Annual Report
Enapter AG

2022

Enapter

Courtesy Translation

Annual Report of Enapter AG

Content

Enapter at a glance

Enapter is an energy technology company that is making a significant contribution to the decarbonisation of the global economy. We consider the production and use of green hydrogen an indispensable part of this mission.

Our corporate purpose is the production of anion exchange membrane (AEM) electrolysers. We are already the technology leader in this segment and will continue to expand this lead.

Our AEM electrolysers with our patented dry cathode do not rely on the use of iridium or platinum group metals, which is why we expect AEM electrolysis to be the most cost-effective of all electrolysis technologies. In the medium term, hydrogen from our electrolysers will be cheaper than using fossil fuels.

Sebastian-Justus Schmidt founded Enapter more than five years ago in November 2017 in Thailand. We are listed on the Frankfurt and Hamburg stock exchanges (General Standard, regulated market, ISIN DE000A255G02, WKN A255G02, Bloomberg ticker H2O). Enapter has grown steadily over the years and had 239 employees at the turn of the year.

Through our modular product design, we represent a paradigm shift in electrolyser manufacturing, as we focus on high-volume serial production of our stacks rather than project design. Approximately 120 partners integrate and sell Enapter's products in hydrogen solutions of all sizes.

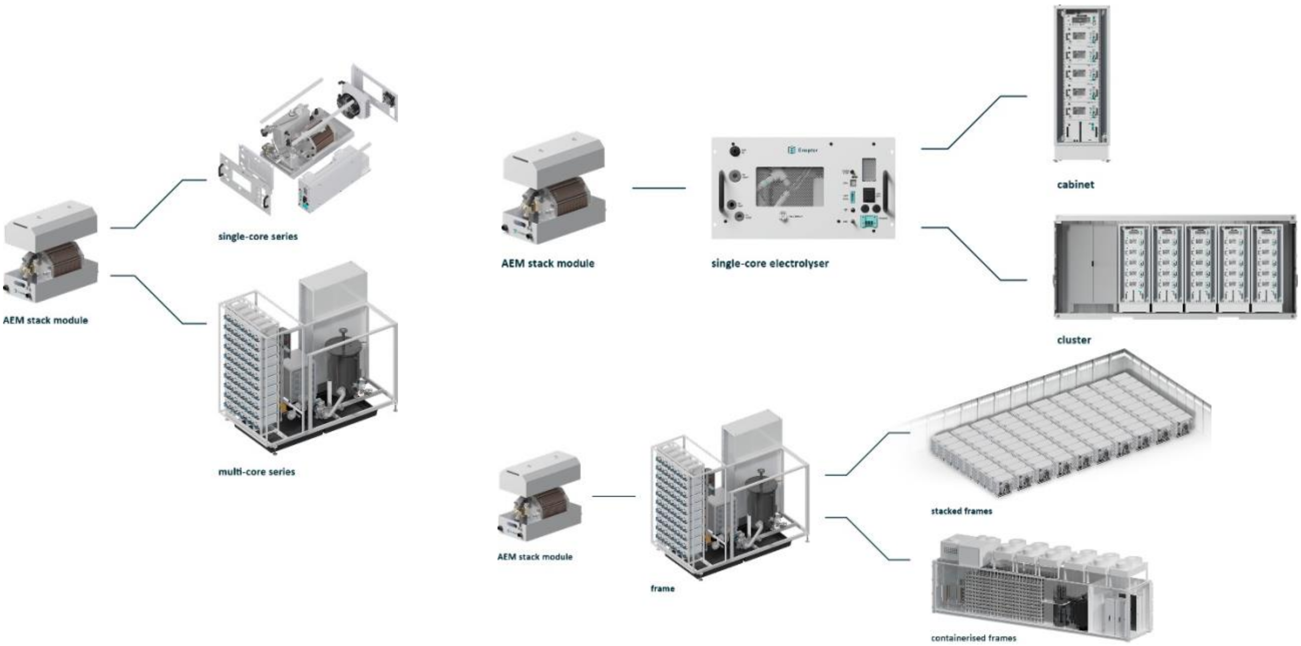
After the continuous expansion of our factory in Pisa, Italy, we started building a new factory at our site in Saerbeck, Germany in 2021. In autumn 2022, our employees moved into the R&D building while we continue to invest in building up our mass production.

The Enapter share

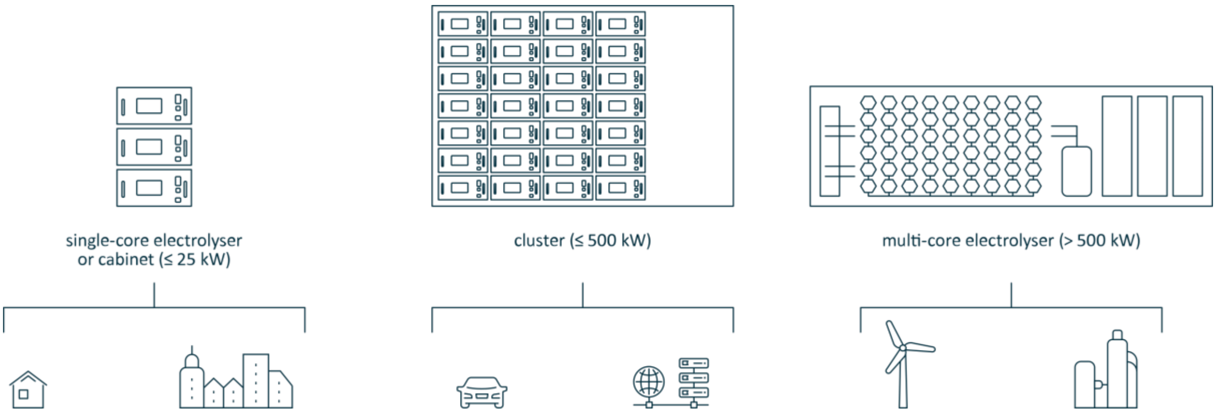
ISIN	DE000A255G02
WKN	A255G0
Bloomberg Ticker	H2O
Shares issued	27.195.000
Stock exchange segment	Regulated Market /General Standard
Country	Germany
Sector / Subsector	Cleantech / Hydrogen
Shareholders	Blugreen Company Ltd/Sebastian-Justus Schmidt 66.56%, Sergei Storozhenko 4.05%, Johnson Matthey 3.87% (as at 14 April 2023).

Our approach

Our modular product approach means that our AEM stacks can be used as a minimum modular unit in systems of different sizes. This means that we build different products on a single stack design. We use our stacks both for use in single-core electrolysers, which cover projects up to approx. 500 kW, and for multi-core electrolysers (AEM Multicore), which cover the megawatt range.

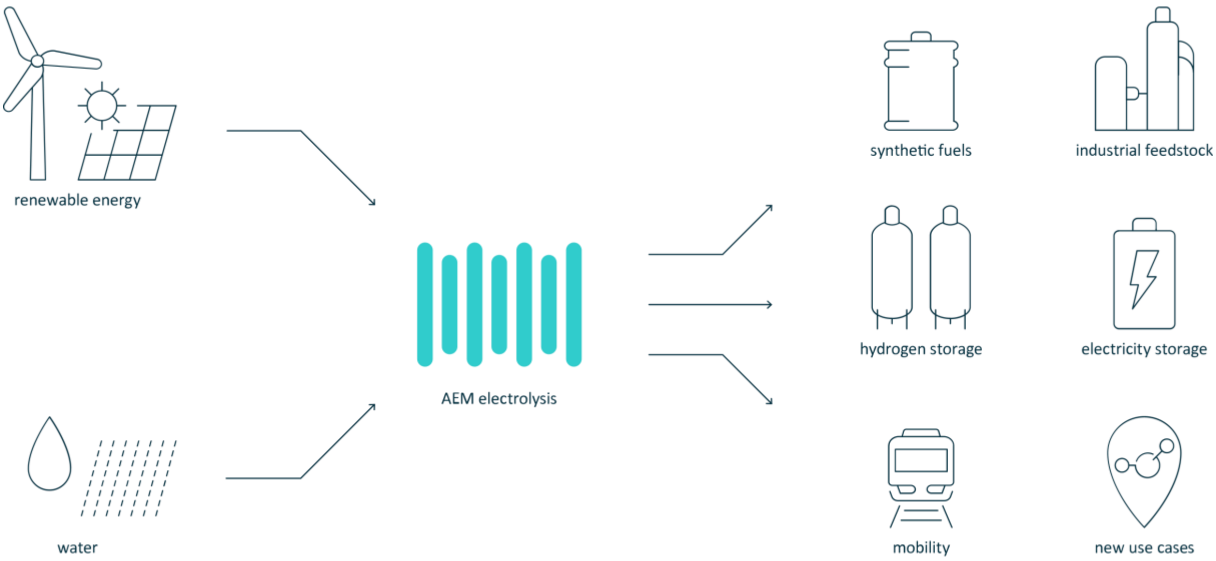


Our AEM electrolysers are flexible building blocks for green hydrogen energy projects: one electrolysis module, several modules stacked or scaled up to megawatts with the AEM Multicore.

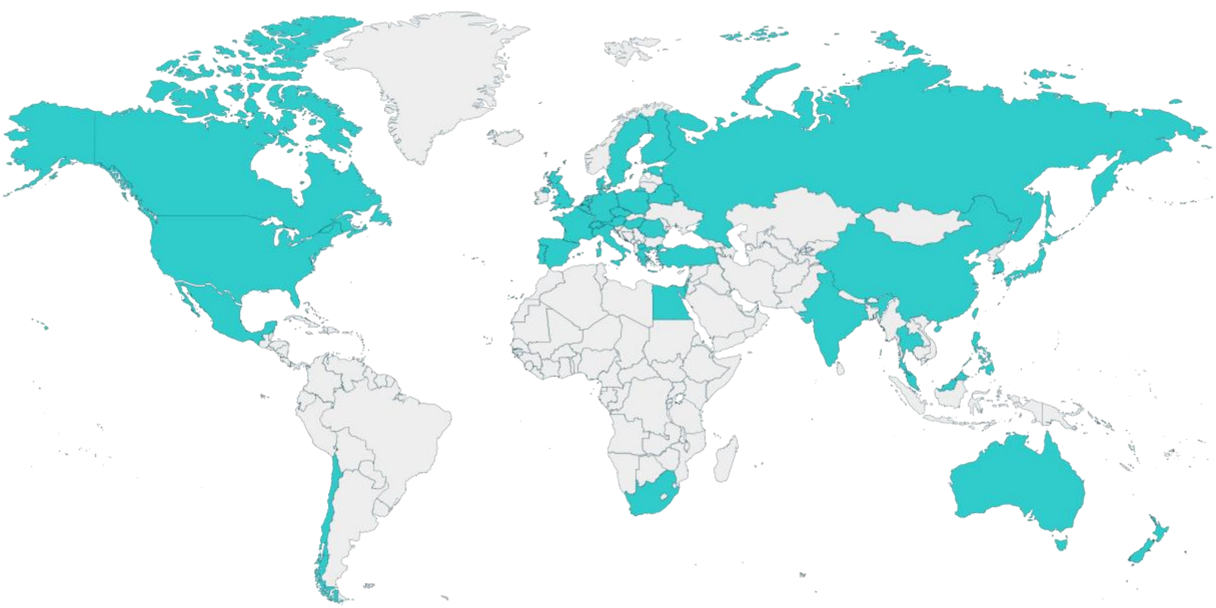


We combine our hardware with a software solution developed specifically for our electrolysers, the Energy Management System Toolkit, which allows energy generation, storage and transmission to be automated and thus easily integrated into the higher-level energy system.

Our AEM electrolysers are versatile. Wherever hydrogen is needed, our electrolysers can supply it. Our customers' areas of application range from power-to-heat and power-to-gas solutions to electricity storage and industrial projects to mobility and research.



We focus on the production of electrolysers. Our newly established Technical Sales Team advises customers on project design for system solutions in the megawatt range. The integration of these systems, however, is handled by our international partner network. Our electrolysers are in use at approx. 300 customers in over 50 countries.



This report

This annual report contains the combined management report for the financial year 2022 and the consolidated financial statements as at 31 December 2022 of Enapter AG ("the Company") and its subsidiaries ("Enapter Group", "Enapter Group", "the Company" or "we").

In addition to information about the Enapter Group, the combined group management report also includes the management report of Enapter AG.

