of the annual financial statements and the management report (hereinafter also referred to as the "ESEF documents") contained in the file "Enapter AG JA 2021.zip", which was made available electronically to the legal representatives and prepared for disclosure purposes, comply in all material respects with the requirements of section 328 (1) of the German Commercial Code on the electronic reporting format ("ESEF format"). In accordance with German statutory provisions, this audit only covers the transfer of the information of the annual financial statements and the management report into the ESEF format and therefore neither the information contained in these reproductions nor any other information contained in the aforementioned file.

In our opinion, the reproductions of the annual financial statements and the management report contained in the aforementioned attached file and prepared for the purpose of disclosure comply in all material respects with the requirements of section 328 (1) HGB regarding the electronic reporting format. We do not express any opinion on the information contained in these reproductions or on the other information contained in the above-mentioned file beyond this opinion and our opinions on the accompanying annual financial statements and the accompanying management report for the financial year from 1 January 2021 to 31 December 2021 contained in the preceding "Report on the audit of the annual financial statements and management report".

#### *Basis for our audit opinion*

We conducted our audit of the reproductions of the annual financial statements and the management report contained in the aforementioned attached file in accordance with section 317 (3a) of the German Commercial Code (HGB), taking into account the IDW Auditing Standard: Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for the Purposes of Disclosure in Accordance with Section 317 (3a) of the HGB (IDW PS 410).

Our responsibility thereafter is further described in the section "Auditor's Responsibility for the Audit of the ESEF Documents". Our auditing practice has applied the quality assurance system requirements of the IDW Quality Assurance Standard: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis (IDW QS 1).

#### *Responsibility of the legal representatives and the supervisory board for the ESEF documents*

The legal representatives of the company are responsible for the preparation of the ESEF documents with the electronic reproductions of the annual financial statements and the management report in accordance with section 328 (1) sentence 4 no. 1 HGB.

Furthermore, the company's management is responsible for the internal controls as they deem necessary to enable the preparation of the ESEF documents that are free from material non-compliance, whether due to fraud or error, with the electronic reporting format requirements of section 328 (1) HGB.

The Supervisory Board is responsible for overseeing the preparation of the ESEF documents as part of the financial reporting process.

#### *Auditor's Responsibility for the Audit of the ESEF Documents*

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance, whether due to fraud or error, with the requirements of section 328 (1) HGB. During the audit, we exercise professional judgement and maintain a critical attitude. Furthermore

- Identify and assess the risks of material non-compliance with the requirements of section 328 (1) HGB, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- Obtain an understanding of internal control relevant to the audit of the ESEF documents 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 those controls.
- we assess the technical validity of the ESEF documentation, i.e. whether the file containing the ESEF documentation meets the requirements of Delegated Regulation (EU) 2019/815, as amended at the reporting date, for the technical specification for that file.
- we assess whether the ESEF documentation provides a consistent XHTML representation of the audited financial statements and the audited management report.

***Other information according to Article 10 EU-APrVO***

We were appointed as auditors at the Annual General Meeting on 6 May 2021. We were appointed by the Chairman of the Supervisory Board on 30 December 2021. We have served as the auditor of Enapter AG without interruption since the short fiscal year 2018/2019.

We declare that the audit opinions contained in this audit report are consistent with the additional report to the audit committee pursuant to Article 11 EU-APrVO (audit report).

***OTHER MATTERS - USE OF THE AUDIT OPINION***

Our audit opinion should always be read in conjunction with the audited consolidated financial statements and the audited group management report as well as the audited ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format - including the versions to be published in the Federal Gazette - are merely electronic reproductions of the audited consolidated financial statements and the audited group management report and do not replace them. In particular, the ESEF opinion and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

***AUDITOR IN CHARGE***

The auditor responsible for the audit is Dr Mathias Thiere.

Berlin, 28 April 2022

MSW GmbH  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft

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Dr. Thiere  
German Public Auditor