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) and applicable in the European Union (EU), as well as the supplementary provisions of commercial law applicable pursuant to Section 315e (1) of the German Commercial Code (HGB). The combined Group management report for the 2022 financial year and the consolidated financial statements as at 31 December 2022 were audited by MSW GmbH Wirtschaftsprüfungsgesellschaft, Berlin.

The remuneration report pursuant to § 162 AktG of Enapter AG has been made publicly available on the company's website (https://enapterag.de/corporate-governance/).

The corporate governance statement pursuant to § 289f and § 315d of the German Commercial Code (HGB) has been made publicly available on the company's website (https://enapterag.de/corporate-governance/).

The declaration of compliance of the Executive Board and the Supervisory Board with the recommendations of the Government Commission on the German Corporate Governance Code (DCGK) pursuant to section 161 of the German Stock Corporation Act (AktG) has been made permanently available to the public on the company's website (https://enapterag.de/corporate-governance/).

Our sustainability report is available on the company's website in the "Investor Relations" section under "Sustainability Reports" (https://enapterag.de/nachhaltigkeitsberichte/). With this report, Enapter makes key figures from the area of environmental, social and governance (ESG) publicly available according to the standard and methodology of the Sustainability Accounting Standards Board (SASB). The report contains information on the results of the company's activities in the field of sustainability.

Foreword

Sebastian-Justus Schmidt

Dear Ladies and Gentlemen,

The 2022 business year was exciting in many respects. On the product side, we were able to start series production of our next generation of compact electrolyzers, the EL 4.0, in Pisa. This marks a significant technological milestone on our way to the planned mass production of electrolyzers. The EL 4.0 is significantly more compact and, at 38 kg, now weighs half as much as its predecessor. The latest AEM electrolyser can be used very flexibly under a wide range of conditions worldwide thanks to a DC and AC operation as well as air or water cooling.

Specific areas of application include hydrogen refuelling systems, industrial applications, energy storage solutions and also applications in the maritime sector. Currently, more than 3,300 Enapter electrolysers are being used by customers in 52 countries. In the final quarter of 2022 alone, we delivered 1,200 electrolysers with a total capacity of 3 MW to our customers. At the same time, we are seeing a significant shift in the market for 2022.

In addition to the demand for the compact unit class, the interest in megawatt-class units grew rapidly. Therefore, we decided to keep the production of the EL 4.0 in Pisa - here the production capacities are currently sufficient to meet the market demand - and at the same time we are pushing the development of the multicore in the newly created location in Saerbeck (NRW) in order to serve the rapidly growing segment of large industrial units faster here. The research and development centre is already operating here. The production start-up for the Multicore will take place when we can go into series production in the ongoing development. To this end, we will assemble the first prototypes of the AEM Multicore product in Saerbeck. It is planned to reach pre-series maturity of the multicore in 2024 and to deliver further devices to customers. In the long term, it is planned to produce the hydrogen stacks of the multicore, with their special requirements for the megawatt class, in series in Saerbeck.

The first megawatt-scale order came from North America as part of an initiative to contribute to energy self-sufficiency in the Canadian province of Prince Edward Island. For this, we plan to deliver two multicores in the second half of 2024. In addition, at the beginning of 2023, a Dutch energy company ordered a Multicore to operate a refuelling system with green hydrogen. Also in January 2023, a very prestigious order for two megacores with a total output of 2 MW followed from South Korea. The systems will be used in a 12.5 MW hydrogen pilot project on Jeju Island. The demonstration project is supported by the South Korean Ministry of Industry and Trade (Motie) with the equivalent of over 43 million US dollars and aims to investigate and compare hydrogen production with different electrolysis technologies. We are particularly proud that Enapter is the only technology supplier from Germany or Europe among the five companies selected for this project. The systems supplied are expected to produce more than 1,000 tonnes of green hydrogen per year. This project in particular shows that our intensive sales activities in Asia are bearing fruit. In order to further expand our position there, we have launched a project to promote knowledge transfer for green hydrogen production together with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the Energy Research and Development Institute of Chiang Mai University (Thailand). This is the first of its kind in Southeast Asia. The aim of the cooperation is to position Chiang Mai as a model knowledge and learning centre for green hydrogen and to use it as a blueprint for other such centres.

In 2022, our company achieved a turnover of 14.7 million euros, after 8.4 million euros in the previous year, which corresponds to a pleasing increase of almost 75 percent. The EBITDA amounts to around -10.58 million euros (previous year: -7.62 million euros) and the annual result to around -12.98 million euros (previous year: -8.7 million euros). The development of turnover and earnings in 2022 was thus in line with the adjusted forecast.

Within the framework of a successful capital increase in July 2022, our company received gross proceeds of around EUR 53 million. Of outstanding importance was the conclusion of a strategic partnership with Johnson Matthey, which participated in the capital measure with EUR 20 million and thus holds more than 3 percent of Enapter AG. This strategic partnership with the globally active specialty chemicals company and market leader for environmental technologies is of great relevance to us. On the one hand, it impressively signals to the market the potential that global market leaders with annual sales in the billions see in Enapter. In addition, the joint research and development for advanced materials and components for the AEM electrolysers hold great potential to make our products fast, efficient and even more powerful. This is because our goal is to further accelerate the scaling of production and to achieve further continuous improvements in the performance of the AEM electrolysers.

Together with a further financing of 25 million euros, which we received in February 2023 from Patrimonium Asset Management AG in the context of issuing a bearer bond, the financing of the Enapter Group is secured for the next 12 months through these two capital rounds. This positive outlook for 2023 is supported by an order book (backlog) at the end of 2022 of around 13.5 million euros, of which around 9.1 million euros fall into the 2023 financial year. At the same time, customer enquiries increased strongly in 2022. The pipeline is well filled with around 430 million euros. At the end of August 2022, this value was still 342 million euros. The comparison of these two values shows that interest in our products continues to increase.

2022 was a very intensive year for us, which opened up further potential thanks to continuous further development and the high commitment of our employees. We are very grateful for this commitment and the trust of our business partners and investors. We look forward to you continuing to accompany us on the exciting journey towards decarbonising energy generation and the global economy.

Sincerely,

Sebastian-Justus Schmidt

Report of the Supervisory Board

for the financial year from 1 January 2022 to 31 December 2022

The Supervisory Board of Enapter AG submits the following report to the Annual General Meeting pursuant to § 171 AktG regarding the financial year 2022.

1. Introduction

The 2022 financial year was again very eventful for the Enapter Group. The supervisory board of Enapter AG is particularly pleased that the group was able to almost double its sales revenues and that the number of devices in the field continued to increase significantly. An important milestone was also the associated start of production of the new EL 4.0 product generation in Pisa in the fourth quarter of 2022.

2. Members and meetings

In the 2022 financial year, the Supervisory Board of the Company consisted of Mr Armin Steiner (Chairman), Mr Oswald Werle (Deputy Chairman), Mr Ragnar Kruse and Prof. Dr.-Ing. Christof Wetter (Prof. Dr. Wetter was elected to the Supervisory Board at the Annual General Meeting on 28 July 2022 and effectively appointed in September 2022 by publication in the Commercial Register).

The Supervisory Board held 16 meetings in the 2022 financial year, partly by telephone and partly as video conferences.

Due to the size of the Board, the Supervisory Board has dispensed with the formation of committees, with the exception of the audit committee required by law.

No conflicts of interest arose among members of the Supervisory Board in the 2022 financial year.

3. Report of the Supervisory Board on its activities

In the 2022 financial year, the Supervisory Board performed the duties and tasks incumbent upon it according to the law and the Articles of Association and dealt with the economic and financial situation of the company during the 2022 financial year. It also monitored and advised the Executive Board in its management of the company. In accordance with § 90 of the German Stock Corporation Act (AktG), the Executive Board regularly informed the Supervisory Board in a timely and comprehensive manner about the key aspects of the business development and the economic situation of the company.

The Executive Board has coordinated the strategic direction of the company in the 2022 financial year with the Supervisory Board. The supervisory board was involved in all major decisions of fundamental importance for Enapter AG and passed the resolutions required by law and the articles of association.

The Supervisory Board paid particular attention to the following issues in the 2022 business year:

- Achieving the planned production volumes and thus also the planned sales revenues
- Securing the financing of the Group through equity and debt capital
- Consideration of entering into Strategic Partnerships
- Building up the further sales pipeline in order to also be able to achieve the ambitious goals of the medium-term planning
- New construction of the plant in Saerbeck

- R&D, such as the further development of the multicore

Communication between the Executive Board and the Supervisory Board was direct and constructive.

Individual members of the Supervisory Board were also informed outside the Supervisory Board meetings in accordance with their respective special advisory expertise for Enapter AG and assisted the Executive Board in an advisory capacity.

In the 2022 financial year, the supervisory board assured itself of the legality of the corporate governance at Enapter AG through discussions with the executive board and with the auditor. It has satisfied itself that the executive board, for its part, effectively monitors the correct conduct of Enapter AG's employees.

In the 2022 financial year, there was no reason for the Supervisory Board to make use of its right of inspection pursuant to § 111 para. 2 AktG, according to which the Supervisory Board may inspect and examine the books and records of the company as well as the assets, namely bank accounts and goods.

As in the previous year, a process of monitoring the financial statements was set up, which includes coordination/reporting on the progress of the audit activities between representatives of the Supervisory Board and the auditor during the audit of the annual financial statements.

Conflicts of interest of Executive Board and Supervisory Board members, which must be disclosed to the Supervisory Board without delay and about which the Annual General Meeting would have to be informed, did not occur in the reporting year 2022 either.

The Supervisory Board and the Executive Board last issued a joint declaration of compliance in accordance with section 161 of the German Stock Corporation Act (AktG) in x, which was published on the company's website.

4. Board of Directors

In the entire financial year 2022, Mr Sebastian-Justus Schmidt and Mr Gerrit Kaufhold were members of the Executive Board of Enapter AG.

5. Annual and consolidated financial statements as at 31 December 2022 and combined management report

MSW GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Berlin, audited the annual financial statements (HGB) prepared in accordance with commercial law, the consolidated financial statements (IFRS) prepared in accordance with the applicable regulations of the International Financial Reporting Standards (IFRS) as at 31 December 2022 and the combined management report for the financial year 2022 of Enapter AG. The auditor's opinion was issued without qualification. The audited annual financial statements, consolidated financial statements and combined management report as well as the audit reports were made available to the supervisory board. The Supervisory Board discussed the annual financial statements and the consolidated financial statements of Enapter AG as at 31 December 2022 and the combined management report for Enapter AG as well as the auditor's reports in detail with the Executive Board and the auditor at the balance sheet meeting and, based on the comprehensive information provided by the auditor and its own review, agrees with the audit results.

In the combined management report, the assessments made by the Executive Board for Enapter AG are consistent with the reports to the Supervisory Board during the year. Based on its own assessment of the situation of Enapter AG and its own forecast for the future development of Enapter AG, the supervisory board arrives at the same assessments. From the supervisory board's point of view, the management report paints a realistic picture of Enapter AG's situation and its prospects.

6. Dependency Report

Pursuant to section 312 of the German Stock Corporation Act (AktG), the Executive Board has prepared a report on the company's relationships with affiliated companies for the financial year from 1 January 2022 to 31 December 2022 (dependency report).

The Company's auditor for the financial year ending 31 December 2022, MSW GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Berlin, has audited the dependency report and issued an unqualified audit opinion. The audit opinion reads verbatim:

"Following our audit and assessment in accordance with professional standards, we confirm that

1. the factual statements in the report are correct; and
2. in the legal transactions listed in the report, the company's performance was not unreasonably high."

The dependency report and the related auditor's report were submitted to the Supervisory Board. The Supervisory Board has examined both reports and concurs with the results of the auditor's examination. The Supervisory Board has no objections.

7. Remuneration report

The remuneration report pursuant to § 162 AktG of Enapter AG has been made publicly available on the company's website (https://enapterag.de/corporate-governance).

8. Final declaration

Following the final result of the Supervisory Board's review of the annual financial statements, the consolidated financial statements and the combined management report of Enapter AG as at 31 December 2022, the Supervisory Board has no objections to raise.

The annual financial statements of Enapter AG as at 31 December 2022, together with the combined management report, as prepared by the Executive Board and audited by MSW GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Berlin, and provided with an unqualified audit opinion, were approved by the Supervisory Board in its meeting on 26 April 2023 pursuant to Sections 171 (1), 172 AktG. The annual financial statements are thus adopted.

Also approved at the meeting on 26 April 2023 were the consolidated financial statements of Enapter AG as at 31 December 2022 together with the combined management report in the version prepared by the Executive Board and audited by MSW GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Berlin, which was issued with an unqualified audit opinion.

According to the final result of the Supervisory Board's review of the dependency report, there are no objections to be raised against the declaration of the Executive Board at the end of the dependency report.

9. Acknowledgement

The Supervisory Board would like to thank the Executive Board and all employees for their extraordinary commitment to the Group in the past year. Important milestones were the approximately doubling of sales revenues, the start of EL 4.0 production and the continued successful securing of financing. In particular, the always tense delivery situation of, for example, electronic components due to the disruption of supply chains led to major challenges in production, which the entire management team and especially the team in Pisa were able to master with bravura. Furthermore, the Supervisory Board would like to thank all customers, business partners and the shareholders for the trust they have placed in the company. The general conditions for the future economic development of the Group are promising; the demand for green hydrogen and the associated equipment that produces it is expected to be high in the coming years. The main challenge for Enapter will be to continue to significantly expand production and sales in general.

Berlin, 26 April 2023

The Supervisory Board

gez. Armin Steiner

as Chairman of the Supervisory Board for the Supervisory Board

Combined Management Report of Enapter AG and of the Enapter Group

for the financial year from 1 January to 31 December 2022 of 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 2022, Enapter AG has a share capital of EUR 27,195,000.00 with 27,195,000 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 H2O.

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. Included in the consolidated financial statements as affiliated companies are Enapter S.r.l., Crespina Lorenzana (Pisa), Italy, Enapter GmbH, Berlin, Enapter Immobilien GmbH, Saerbeck and Enapter LLC, St. Petersburg, Russia.

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 an internationally positioned company. In 2022, production and research and development of the single-core electrolysers are located at our site in Pisa, Italy. In the future, research and development and production of the multi-core electrolysers will take place at our Enapter Campus in Saerbeck, Germany, the first building was occupied in November 2022. The Enapter GmbH headquarters are located in Berlin, Germany.

Enapter is a company that is making a significant contribution to the decarbonisation of the global economy. We consider the production and use of green hydrogen as an indispensable part of our mission. With our "Life Cycle Impact Zero" concept, which we want to implement by 2027, we are creating a model project for sustainable industrial production and thus doing pioneering work.

Our corporate purpose is the production of electrolysers based on AEM technology. As an early mover, we see ourselves as a technology leader today and want to continuously expand this lead.

Research and development

Enapter has taken a unique approach to manufacturing AEM electrolyzers: We are developing a standardised stack that is significantly smaller and easier to handle than those of our competitors. This can significantly speed up the testing, development and market introduction of our products and lends itself to efficient scaling of production capacity. This approach works because we combine AEM's inherent technological advantages with our specific patents to achieve a sustainable competitive advantage for Enapter in the market. Like a "building block system", our stacks can be assembled into electrolysers of any size.

We rely on two different product lines. With our single-core electrolysers, currently the EL 4.0, we cover smaller project sizes up to 250 kW. The production of our stack and our single-core electrolysers, as well as their research and development, takes place at our site in Pisa, Italy.

Furthermore, we are currently developing the first generation of our multi-core electrolyser, so-called multicores and frames, in which various stacks are controlled by a common balance of plant, thus creating systems that cover the megawatt range. The research and development of our multicore electrolysers takes place at the Enapter Campus in Saerbeck, Germany.

As of 31 December 2022, the Enapter Group employs a total of 108 (previous year: 83) people in research and development, including software development.

Research and development expenses amount to EUR 6,876,000 in 2022 (previous year: EUR 3,709,000), or around 47% of sales revenues (previous year: 44%).

Patents

Enapter has a large number of patents, the most important patent family granted covers the dry cathode AEM technology and specifically the "Apparatus for the on-demand production of hydrogen by electrolysis of aqueous solutions on a dry cathode". This patent is valid for Europe, China, the USA and India. It provides Enapter with comprehensive legal protection of AEM electrolysis technology, as the granted patent is not related to a particular type of membrane or catalyst formulation, but applies to all electrolysis applications using a dry cathode.

New patent applications have been filed to get as close as possible to the dry cathode application and to obtain coverage in key jurisdictions and extend the term of protection beyond 2030, when the dry cathode patent family expires. Enapter has also filed patent applications for: Dry cathode electrolyser variants; new product offerings (AEM Multicore and AEM Frames); components such as the gas block, recombiner and orifice check valve; software such as the dryer control network; and membrane developments.

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 figures 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 2022 financial year of Enapter AG began on 1 January 2022 and ended on 31 December 2022.

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, as well as the supplementary regulations under commercial law to be applied in accordance with Section 315e (1) of the German Commercial Code (HGB). The individual financial statements are prepared in accordance with the provisions of the German Commercial Code (HGB).

For the financial year 2022, 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.

On 28 July 2022, the Annual General Meeting elected MSW GmbH Wirtschaftsprüfungsgesellschaft, Berlin, as auditor for the annual financial statements and the consolidated financial statements for the 2022 financial year. 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

Currently, the Enapter Group generates its sales primarily in Germany, Europe and the Asian region. Therefore, global macroeconomic developments and the real gross domestic product (GDP) are particularly relevant for the demand for Enapter products. In addition to integrators and research institutions, customers include a number of large companies and corporations that are dependent on global economic developments. For Enapter, the investment capacity of certain industries that are heavily dependent on world market prices for raw materials is crucial. These are primarily energy producers, steel, chemical and cement industries, as well as fertiliser and feed manufacturers.

The European and German economy had a mixed year in 2022. The Russian war of aggression in Ukraine caused energy and commodity prices to rise sharply. However, the impact on the German economy was cushioned by mild weather conditions, corporate energy savings and generous state aid, so that a recession was averted for the time being. According to the Federal Statistical Office, Germany's GDP growth in 2022 was 1.9% compared to the previous year, which is above the European average of 1.7%.[1]

The inflation rate in the European Union was just over 10% in 2022. Prices in key European markets such as Germany and Italy rose by 9% and 12% respectively.[2] Both countries were disproportionately affected by the rise in energy prices due to the high share of imported natural gas from Russia. In Germany, energy products became 35% more expensive in 2022 compared to the previous year. Above all, household energy increased by 39%, electricity alone by 20%, natural gas by 65% and light heating oil by 87%[3] . Needless to say, these price increases have a negative impact on consumer purchasing power, which in both countries fell to historically low levels in the 21st century. However, it is also to be expected that the price fluctuations associated primarily with fossil fuels will increase the demand for alternative, emission-free energy sources, a trend which can be seen, for example, in the increased demand for solar-based heating systems.

A large part of the Corona measures expired in 2022 and the economy recovered from the effects of the restrictions. However, there were still occasional geographically limited outbreaks, such as in China at the end of 2022, which again partly led to higher logistics costs and delivery problems. At the end of 2022, however, most German health experts agreed that the pandemic was over. The German government's expert council finally ceases its work in April 2023[4] .

Staffing and raw material shortages led to noticeable supply bottlenecks in industry in 2022, which hit the manufacturing sector particularly hard. Plastics, steel, chemicals and electronic components have become scarce and burdened more than 80% of manufacturing companies with supply problems.[5] Overall, the machinery and equipment manufacturing sector emerged weakened from 2022. The initial double-digit growth rate could not be maintained in the second half of the year and fell back by four percentage points compared to the previous year.[6]

Market for green hydrogen

The market for green hydrogen is at the beginning of a rapid growth curve. The International Energy Agency currently estimates global demand for hydrogen at 94.1 million tonnes per year.[7] Most of this is hydrogen produced from fossil fuels such as natural gas, oil and coal, but steadily falling production costs and the international spread of so-called net-zero policies have resulted in a significant boost in demand for CO2-free green hydrogen.

[1] BMF Monthly Report, January 2023
[2] Statista, 2022
[3] Federal Statistical Office, 2023
[4] https://www.tagesspiegel.de/gesundheit/pandemie-lage-normalisiert-corona-expertenrat-der-bundesregierung-stellt-arbeit-ein-9595178.html
[5] ifo Institute for Economic Research
[6] VDMA, 2023
[7] IEA Global Hydrogen Review 2022

The political target for green hydrogen has developed positively in 2022. On the one hand, the Russian war of aggression in Ukraine has led the EU to double its climate and energy policy ambitions compared to the previous year with the REPowerEU programme. For green hydrogen, this means that by 2030 a total of 10 million tonnes of green hydrogen (90-100GW)[8] are to be produced in the EU and another 10 million tonnes of green hydrogen are to be imported. On the other hand, the USA passed the Inflation Reduction Act (IRA), probably one of the world's most generous subsidy programmes for green hydrogen. Important sales markets are thus emerging in Europe and the USA, which will also have a positive impact on the production of green hydrogen beyond their borders. Bloomberg, for example, expects that this will boost global production of up to 29.7 million tonnes of green hydrogen per year.[9]

The increasing demand for green hydrogen is also positively influenced by the steadily decreasing production costs; technological advances as well as economies of scale are decisive here. The International Energy Agency assumes that electrolyser costs will fall by up to 70 percent by 2030. If this is coupled to the falling costs of electricity from renewable energies, costs of 1.3-4.5 USD/Kg of green hydrogen can be achieved[10] . In countries where renewable electricity can be produced more cheaply, green hydrogen is already in direct competition with fossil fuels.

Despite positive approaches, however, there was still a lack of a clear definition of green hydrogen as the basis for further political framework conditions and funding measures. As a result, in 2022 less than 2% of green hydrogen projects reached a final investment decision[11] and there was great uncertainty in the industry. In the EU, for example, a clear definition in the form of a delegated act has been awaited since 2020, but this was not available by the end of 2022 and was not published by the EU until February 2023[12] .

Currently, green hydrogen projects are mainly developed at the point of use, due to the lack of hydrogen infrastructure. Repurposing natural gas pipelines for hydrogen transmission could reduce investment costs by 50-80% compared to developing new pipelines[13] . There are currently many projects in development to convert natural gas pipelines to 100% hydrogen. However, practical experience is limited and significant reconfiguration is required.

Business development

In 2022, the Enapter Group achieved sales of around 14.7 million euros (previous year: 8.4 million euros) with electrolysers and the associated components. Together with the change in inventories of work in progress and finished goods of around 0.5 million euros, an operating performance of around 15.2 million euros (previous year: 9.0 million euros) was achieved and thus in line with the adjusted expectations.

In the ad hoc announcement pursuant to Article 17 MAR of 22.07.2022 / 18:14 CET/CEST, Enapter AG had published the adjustment of the earnings forecast for the 2022 financial year. The reason for this was quality problems with supplier parts of individual components for the construction of the AEM electrolyser EL 4.0. As a result, there were delays in the start of production of the new EL 4.0. After the EL 4.0 was certified, production was ramped up in October 2022 and more than 1,200 electrolysers were produced and sold in the fourth quarter of 2022.

Enapter achieved an EBITDA of -10.6 million euros (previous year: -7.6 million euros). This means that the

[8] European Electrolyser Partnership
[9] BNEF 2022 Hydrogen Market Outlook
[10] IEA Global Hydrogen Review 2022
[11] Pareto Securities, 2023
[12] European Commission, 2023
[13] IEA Global Hydrogen Review 2022

development of earnings in 2022 was also in line with the company's own adjusted expectations. The order backlog at the end of 2022 was around 13.5 million euros (previous year: 10.4 million euros), of which around 9.1 million euros (previous year: 8.1 million euros) fall into the 2023 financial year and around 4.4 million euros for the following years. Customer enquiries increased strongly in 2022, so that the sales pipeline was well filled with expressions of interest from potential customers at the beginning of 2023. The current customer enquiries add up to around 433 million euros, of which around 350 million euros concern the AEM Multicore - the megawatt electrolyser.

Major events

At the beginning of 2022, Enapter successfully conducted the first three-day "Integration Partner Training". The series of events attracted a total of more than 300 participants, including a number of new prospects from a total of over 30 countries. Enapter distributes hydrogen solutions through an international network of more than 100 integration partners who support customers in the smooth implementation of their hydrogen projects. This first workshop included training for the partners to be able to integrate the patented AEM electrolysers according to current standards in various applications at the customer's site. Furthermore, the participants received explanations about new developments in software, hardware and the Enapter app, as well as detailed information about the company's partner programme.

Enapter entered into a cooperation agreement with the system integrator VINCI Energies Deutschland Industry & Infrastructure GmbH in March 2022. The VINCI Energies division, part of the listed French concession and construction group VINCI, intends to use and sell Enapter's containerised large-scale hydrogen plants, so-called AEM multicores. The cooperation has a minimum term of five years. The common goal of the cooperation is to build hydrogen plants that meet the performance and cost requirements of the industry.

In May 2022, Enapter entered into a strategic partnership with Johnson Matthey, the global specialty chemicals company and market leader in environmental technologies. Johnson Matthey simultaneously participated in the capital increase completed in July 2022 with more than 20 million euros and thus holds more than 3% of Enapter AG. The strategic partnership includes joint research and development for advanced materials and components for AEM electrolysers. The aim is to accelerate the scaling of production at Enapter and to achieve further continuous improvements in the performance of the AEM electrolysers.

The share capital of Enapter AG was increased to 27,195,000 euros in July 2022 through the issue of 2,789,353 shares. The capital increase was entered in the commercial register of the Mannheim Local Court on 9 August 2022. With the implementation of the cash capital increase, Enapter AG received €51.2 million in cash and cash equivalents after deduction of the costs of raising the capital. The net proceeds from this capital measure were mainly used to finance the construction of the Enapter Campus in Saerbeck, Germany.

Enapter supplied 96 AEM electrolysers in June 2022 as part of a cooperation with the Wilo Group to supply the Wilopark company headquarters in Dortmund with green hydrogen. The Wilo Group is one of the world's leading premium suppliers of pumps and pump systems for building services, water management and industry. The H2 Powerplant is fed by the company's own photovoltaic system. It is planned that the modular system based on Enapter's AEM electrolysers will produce up to 10 tonnes of green hydrogen annually. In a first step, the H2-Powerplant will provide emergency power or grid backup for Wilo's headquarters as a pilot plant. In an expansion stage, the plant will then allow for a self-sufficient power supply.

Enapter received a €1 million grant from the Italian Ministry of Ecological Change in July 2022. Enapter plans to use the grant for the optimisation and industrialisation of dry cathodes for AEM electrolysers. The corresponding research and development will take place at the Enapter plant in Pisa.

Enapter AG has expanded its supervisory board from three to four members. At the company's annual general meeting on 28 July 2022, Prof. Dr.-Ing. Christof Wetter was newly elected to the board. Mr Wetter holds a doctorate in civil engineering and has been a professor at the Department of Energy, Buildings, Environment at Münster University of Applied Sciences since 1999. His work focuses on renewable energy, biogas plants and biofuels as well as environmental and wastewater technology.

Enapter AG, together with seven leading European cleantech companies, announced the formation of a new Cleantech Scale-up Coalition in October 2022. The coalition is supported by Bill Gates, founder of Breakthrough Energy, and Kadri Simson, the European Commissioner for Energy, who were both present at the event. The members of the Cleantech Scale-up Coalition are companies that are scaling up and industrialising technologies to make Europe climate-neutral, energy-autonomous and even more competitive industrially

In the same month, the first employees at the Saerbeck site move into the new R&D building at the Enapter Campus after only one year of construction. The campus was built at the nearby bioenergy park in Saerbeck so that employees and future production can work with 100% green and regional electricity.

Enapter will begin shipping the fourth generation of their AEM electrolyser, the EL 4.0 in November 2022. This is the first, standardised electrolyser suitable for mass production. With its one-size-fits-all design, the AEM EL 4.0 electrolyser enables the production of green hydrogen for any application, at any scale and in any sector. It is lighter, smaller and certifiable to ISO 22734. With the new AEM electrolyser, Enapter aims to meet the strong demand for easy-to-integrate and easy-to-install electrolyzers.

Enapter closes the year with an order for two more megawatt-class AEM Multicores in December 2022. The Canadian company RE-FUEL Renewable Fuels Inc (RE-FUEL) has made it its mission to develop renewable fuels in the province of Prince Edward Island. RE-FUEL is working with Aspin Kemp & Associates Inc (AKA) - a leading Canadian energy systems integrator - to use hydrogen to build a more resilient and environmentally friendly energy supply. RE-FUEL's long-term goal is to make Prince Edward Island energy self-sufficient in heating, transportation, shipping, industry and aviation. Enapter's AEM electrolysers will be used to produce green hydrogen as energy storage from renewable energy sources such as wind and water.

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

Earnings situation

Earnings situation in TEUR	1.1.-31.12. 2022	1.1.-31.12. 2021	+/- in EUR	+/- in %
Revenues	14.671	8.442	6.229	74%
Increase in turnover in %	*74%*			
Change in inventory	525	540	-15	-3%
Operating performance	**15.197**	**8.982**	**6.214**	69%
Increase in operating performance in %				
Cost of materials	-12.013	-7.874	-4.139	53%
Cost of materials in % of operating performance	*-79%*	*-88%*	*-67%*	
Gross profit	**3.184**	**1.109**	**2.075**	187%
Gross profit margin	*21%*	*12%*	*33%*	
Own work capitalised	6.383	3.330	3.053	92%
Other operating income	2.799	1.367	1.433	105%
Personnel expenses	-14.300	-7.596	-6.704	88%
Personnel expenses in % of operating performance	*-94%*	*-85%*	*-108%*	
Other operating expenses	-8.648	-5.828	-2.820	48%
Operating expenses in % of operating performance	*-57%*	*-65%*	*-45%*	
EBITDA	**-10.582**	**-7.619**	**-2.963**	39%
EBITDA margin	*-70%*	*-85%*	*-48%*	
Depreciation	-2.276	-1.002	-1.274	127%
Depreciation in % of operating performance	*-15%*	*-11%*	*-20%*	
EBIT	**-12.858**	**-8.621**	**-4.237**	49%
EBIT Margin	*-85%*	*-96%*	*-68%*	
Financial result	-97	-88	-9	12%
Income taxes	-23	8	-31	-404%
Group result	**-12.978**	**-8.702**	**-4.276**	49%
Result margin	*-85%*	*-97%*	*-69%*	

In 2022, the Enapter Group achieved sales of EUR 14,671,000 (previous year: EUR 8,442,000) with electrolysers and related components, of which EUR 7,765,000 (53%; previous year: EUR 4,330,000 (51%)) were generated with customers in Germany, EUR 2,688,000 (18%; previous year: EUR 1,350,000 (16%)) in the rest of the European Union and EUR 4,219,000 (29%; previous year: EUR 2,762,000 (33%)) with customers in the rest of the world, thus achieving an increase of around 74% compared to sales in the previous year. Thus, the turnover for 2022 essentially corresponded to the expectation for the 2022 financial year adjusted in July 2022, although the original turnover expectation of 44.7 million euros had to be corrected significantly downwards, in particular also due to delays in the certification and production of the AEM EL 4.0 electrolyser.

Together with the change in inventories of finished goods and work in progress, the operating performance increased again significantly by TEUR 6,214 (+69%; previous year: TEUR 6,671, +289%) to TEUR 15,197 (previous year: TEUR 8,982) compared to the previous period.

The increase in the cost of materials from KEUR 7,874 to KEUR 12,013 is due to the increase in production. The cost of materials ratio improved compared to the previous period, but the model change from the electrolyser generation 2.1 to 4.0 led to changes on the procurement side and also the indirect consequences of the Russian war of aggression on Ukraine and the foothills of the Corona pandemic partly meant that not all components were available on the procurement side in the required time, price and quality.

The other own work capitalised relates to development costs for intangible assets and assets under construction in property, plant and equipment, which were capitalised in the amount of TEUR 6,383 in the reporting year. The additions in 2022 mainly relate to development costs of EUR 3,711,000 for ongoing internal projects in product development in Italy and development costs of EUR 2,672,000 for the AEM Multicore (Hycore project) and for production at the Saerbeck site (Elefact project), which will be completed in subsequent years and then amortised over the expected useful life.

Other operating income of EUR 2,799,000 consists mainly of investment grants and other allowances (EUR 2,339,000, previous year EUR 858,000). These grants were mainly awarded in the context of the Elefact and Hycore projects in Germany and to support research and development activities in Italy. In addition, Enapter received a further instalment of prize money in the amount of KEUR 302 (previous year KEUR 292) as part of the Royal Foundation's Earthshot Prizes.

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 build-up of mass production of the electrolysers in Germany at the Saerbeck site ("Enapter Campus"). As of the balance sheet date 31 December 2022, the Enapter Group employed 239 people (31.12.2021: 189), of which 108 (previous year: 83) were employed in R&D, 65 (previous year: 68) in production and 66 (previous year: 38) in administration, sales and business development (excluding board members and managing directors).

Other operating expenses of EUR 8,648,000 in 2022 (previous year: EUR 5,828,000) consist mainly of legal, consulting and audit costs (EUR 1,623,000; previous year: EUR 500,000), software development and management services of related parties (EUR 864,000; previous year: EUR 1,807,000), expenses for other external service providers (EUR 1,219,000; previous year: EUR 789,000), warranty costs (EUR 794,000), operating supplies (EUR 613,000; previous year: EUR 155,000), sales, distribution and marketing costs (EUR 576,000; previous year: EUR 517,000).219,000; previous year: ' 789,000), warranty costs (' 794,000), operating supplies (' 613,000; previous year: ' 155,000), sales, distribution and marketing costs (' 576,000; previous year: ' 517,000), software licences (' 429,000; previous year: ' 332,000), insurance, contributions and fees (' 216,000; previous year: ' 169,000), ancillary rental and service costs (' 256,000; previous year: ' 122,000), capital market costs ' 143,000 (previous year: ' 321,000) and costs for the advisory board (' 78,000; previous year: ' 144,000).

KEUR 494 was spent on external research and development (previous year: KEUR 379). Currency translation costs increased to KEUR 409 (previous year: KEUR 10) due to increased transaction costs for payments in Russian roubles.

Group EBITDA amounted to TEUR --10,582 for 2022 (previous year: TEUR -7,619).

Depreciation and amortisation in 2022 totalled TEUR 2,276 (previous year: TEUR 1,002). Of this amount, EUR 1,273,000 was allocated to intangible assets (previous year: EUR 415,000), EUR 784,000 to property, plant and equipment (previous year: EUR 427,000) and EUR 218,000 to rights of use (previous year: EUR 161,000). The consolidated EBIT amounts to TEUR -12,858 after TEUR -8,621 in the previous year and is in line with the company's expectations.

The consolidated result amounted to TEUR -12,978 (previous year: TEUR -8,702) and is thus in the adjusted, expected range.

Net worth

in TEUR	31.12.2022	31.12.2021	+/- in EUR	+/- in %
Net worth				
Current assets	**27.577**	**29.920**	**-2.342**	-8%
in % of balance sheet total	*26%*	*48%*		
Bank balances	5.071	19.604	-14.533	-74%
Inventories	8.421	3.604	4.818	134%
Trade receivables	8.014	2.638	5.376	204%
Other current assets	6.071	4.073	1.998	49%
Non-current assets	**80.237**	**32.221**	**48.016**	149%
in % of balance sheet total	*74%*	*52%*		
Property, plant and equipment	67.900	23.985	43.915	183%
Intangible assets	10.272	7.110	3.163	44%
Other non-current assets	2.065	1.127	938	83%
Total assets	**107.814**	**62.141**	**45.673**	74%

The Group's asset position shows non-current assets of TEUR 80,237. Compared to 31 December 2021, this is an increase of TEUR 48,016 from TEUR 32,221. Current assets decreased by TEUR 2,342 from TEUR 29,919 to TEUR 27,577 compared to the previous year.

The additions to intangible assets mainly result from the capitalisation of development costs for existing and new projects. The additions to property, plant and equipment consist of investments in land and buildings (EUR 2,145,000), plant and machinery (EUR 1,158,000), office furniture and equipment (EUR 1,073,000) and advance payments made for the planned construction of the production facility in Saerbeck (EUR 40,612,000) less depreciation and transfers. The R&D and administration building in Saerbeck was handed over and occupied by the general contractor in October 2022.

Current assets consist mainly of bank balances of EUR 5,071,000 (previous year: EUR 19,604,000). Other current assets are inventories of EUR 8,421,000 (previous year: EUR 3,604,000) and other assets and trade receivables of EUR 14,085,000 (previous year: EUR 6,712,000). The increase in inventories and trade receivables results from the increased production and sales of electrolysers.

Financial position

in TEUR	31.12.2022	31.12.2021	+/- in EUR	+/- in %
Equity and debt				
Current liabilities	16.070	10.397	5.673	55%
in % of balance sheet total	*15%*	*17%*		
Liabilities from deliveries and services	11.191	6.387	4.804	75%
Current financial liabilities	987	1.340	-353	-26%
Short-term provisions	1.243	515	728	141%
Other current liabilities and accrued expenses	2.649	2.154	495	23%
Long-term debt	5.290	5.224	66	1%
in % of balance sheet total	*5%*	*8%*		
Non-current financial liabilities	2.841	3.283	-442	-13%
Long-term provisions	605	512	93	18%
Accruals and deferrals	1.844	1.428	416	29%
Equity	86.454	46.520	39.934	86%
in % of balance sheet total	*80%*	*75%*		
Total equity and liabilities	107.814	62.141	45.3673	74

Trade payables increased from EUR 6,387,000 to EUR 11,191,000 and result mainly from services used for the construction of the Enapter Campus in Saerbeck and the ramp-up of production in Pisa.

Deferred income (current and non-current) includes grants for completed R&D projects that receive government funding in Italy. Deferred income totalling EUR 2,155,000 (previous year: EUR 1,548,000) 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 310 are with a term of up to one year and KEUR 1,844 with a term of more than one year. Other liabilities include advance payments received from customers in the amount of TEUR 904 (31.12.2021: TEUR 985).

Non-current liabilities increased by EUR 1,467,000 from EUR 5,224,000 as at 31 December 2021 to EUR 5,290,000. The financial liabilities shown above include loan liabilities of TEUR 2,371 and also lease liabilities of TEUR 471 (long-term) and TEUR 116 (short-term).

The group's equity capital amounted to TEUR 46,520 at the beginning of the financial year and increased by TEUR 39,934 to TEUR 86,454, mainly due to the cash capital increase (gross proceeds TEUR 52,997), reduced by the capital procurement costs of TEUR 1,770, the net loss for the period of TEUR -12,978. The equity ratio as of 31 December 2022 is 80% (31.12.2021: 75%).

The balance sheet total according to IFRS increased from TEUR 62,141 as of 31 December 2021 to TEUR 107,814 as of 31 December 2022.

Cash flow

in T€	1.1.-31.12. 2022	1.1.-31.12. 2021	+/- in EUR
Cash flow from operating activities	-15.464	-7.997	-7.468
Cash flow from investing activities	-49.490	-25.064	-24.426
Cash flow from financing activities	50.421	48.417	2.004
Change in cash and cash equivalents with an effect on payments	**-14.533**	**15.356**	**-29.889**
Cash and cash equivalents at the beginning of the period	19.604	4.248	15.356
Cash and cash equivalents at the end of the period	**5.071**	**19.604**	**-14.533**

The cash flow from operating activities decreased from KEUR -7,997 to KEUR -15,464, mainly due to the increase in current assets and the lower profit for the year.

The cash flow from investing activities amounts to EUR -49,490,000 and results mainly from payments for internal and external development costs for intangible assets and patents totalling EUR -4,436,000 as well as investments in property, plant and equipment of EUR -44,989,000, mainly for the production facilities in Saerbeck and Pisa.

The cash flow from financing activities in the financial year amounts to EUR 50,421,000 and consists mainly of inflows from the cash capital increases of EUR 52,997,000 less the costs of raising capital of EUR -1,770,000, inflows and borrowings of EUR 396,000, repayments of financial liabilities of EUR -1,048,000 and other transactions totalling EUR -154,000.

Cash and cash equivalents as at 31 December 2022 amount to TEUR 5,071 (previous year: TEUR 19,604).

Overall statement on economic development

Sales revenues rose sharply by EUR 6.2 million (+74%) from around EUR 8.4 million in 2022 to around EUR 14.6 million in 2022. Although the sales target adjusted in the summer of 2022 was thus achieved, the original sales target for 2022 of EUR 44.7 million was clearly not reached. Due to delays in the start of production of the new 4.0 electrolyser, production could only be ramped up in autumn 2022. In the fourth quarter of 2022, over 1,200 electrolysers were produced. Including the change in inventories for finished goods and work in progress, an operating performance of around EUR 15.2 million (previous year: EUR 9.0 million) was achieved.

Due to the further expansion of business activities, operating expenses increased significantly. Enapter achieved an EBITDA of -10.6 million euros. This means that the development of results in 2022 was also in line with the company's own adjusted expectations. Working capital and investments were mainly financed by equity. In the course of a capital measure, the company received approximately EUR 51.2 million after deduction of the capital procurement costs. As of 31 December 2022, Enapter has equity of around EUR 86.5 million (previous year: EUR 46.5 million), which corresponds to an equity ratio of around 80% (previous year: 75%) as of the balance sheet date. This means that the non-current assets (75% of total assets) are covered by equity as of 31 December 2022.

The existing production capacities at the Pisa site were further expanded in 2022. The construction of the buildings at the Saerbeck site progressed according to plan. After completion, the Saerbeck site will mainly produce the AEM Multicore.

In summary, it can be said that due to the delayed start of production of the EL 4.0, business development fell short of the expectations formulated last year. However, after adjusting the forecasts to our new production schedule and also to the prevailing market conditions, the Enapter Group was able to achieve its revenue and sales targets, which is why, in an overall view, the year 2022 can be assessed as positive.

Notes to the financial statements of Enapter AG (Holding)

Earnings situation in TEUR	1.1.-31.12. 2022	1.1.-31.12. 2021	+/-	in %
Revenues	2.030	116	1.914	1653%
Other operating income	311	294	17	6%
Personnel expenses	-643	-260	-383	147%
Expenses for purchased services	-1.318	0		
Other operating expenses	-4.406	-5.175	769	-15%
EBITDA	**-4.026**	**-5.025**	**999**	**-20%**
Depreciation	-2	-2	0	6%
Financial result	4	-16	20	-125%
Income taxes	0	4	-4	-100%
Annual result	**-4.024**	**-5.039**	**1.014**	**-20%**

The sales revenues consist of licensing revenues for the electrolyser software of KEUR 204 (previous year KEUR 116) to the Italian subsidiary and the provision of services for the Group companies of KEUR 1,826 (previous year KEUR 0). The cost of purchased services results from software development costs for the electrolyser software and external consulting services.

Other operating income mainly consists of income from the second tranche of the Earthshot prize (KEUR 302). Personnel expenses of KEUR 643 (previous year: KEUR 260) increased in particular due to new hires in 2022.

Other operating expenses of EUR 4,406,000 (previous year: EUR 5,175,000) result mainly from the costs of raising equity (EUR 1,770,000; previous year: EUR 2,237,000), the stock exchange listing and other capital market costs (EUR 143,000; previous year: EUR 321,000), management compensation to the main shareholder BluGreen Ltd (EUR 409,000; previous year: EUR 418,000), services provided by the related company Enapter Co. Ltd. (EUR 366,000; previous year: EUR 339,000), accounting, financial statement and audit costs (EUR 223,000; previous year: EUR 152,000), insurance and contributions (EUR 145,000), legal and consulting costs (EUR 728,000; previous year: EUR 138,000), costs for the Enapter Advisory Board (EUR 78,000: previous year: EUR 144,000) and Supervisory Board (EUR 59,000; previous year: EUR 54,000), expenses from currency translation (EUR 370,000: previous year: EUR 10,000), licence fees for the electrolyser software (EUR 89,000; previous year: EUR 1.050,000) and other operating expenses (171,000 euros; previous year: 166,000 euros). The sharp increase in currency translation expenses is due to the currency translation of payments to the Russian subsidiary in Russian roubles.

In the financial year 2022, Enapter AG achieved a net loss according to HGB of TEUR - 4,024 (previous year: net loss TEUR - 5,039).

Net assets in TEUR	31.12.2022	31.12.2021	+/-	in %
Assets				
Fixed assets				
Property, plant and equipment	362	5	357	7147%
Financial assets	214.819	161.075	53.744	33%
Total fixed assets	**215.181**	**161.080**	**54.101**	34%
in % of balance sheet total	*97%*	*95%*	*95%*	
Current assets				
Receivables and other assets	3.442	1.416	2.026	143%
Bank balances	2.247	7.601	-5.353	-70%
Total current assets	**5.690**	**9.017**	**-3.327**	-37%
in % of balance sheet total	3%	5%	0	
Total assets	**220.871**	**170.097**	**50.774**	30%
Capital				
Equity				
Subscribed capital	27.195	24.406	2.789	11%
Reserves	201.663	151.455	50.208	33%
Accumulated loss	-10.273	-6.249	-4.024	64%
Total equity	**218.586**	**169.612**	**48.973**	29%
in % of balance sheet total	*99%*	*100%*		
Provisions	181	272	-91	-33%
Liabilities	2.104	212	1.892	891%
Total capital	**220.871**	**170.097**	**50.774**	30%

The **assets position** mainly shows financial assets of TEUR 214,819 (previous year: 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 500,000 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 (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 Immobilen GmbH, conveying a 100% interest in Enapter Immobilien GmbH.
- 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.

In the financial year, Enapter AG made payments into the capital reserves of Enapter S.r.l. totalling TEUR 15,000 (previous year TEUR 15,350). EUR 6,758,000 (previous year EUR 2,500,000) was paid into the capital reserves of

Enapter GmbH and EUR 475,000 into the share capital. Payments of TEUR 30,539 (previous year TEUR 20,220) were made into the capital reserves of Enapter Immobilien GmbH.

Another significant component of Enapter AG's assets is the bank balance, which decreased from TEUR 7,601 to 2,247 compared to the previous year.

The subscribed capital of Enapter AG amounts to EUR 27,195,000 (previous year: EUR 24,405,647) as of 31 December 2022 after the implementation of the capital increases described below. As part of the capital increase carried out in the summer of 2022, 2,789,353 New Shares were subscribed, increasing the Company's share capital by EUR 2,789,353 to EUR 27,195,000 with entry in the commercial register on 9 August 2022. The authorised capital 2021 was used to this extent; by resolution of the Annual General Meeting of 28 July 2022, the authorised capital currently amounts to EUR 13,500,000.

The capital reserve amounts to EUR 201,663,467 as at 31 December 2022 (previous year: EUR 151,455,112) and developed as follows during the financial year:

	in TEUR
Status as of 1 January 2022	151.455
Premium from the capital increase of 9.08.2022	50.208.
Status as at 31 December 2022	201.663

As at 31 December 2022, the following accumulated deficit results:

	in TEUR
Accumulated loss as at 1 January 2022	- 6.249
Net loss for the year	- 4.024
Accumulated loss as at 31 December 2022	- 10.273

Taking into account the subscribed capital, the capital reserve and the accumulated deficit, there is positive equity as of the balance sheet date of EUR 218,586,000 (previous year: EUR 169,612,000, which corresponds to an equity ratio of almost 99%.

Other provisions decreased by EUR 91,000 from EUR 272,000 to EUR 181,000 in the financial year and mainly consist of provisions for annual financial statement and audit costs of EUR 85,000 (previous year: EUR 128,000) and personnel costs of EUR 85,000.

Trade payables of KEUR 1,395 (previous year KEUR 197) have a remaining term of up to one year and are not secured. The increase compared to the previous year is mainly due to consultations in connection with the capital increase (KEUR 888), legal advice (KEUR 200) and the acquisition of intangible assets (KEUR 90).

Liabilities to affiliated companies include trade payables of KEUR 622 (previous year KEUR 5). The liabilities to affiliated companies are due to Enapter LLC, Russia from a service contract and to Enapter SRL. The liabilities have a remaining term of up to one year. The other liabilities amounting to TEUR 88 (previous year TEUR 11) consist mainly of liabilities for wage and church tax TEUR 87 (previous year TEUR 9).

Total assets increased from EUR 170,097,000 as at 31 December 2021 to EUR 220,871,000 as at 31 December 2022, primarily due to the capital increases carried out.

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. 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:

Expected impact in TEUR	Degree of impact
TEUR 0 to TEUR 250	Low
TEUR 250 to TEUR 1,000	Moderate

TEUR 1,000 to TEUR 5,000	Essential
> TEUR 5,000	Grave

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
Impact	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 a monthly report and, at the discretion of the Executive Board or at the request of the Supervisory Board, a report tailored to its information needs, in which the integrated planning statement including the liquidity situation and planning is presented at the level of the individual companies and in a consolidated Group view in accordance with IFRS. -liquidity situation and planning at the level of the individual companies and in a consolidated Group view in accordance with 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:

Technology-, sales- and market-related risks

With its AEM electrolysers, the Enapter Group is positioning itself as a potential disruptor in a market that is still very young. The market for green hydrogen is predicted to grow at a high to exponential rate in the coming years[14] , but analysts still disagree on when exactly the exponential part of the market ramp-up will start. Furthermore, there is a growing consensus that by 2030 AEM will be the winner compared to other electrolyser technologies in most of the key performance and price indicators, but this requires continued investment in research and development.

For the Enapter Group, this results in two risks. Firstly, the hydrogen market may grow more slowly than anticipated, or it may not grow as fast as expected. This could jeopardise Enapter's planned sales growth, as a lower order volume in the overall market against the backdrop of already announced manufacturing capacity increases by competitors will strongly increase competition for the fewer existing orders.

On the other hand, it could happen that the AEM technology does not prove to be as promising for the future as previously assumed. If there are technology-related start-up difficulties during the commissioning of the first demonstration plants of the AEM Multicore, or if there are hardware-related failures in one of the pilot projects with customers, this could lead to reputational damage that negatively affects the market acceptance of AEM electrolysers and could have a negative impact on the sales and earnings development of the Enapter Group.

So far, however, the electrolysers in Enapter's laboratories, test stations and at customers' sites are proving to be stable and in some cases are achieving performance levels that AEM electrolysers will not reach until 2030 according to the Strategic Research and Innovation Agenda of the European Union's Clean Hydrogen Joint Undertaking[15] . Enapter therefore assumes that the first-generation AEM multicores planned for 2023 and 2024 can be commissioned without problems and will lead to a faster adaptation of AEM technology.

The global markets for our products solutions and services are not yet as developed and yet factors such as pricing, product and service quality, development and launch time, customer relationships, financing terms and the ability to quickly adapt to changing market demand and trends play an important role in this market environment. The not yet fully developed legal framework, the infrastructure for transport and the customers may also lead to postponements in our customers' investments and thus delay the sales of our products and services, which could have a negative impact on the development of turnover and earnings.

Risks from economic, geopolitical or other impairments as well as restrictions on international trade

The Enapter Group currently generates a large part of its turnover abroad and is dependent on world trade and the functioning of international supply and payment chains being as free of disruptions as possible. International trade has recently been impaired and restricted by Russia's war of aggression on Ukraine and may be affected by further trade conflicts (most recently mainly between the USA and China) and the resulting changes to the international trade regime. US-China) and resulting changes in trade defence measures, including embargoes, tariffs and other trade barriers as well as import and export regulations and licensing requirements; by unforeseen changes in the respective national tax legislation or in other national laws and regulations relevant to the Enapter Group's activities or in the way such regulations are interpreted, applied or enforced; by exchange rate fluctuations and settlement-related restrictions on the exchange of currencies or by regional political or social unrest affecting global trade as a whole and/or resulting in operational disruptions and consequent delays in delivery, acceptance and/or payment by the Enapter Group's business partners and/or restrictions on the Enapter Group's ability to enforce its claims in court. Such changes in the geopolitical or economic environment in the countries and regions in which the Enapter group operates may have a material adverse effect on the Enapter

[14] See e.g. International Energy Agency, Global Hydrogen Review 2022; BloombergNEF, 1H 2023 Hydrogen Market Outlook;Aurora Energy Research Project Database, 2022
[15] Clean Hydrogen JU - SRIA Key Performance Indicators (KPIs) (europa.eu)

group's financial condition and results of operations.

Risks in procurement and production

The results of our operating units depend on reliable and effective management of our supply and logistics chain for components, parts, materials and services. The production of our electrolysers and their components could encounter technical implementation problems, as the production of electrolysers is technically and organisationally demanding. A possible renewed increase in the spread of the coronavirus in the wake of the COVID 19 pandemic or the indirect consequences of armed conflicts and geopolitical tensions could lead to operational disruptions and interruptions, especially in the supply chains.

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.

Increased procurement prices can have a negative impact on our gross profit margin and thus on our earnings situation. By expanding our production volumes, we have been able to optimise and broaden our supplier structure, but we are still affected by possible price increases for energy and essential components if we cannot pass on the price increases to our customers.

Risks in connection with the planned expansion strategy

There are risks from the ramp-up of series production of electrolysers in Italy and from the completion of the production facility in Saerbeck in North Rhine-Westphalia, particularly with regard to the development of a new stack to be mass produced for the single-core and multi-core electrolysers and with regard to the financing of this expansion strategy.

After about one year of construction, the buildings of the production facility and the research and development centre on the Enapter campus in Saerbeck were completed. The research and development centre was occupied by the employees at the end of October 2022, and the production facility was handed over at the beginning of 2023. The financing of the land, the buildings and the technical construction facilities with acquisition and production costs of around EUR 54 million has so far been carried out exclusively with equity capital from the capital increases in autumn 2021 and summer 2022. Originally, it was planned to also finance part of the Enapter Campus with debt financing, but this could not yet be realised with classic bank financing. The equity was sufficient to complete and pay for the buildings and to finance operations until the end of the year.

The orders for the machinery have not yet been triggered. The original plan was to produce the single-core electrolysers in Saerbeck as well. With the expansion of production capacities at the site in Pisa, Italy, the quantities produced there are sufficient to cover the demand for single-core electrolysers. We observe that the demand for electrolysers for the production of larger quantities of hydrogen has increased strongly, which we can serve with the AEM Multicore that we are building at the Saerbeck site. The first prototype will be delivered to the bioenergy park in April 2023, with further deliveries to customers scheduled for the second half of 2023.

The development, design and construction of the first AEM electrolyser in the megawatt class, the AEM Multicore, was funded by the Project Management Organisation Jülich in the funding measure Basic Energy Research in the funding call for ideas competition Hydrogen Republic of Germany - Lead Projects on Green Hydrogen with a grant of 60 % of the actual costs incurred, up to a maximum of EUR 5.6 million. Nevertheless, there is a cost risk if the costs for the development and production of the AEM multicores in the first generation are higher than the achievable sales prices.

The establishment of efficient production is crucial for future profitability. The order for the machinery for the expansion of production capacities at the Saerbeck site is to be placed when the corresponding orders have been received and the financing of the machinery has been secured. Here, too, the development of production at the Saerbeck site is supported by a funding project at the Project Management Organisation Jülich for the project Innovative Development of Machine Blueprints for AEM Mass Production up to an amount of EUR 9.4 million, but 50% of the total eligible expenditure must be financed in advance and the own contribution of 50% must be borne by the company itself.

The bearer bond issued and paid out in February 2023 for a nominal amount of EUR 25.65 million with a term of two years can be used to secure the investments planned in 2023 and the operational capital requirements for 2023. However, there is a risk that the capital requirement could increase due to changes in the general conditions.

Liquidity and financing risks

Following the capital increases successfully carried out in 2021 and 2022 and the debt capital received at the beginning of 2023, Enapter expects to be able to continue to cover the capital requirements for further growth through capital measures in the future.

In February 2023, the Enapter Group had concluded a financing of €25 million with the Patrimonium Middle Market Debt Fund, a private debt fund of Patrimonium Asset Management AG, by issuing a bearer bond. The financing has a term of 2 years. Based on the currently available liquid funds, the financing of the Enapter Group is thus secured until at least February 2024. By entering into the respective agreements, Enapter has undertaken to provide collateral and to fulfil other closing and downstream conditions, e.g. compliance with certain financial covenants. Non-compliance with these provisions could lead to costs for contract adjustments or even to a termination of the respective agreements, for which there are currently no indications.

Further required financing beyond the period February 2024 will be secured through appropriate capital measures at the appropriate times. The extent to which we are able to obtain this funding could depend on a number of factors beyond our control. These include general economic conditions due to the ongoing pandemic, geopolitical events, monetary policy and financial market regulation worldwide and in the EU. Further, however, a deterioration in Enapter's business results, financial condition or credit rating could also lead to reduced availability of credit and/or higher financing and hedging costs. The equity markets have also been weighed down by geopolitical instability and all sorts of uncertainties. Rising inflation, an aggressive interest rate hike policy by central banks around the world, the Ukraine war and other geopolitical commitments that had a negative impact on global procurement and sales markets ensured that recession concerns increasingly dominated events on the stock markets. In principle, the interest and demand on the capital market for "hydrogen" shares is high, also due to the political backing in the USA in the EU, but the valuation and demand for these shares could deteriorate if, due to the slower than expected market ramp-up for hydrogen, the business results remain below expectations and the profitability of the business model is achieved later. If the assumptions made in the planning regarding business performance and financing do not materialise, this would have a significant impact on the Company's financial position. These events and circumstances indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and that represents a going concern risk within the meaning of section 322 (2) sentence 3 HGB.

Litigation

Risks from legal disputes are not apparent. There are no lawsuits against the company.

Overall assessment of the risk situation

Currently, taking into account Enapter's current direction, there are specific risks that are monitored as far as they are within the company's sphere of influence. Enapter estimates the overall risk of the listed strategic, operational and financial risks to be moderate. In Enapter's opinion, there are currently no risks that could jeopardise the company's existence within the next 12 months.

With its focus on a platform strategy for small and large electrolysers, Enapter sees itself well positioned on the market side. Decisive for the demand for electrolysers are the quality, functionality, price and operational costs for the production of hydrogen for customers, but also the provision of the corresponding infrastructure and reliable legal framework conditions.

The investments required for further growth and the financing of operations are to be financed through appropriate equity and/or debt measures. Following the successfully implemented capital increases and the debt capital received at the beginning of 2023, Enapter expects to be able to continue to cover the capital requirements for further growth through capital measures in the future.

Opportunities

Green hydrogen is in a highly attractive market environment and will experience a real boom in the next few years, as a consensus has formed in recent years that hydrogen is the only low-emission energy carrier that can sustainably decarbonise industry. Thus, green hydrogen is the only way, especially for industrialised nations, to achieve their climate goals within the given time frame. After the clear commitment to almost unlimited financial support for hydrogen projects by the US Inflation Control Act, other nations that also want to build local hydrogen economies are now under pressure to create similarly attractive incentive mechanisms, first and foremost the European Union. In addition, the Ukraine war has also once again highlighted to the population how risky fossil fuel dependency is in a geopolitical context and has increased the demand for alternative energy concepts and/or self-sufficient off-grid solutions in many places - hydrogen solutions cover both of these areas.

Enapter is the technology leader in innovative anion exchange membrane electrolysis, which stands out from other electrolysis technologies in various aspects and is generally regarded as the most promising of these. The main reason for this is that AEM has an enormous cost reduction potential, which results primarily from the fact that no platinum group metals are used for electrolysis. Enapter's electrolysers already meet many of the performance indicators for AEM technology that various research institutions are predicting for 2030, especially in the areas of efficiency, flexibility and operating costs.

Another competitive advantage of the Enapter is the modular production approach based on the building block principle, which has already proven itself in the automotive industry for years. The standardised design of the stack, which represents the so-called minimum modular unit, allows for rapid scaling and high automation in production. This allows Enapter to move disproportionately quickly from manual series production to mass production and thus achieve further economies of scale.

In summary, the Enapter Group with its promising AEM technology is very well positioned to benefit from the expected exponential growth of the green hydrogen market. While industrialised countries around the world are setting the course for large-scale and generous funding of hydrogen projects, electrolyser manufacturers are preparing for mass production. Enapter's modular product design allows it to participate in the expected exponential market ramp-up and contribute to making green hydrogen the "oil of the 21st century".

Report on the expected development

Economic framework conditions

Neither the end nor the outcome of the Russian war of aggression in Ukraine is currently in sight. Therefore, certain uncertainties remain that have a negative impact on the stability of the German or global economy. These include extreme price fluctuations for energy and raw materials as well as persistent supply chain bottlenecks with negative consequences for international trade flows. Currently, the International Monetary Fund expects a global growth rate of 2.9% for 2023[16] . This means that global economic growth is below the historical average compared to the past two decades.

According to the Federal Statistical Office, prices for energy products in Germany were 19.1% higher in February 2023 than in the same month of the previous year, despite the relief measures taken by the Federal Government[17] . The continuing rise in the inflation rate remains a cause for concern; this was 8.7% in Germany in February 2023[18] . At present, further price level developments can hardly be reliably predicted. In addition, there is considerable cost pressure among German machinery and plant manufacturers: according to PwC, despite rising sales prices, a majority of companies do not expect to be able to maintain their profitability and anticipate a sales trend for the industry as a whole of -2.9%[19] .

In addition, companies in Germany and Europe are increasingly under pressure in the rising expense of recruiting new skilled workers, which has increased massively in all sectors of the economy in recent years. Mechanical engineering is particularly affected, where the shortage of skilled workers is now the most important business risk after rising energy prices and inflation[20] . This reduces their flexibility when it comes to being able to react promptly to new orders by hiring additional staff.

Market for green hydrogen

The Inflation Control Act enacted by the United States in autumn 2022 will permanently change the global hydrogen market. Bloomberg New Energy Finance (BNEF) forecasts that the use of electrolysers in the United States will increase tenfold. About 1 GW of the 2-3 GW of global electrolysis capacity expected for 2023 will be commissioned there. At the same time, many other countries, such as the EU, Germany and Canada, will try to set up a similarly generous support regime as the US in order to remain attractive to international hydrogen companies. In 2022, globally available funding for hydrogen projects increased by almost half to 146 billion USD, with similar growth expected in 2023[21] . In parallel, the number of countries with dedicated hydrogen strategies will also continue to increase. At present, 42 countries have already published a national hydrogen strategy, and 36 more are currently working on publishing their own strategies.[22.]

While strong growth is predicted in the USA, there could be delays in other regions. Despite numerous new project announcements, there are just as many postponements and sometimes even cancellations of already announced projects. This is particularly noticeable in Europe, the Middle East, Africa and the Asia-Pacific region. In addition to uncertainties about subsidy programmes, the main reasons for this are expected to be production and delivery delays by various electrolyser manufacturers, which will in all likelihood continue throughout 2023. Nevertheless, analysts still expect a doubling or tripling of the 800 MW of delivered electrolysis capacity in 2022. Alkaline electrolysers are expected to account for three-quarters of this and PEM technology for one-quarter. Solid oxide electrolysers and AEM will account for only about 1% of the electrolysers shipped worldwide[23] .

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[16] IMF, 2023
[17] Federal Statistical Office, 2023
[18] Ibid.
[19] PwC MechanicalEngineering Barometer, 2022
[20] DIHK, 2022
[21] Hydrogen: 10 Things to Watch for 2023 (bnef.com)
[22] BloombergNEF Global Hydrogen Strategy Tracker 2023
[23] BloombergNEF, 1H 2023 Hydrogen Market Outlook

It could be a challenging year for electrolyser manufacturers. According to BNEF, the capacity announced by manufacturers to produce electrolyzers exceeds demand by a factor of 12[24] . This means that many factories are only being utilised to a very low degree, which could cause financial difficulties for manufacturers who have made large investments and are not flexible enough to adapt the build-up of their capacity to the market environment.

On the demand side, Europe remains the clear frontrunner in terms of the pipeline of announced hydrogen projects. The clear decarbonisation targets at national and European level require innovative solutions, especially from actors in hard-to-decarbonise industrial sectors. Pilot projects in the steel industry can therefore be expected mainly from European actors[25] . Hydrogen for ammonia production, on the other hand, is expected to be produced and made available for export where production costs will be cheapest. The use of hydrogen for road transport is mainly driven by Chinese fleet upgrades, while in Europe regional fleet operators continue to upgrade on a smaller scale[26] .

The planned hydrogen transport infrastructure is also expected to make further progress in 2023. The developers of the first European cross-border hydrogen pipeline from Spain to Germany are currently seeking funding. Several other European pipeline projects could reach the final investment decision in 2023. Until the pipelines are completed, hydrogen will be transported mainly by ship, and ammonia import terminals are being planned in various geographies, especially in South Korea and the EU.[27.]

Overall, Enapter is looking forward to a year of significant growth, but at the same time assumes that the predicted explosive market growth for electrical equipment manufacturers will in all likelihood not occur for another two to three years.

Turnover development and introduction of new products

The Enapter Group continues to produce at the Enapter S.r.l. site in Pisa, Italy. In preparation for the market launch of the EL 4.0 in autumn 2022, manual series production was further expanded and a large number of efficiency levers were lifted. At the beginning of 2023, the Pisa site will have a production capacity of approx. 1,000 electrolysers per month, which can be significantly expanded further with shift operation.

The current model of the Enapter group is the electrolyser "EL 4.0", the fourth generation of Enapter's single core electrolyser, which is still based on Enapter's patented dry cathode technology. This represents Enapter's most compact, lightest and most affordable electrolyser. Compared with Enapter's first product, the weight and price have been reduced by half and the dimensions of the unit by 40 percent. Enapter is thus following a clear optimisation trend towards a standardisable, compact stack model that can be mass-produced. Due to its modular design and the resulting extremely simple installation, commissioning and maintenance, the EL 4.0 is suitable for almost any hydrogen application. It can be delivered to Enapter's global customer base in less than three months, making it one of the shortest delivery times in the industry. Another special feature is that any number of electrolysers can be connected in series: Combined in so-called clusters and cabinets, the EL 4.0 covers project sizes of up to 500 kW.

Series production of the EL 4.0 began in September 2022, with the first deliveries taking place in November. Due to quality problems with supplier parts of individual components, the start of production of the new electrolyser, which was planned for the summer, had to be pushed back a few months, which led to an adjustment of the earnings forecast for 2022. Since then, however, record figures have been set in production in Pisa - Enapter

[24] Ibid.
[25] Hydrogen Projects Database - Data product - IEA
[26] China's capital envisages 10,000 fuel cell vehicles by 2025 | Reuters
[27] BloombergNEF, 1H 2023 Hydrogen Market Outlook

delivered more than 1,200 electrolyzers in the third quarter[28] .

The backlog at the end of 2022 was around €13.5 million, of which around €9.1 million falls into FY 2023. At the end of March 2023, Enapter has a sales pipeline of over 430 million euros. Just under a fifth of customer enquiries are for single core electrolysers, totalling over 10,000 units. However, the majority is targeting the newest product in the portfolio, the AEM Multicore, whose pipeline demand exceeds 300 million euros.

In order to produce the AEM Multicore product as efficiently and scalably as possible, Enapter has invested in the construction of a second site in Saerbeck near Münster, Germany. Moving into the site after only one year of construction, Enapter is ready for the next chapter in securing its place in the megawatt segment. Saerbeck will initially set up a manual production line - similar to the one at the Pisa site - so that Enapter can quickly start its own stack production. This will be automated and scaled up over the next few years to meet the demand for the planned production of megawatt solutions. The first AEM Multicore is expected to be commissioned in April 2023 at the Saerbeck Bioenergy Park. In the course of the 2023 financial year, up to 4 AEM Multicore are to be delivered to European customers.

For 2023 as a whole, we continue to expect a significant increase in revenue. We continue to adhere to the revenue forecast of EUR 30 million confirmed in January 2023 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, ongoing inflation and Russia's war of aggression against Ukraine could lead to supply chain-related procurement difficulties, which could have a negative impact on the annual sales planned for 2023.

Result forecast and overall statement

For 2023, Enapter expects an EBITDA in the range of -10 to -11 million euros with a turnover of around 30 million euros.

The year 2023 will be significantly characterised by the further expansion of production capacities for the Model EL 4.0 electrolyser at the Pisa site. Here, production has been continuously increased since October 2022 and thus the growing demand for the electrolyser of the latest generation could be met. At the time of reporting, the order backlog for the Model EL 4.0 electrolyser amounts to around €7 million for 2023. Delivery of the first megawatt systems of the first-generation AEM Multicores is scheduled to begin in 2023.

The Corona pandemic is largely over and the direct business risks arising from the Ukraine war have been significantly mitigated. Despite this, indirect risks to Enapter remain, such as the shortage of raw materials for the important chemical elements for our production of cobalt and nickel. Another risk is the persistent inflation, which both significantly hampers the targeted manufacturing cost reductions and limits our customers' willingness to invest and purchasing power. We plan to increase procurement and price security by concluding longer-term supply contracts.

For the planned growth of the company, more is being invested in the development of a new stack generation, which is to be used in the next generation of the AEM Multicore. Staffing levels have been adjusted to meet changing market and production requirements. Enapter expects losses and associated cash outflow to continue until production and associated sales of the electrolyzers are sustainably ramped up. In 2024, it is planned to reach pre-series maturity of the Multicore and to deliver further units to customers. In the long term, it is planned to produce the hydrogen stacks of the Multicore, with their special requirements for the megawatt class, in series in Saerbeck.

[28] https://enapterag.de/wp-content/uploads/2023/01/2022-01-10-Enapter_Production_CN_-DE.pdf

For Enapter AG in the separate financial statements as the parent company of the group, we expect comparable revenues and results in 2023 as in the previous year.

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 required to include in its 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 27,195,000 as of the balance sheet date and was divided into 27,195,000 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 27,195,000. 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 28 July 2022, 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 13,500,000.00 against contributions in cash and/or in kind. Shareholders' subscription rights may be excluded (Authorised Capital 2022).

The Executive Board resolved on 6 April 2022, with the consent of the Supervisory Board of the same date, to carry out a capital increase by issuing at least EUR 1,578,948 new no-par value bearer shares with a pro rata amount of the share capital of the Company of EUR 1.00 each ("New Shares") at a subscription price of EUR 19.00 per share, making use of the Authorised Capital 2021.

In the course of the capital increase, 2,789,353 new shares were subscribed and thus the share capital of the company was increased by EUR 2,789,353 to EUR 27,195,000.00 with entry in the commercial register on 9 August 2022. The authorised capital 2021 was used to this extent; by resolution of the Annual General Meeting of 28 July 2022, the authorised capital currently amounts to EUR 13,500,000.

The Annual General Meeting of 6 May 2021 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 has not been used since the authorisation by the Annual General Meeting on 5 May 2021.

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, also e.g.

convertible bonds with attached warrants) (together the "Bonds"), each with option or conversion rights or obligations. -Bonds with option or conversion rights or obligations issued 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 on the basis of the authorisation resolved by the Annual General Meeting of 5 May 2021 until 5 May 2026.

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.

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

With regard to direct and indirect participations in the capital of Enapter AG exceeding ten percent, please refer to the information provided in the notes to the annual financial statements of Enapter AG under item "VII".

For the consolidated financial statements, please refer to the disclosures in the notes under "IV. OTHER INFORMATION 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 2022, 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 2022 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/.

Corporate Governance Statement 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/.

Enapter

Consolidated Financial Statements

of Enapter AG as at 31 December 2022

Consolidated balance sheet as at 31 December 2022

ASSETS	Annex-details No.	31.12.22 EUR	31.12.21 EUR
Non-current assets			
Intangible assets	III.A.(1)	10.272.092	7.109.524
Property, plant and equipment	III.A.(2)	67.899.679	23.984.593
Rights of use	III.A.(3)	909.012	1.054.599
Shares in associated companies	III.A.(4)	972.489	0
Other financial assets	III.A.(5)	176.690	32.027
Deferred tax assets	III.A.(6)	7.007	40.318
		80.236.969	**32.221.060**
Current assets			
Inventories	III.A.(7)	8.421.443	3.603.827
Receivables from deliveries and services	III.A.(8)	8.013.914	2.638.292
Other assets	III.A.(9)	6.070.938	4.073.351
Cash and cash equivalents	III.A.(10)	5.070.823	19.604.079
		27.577.118	**29.919.550**
Balance sheet total		**107.814.087**	**62.140.610**

PASSIVA	Annex-Information No.	31.12.22 EUR	31.12.21 EUR
Equity			
Subscribed capital	III.A.(11)	27.195.000	24.405.647
Capital reserves	III.A.(12)	87.586.151	37.615.442
Retained earnings	III.A.(13)	-28.396.078	-15.418.145
Other reserves	III.A.(14)	68.999	-83.114
Total equity		**86.454.072**	**46.519.830**
Thereof attributable to:			
Equity attributable to owners of the parent company		86.453.450	46.517.987
Non-controlling interests		623	1.843
Total equity		**86.454.072**	**46.519.830**
Long-term debt			
Other financial liabilities	III.A.(15)	2.370.589	2.708.028
Leasing liabilities	III.A.(16)	470.630	575.434
Provisions	III.A.(17)	604.883	512.158
Passive accruals	III.A.(18)	1.844.323	1.428.406
		5.290.424	**5.244.027**
Current liabilities			
Other financial liabilities	III.A.(15)	870.510	1.185.625
Leasing liabilities	III.A.(16)	116.446	154.666
Liabilities from deliveries and services	III.A.(19)	11.190.982	6.387.048
Other liabilities	III.A.(20)	2.338.164	2.034.621
Provisions	III.A.(17)	1.243.042	515.475
Passive accruals	III.A.(18)	310.447	119.317
Total current liabilities		**16.069.591**	**10.396.753**
Balance sheet total		**107.814.087**	**62.140.610**

Consolidated income statement for the period from 01 January to 31 December 2022

	Annex information No.	2022 EUR	2021 EUR
Revenues	II.F.;II.B.(1)	14.671.422	8.442.180
Other own work capitalised	III.A.(1-2)	6.382.582	3.330.040
Change in inventories of finished goods and work in progress	III.A.(7)	525.270	540.317
Other operating income	III.B.(2)	2.799.251	1.366.602
Cost of materials	III.B.(3)	-12.012.787	-7.873.653
Personnel expenses	III.B.(4)	-14.299.979	-7.596.056
Amortisation, depreciation and impairment of intangible assets and property, plant and equipment	III.A.(1-3)	-2.275.871	-1.002.438
Other operating expenses	III.B.(5)	-8.647.936	-5.828.311
Financial income	III.B.(6)	2.397	220
Financial expenses	III.B.(6)	-99.073	-88.196
Result before taxes		-12.954.724	-8.709.296
Income tax expense	III.B.(7)	-23.208	7.633
Group result		**-12.977.933**	**-8.701.663**
Thereof attributable to:			
Shareholders of the parent company		-12.976.684	-8.700.631
non-controlling interests	III.B.(8)	-1.249	-1.032
		-12.977.933	-8.701.663
Earnings per share			
Basic earnings attributable to ordinary equity holders of the parent company	III.B.(9)	-0,51	-0,38
Diluted, based on the profit attributable to ordinary equity holders of the parent company	III.B.(9)	-0,51	-0,38

Consolidated statement of comprehensive income for the period from 01 January to 31 December 2022

	Annex information No.	2022 EUR	2021 EUR
Group result		**-12.977.933**	**-8.701.663**
Other comprehensive income after income taxes			
Remeasurement of the net defined benefit liability	III.A.(17)	24.663	-34.977
Items that will not be reclassified to the income statement		**24.663**	**-34.977**
Derivative financial instruments	III.A.(14)	127.450	-11.033
Difference from currency translation		0	93
Items that may be reclassified to the income statement		**127.450**	**-10.940**
Other result		**152.113**	**-45.917**
Group overall result		**-12.825.820**	**-8.747.580**
Thereof attributable to:			
Shareholders of the parent company		-12.825.848	-8.747.578
non-controlling interests	III.B.(8)	29	-2
		-12.825.820	-8.747.580

Consolidated Statement of Changes in Equity for the period from 01 January to 31 December 2022

	Annex information	Subscribed capital	Capital reserves	Retained earnings	Other reserves	Total equity	Equity attributable to the shareholders of the parent company	Non-controlling interests	Total equity
	No.	EUR	EUR	EUR	EUR	EUR		EUR	EUR
Notes		III.A.(11)	III.A.(12)	III.A.(13)	III.A.(14)			III.B.(8)	
Status 31.12.2020 / 1.1.2021		**22.269.300**	**-6.770.947**	**-6.716.482**	**-37.197**	**8.744.674**	**8.741.792**	**2.882**	**8.744.674**
Cash capital increase Enapter AG		2.136.347	46.167.634	-	-	48.303.981	48-303-981	.	48.303.981
Costs of raising capital		-	-2.237.256	-	-	-2.237.256	-2.237.256	.	
Share-based payment		-	456.011	-	-	456.011	456.011	.	
Group result		-	-	-8.701.663	-	-8.701.663	-8.700.631	-1.032	
Other result		-	-	-	-45.917	-45.917	-45.910	-7	
Status 31.12.2021 / 1.1.2022		**24.405.647**	**37.615.442**	**-15.418.145**	**-83.114**	**46.519.830**	**46.517.987**	**1.843**	**46.519.830**
Cash capital increases Enapter AG		2.789.353	50.208.354	-	-	52.997.707	52.997.707	-	52.997.707
Costs of raising capital		-	-1.779.286	-	-	-1.779.286	-1.779.286	-	-1.779.286
Share-based payment		-	1.541.641	-	-	1.541.641	1.541.641	-	1.541.641
Group result		-	-	-12.977.933	-	-12.977.933	-12.976.684	-1.249	-12.977.933
Other result		-	-	-	152.113	152.113	152.085	29	152.113
Status 31.12.2022		**27.195.0000**	**87.586.151**	**-28.396.078**	**68.999**	**86.454.072**	**86.453.450**	**623**	**86.454.072**

Consolidated cash flow statement for the period from 01 January to 31 December 2022

Current business activity	Annex information	2022 EUR	2021 EUR
Group result after taxes		-12.977.933	-8.701.663
Income taxes		23.208	-7.633
Financial result	III.B.(7)	96.676	87.977
Depreciation, amortisation and impairment of non-current assets	III.A.(1-3)	2.275.871	1.002.438
Interest received		2.397	220
Interest paid		-69.223	-82.215
Income taxes paid		-4	8.702
+/- Increase/decrease in long-term provisions		92.725	233.734
+/- Increase/decrease in short-term provisions		727.567	276.048
Change in net working capital:			
+/- Decrease/increase in trade receivables and other receivables		-6.113.307	-5.626.380
-/+ Increase/decrease in inventories		-4.817.616	-2.304.064
Increase/decrease in trade payables and other liabilities		4.454.621	6.794.574
Other non-cash transactions		840.868	321.659
Cash flows from operating activities		**-15.464.149**	**-7.996.603**
Investment activity			
Payments for the acquisition of intangible assets	III.A.(1)	-4.435.804	-3.482.762
Payments for the acquisition of property, plant and equipment	III.A.(2)	-44.989.275	-21.570.118
Payments for investments in financial assets	III.A.(4)(9)	-3.329	-10.245
Proceeds from the sale of financial instruments	III.A.(9)	0	0
Payments for modernisation of leased buildings (rights of use)	III.A.(3)	-61.458	-910
Cash flows from investing activities		**-49.489.865**	**-25.064.035**
Financing activity			
Proceeds from the issue of new shares	III.A.(16)	52.997.707	48.303.981
Transaction costs for the issue of shares	III.A.(16)	-1.769.813	-2.237.256
Payments for the redemption portion of the lease liabilities	III.A.(16)	-154.581	-113.140
Proceeds from borrowings	IV.E.	395.900	3.075.108
Payments from the redemption of financial liabilities	IV.E.	-1.048.455	-612.000
Cash flows from financing activities		**50.420.759**	**48.416.693**
Change in cash and cash equivalents		**-14.533.256**	**15.356.055**
Cash and cash equivalents as at 1 January		19.604.079	4.248.024
Cash and cash equivalents as at 31 December of the previous period	III.A.(10)	**5.070.823**	**19.604.079**

Composition of cash and cash equivalents		31.12.2022 EUR	31.12.2021 EUR
Balances with credit institutions	III.A.(10)	5.070.823	19.604.079

Group Notes

as at 31 December 2022

I. General principles

A. Information on the Company and the Group

Enapter AG, Heidelberg is a stock corporation under German law (hereinafter "Enapter AG" or the "Company"). Enapter AG is registered in the commercial register at the Local Court of Mannheim under the number HRB 735361 and has its registered office in Heidelberg and its business address at Reinhardtstraße 35 in 10117 Berlin.

As of 31 December 2022, Enapter AG has a share capital of EUR 27,195,000.00 with 27,195,000 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 an investment company that provides management and functional services to the subsidiaries it controls (hereinafter "Enapter" or "Group" or "Unternehmensgruppe").

Subsidiaries of the company are Enapter S.r.l., Crespina Lorenzana (Pisa), Italy, Enapter GmbH, Berlin, Enapter Immobilien GmbH, Saerbeck and Enapter LLC, St. Petersburg, Russia.

Enapter designs and produces hydrogen generators based on a patented anion exchange membrane electrolysis (AEM electrolysis) and pursues the vision of completely replacing fossil fuels with "green hydrogen".

B. Legal basis for the preparation of the consolidated financial statements

The consolidated financial statements of the company were prepared in accordance with the International Financial Reporting Standards (IFRS), as applicable in the European Union (EU), and the commercial law provisions to be observed in addition pursuant to Section 315e (1) of the German Commercial Code (HGB). The requirements of the standards (IFRS/IAS) and interpretations (IFRSIC/SIC) that were mandatory as of the balance sheet date were met. For the preparation of the consolidated financial statements under the going concern assumption, we refer to section II.E. In the following, the term IFRS is used uniformly.

The consolidated financial statements of Enapter AG are prepared in euros (EUR). Unless otherwise stated, all values are rounded up or down to the nearest euro (EUR). Rounding may result in values in this report not adding up exactly to the totals shown and in percentages not adding up exactly to the values shown.

The financial year of Enapter AG and its subsidiaries included in the consolidated financial statements corresponds to the calendar year. The reporting date of the financial statements is the reporting date of the parent company.

The consolidated balance sheet is divided into non-current and current assets and liabilities in accordance with IAS 1. Assets and liabilities with a maturity of one year are classified as current assets. The consolidated statement of comprehensive income was prepared using the nature of expense method.

The majority shareholder BluGreen Company Limited, based in Hong Kong ("BluGreen"), is a Hong Kong-based unlisted corporation and does not prepare consolidated financial statements. Enapter AG, Heidelberg, prepares the consolidated financial statements for both the smallest and the largest group of companies.

The consolidated financial statements for the reporting period ending 31 December 2022 (including comparative figures for the 2021 financial year) were approved and authorised for issue by the Board on 26 April 2023.

The significant accounting policies applied in the preparation of the consolidated financial statements as at 31 December 2022 are summarised below.

II. Consolidation and accounting regulations

Apart from the standards, interpretations and amendments to be applied for the first time in the financial year, the Enapter Group has not made any significant changes to the accounting and valuation methods.

A. Accounting rules

Accounting standards issued by the IASB and applied for the first time		
Standard	New or amended standards and interpretations and significant content	Obligation to apply EU
IAS 16	Changes to proceeds prior to intended use	01.01.2022
IAS 37	Amendments Adverse contracts - Costs of performance of contracts	01.01.2022
IFRS 3	Reference to the framework concept	01.01.2022
Various	Annual Improvement Project Cycle 2018-2020	01.01.2022

The new or amended standards have no or no material impact on the consolidated financial statements of the Enapter Group.

The following table presents the standards issued by the IASB that have not yet been applied and are relevant to the Group.

Accounting standards issued by the IASB that have not yet been applied		
Standard	New or amended standards and interpretations	Initial application date provided for by the IASB
IAS 1	Changes in the classification of liabilities as current or non-current and disclosure of significant accounting policies	01.01.2023
IAS 8	Definition of accounting estimates	01.01.2023
IAS 12	Deferred taxes at the time of addition of an asset or liability	01.01.2023
IFRS 17	Insurance contracts	01.01.2023

The Enapter Group does not make use of the right of voluntary early adoption of the standards issued by the IASB before their mandatory adoption. No material impact on the interim consolidated financial statements is expected.

B. Consolidation principles

The consolidated financial statements include the financial statements of the company and the subsidiary prepared in accordance with uniform accounting and valuation methods. Subsidiaries controlled by the Group are fully consolidated. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Group generally accounts for business combinations using the purchase method. In the course of capital consolidation, the acquisition costs of the acquired shares are offset against the equity of the subsidiaries attributable to the Group. The identifiable net assets acquired and the consideration transferred are generally measured at fair value. Any positive difference between the acquisition cost of the acquired shares and the identifiable net assets arising on initial consolidation is recognised as goodwill. Goodwill is tested annually for impairment. Any negative difference is recognised immediately in profit or loss after a further review of all valuations.

Associates - Entities in which Enapter has the ability to exercise significant influence over operating and financial policies (generally through funds or direct voting power of 20% to 50%). Associates are accounted for in the consolidated financial statements using the equity method and are initially recognised at cost. Enapter's share of the post-acquisition results of the associate is recognised in the consolidated income statement, and its share of post-acquisition changes in equity is recognised directly in equity. The cumulative post-acquisition changes increase or decrease the carrying amount of the investment in the associate. If the losses of an associate attributable to Enapter equal or exceed the value of the investment in the associate, no further share of losses is recognised unless Enapter has incurred obligations or made payments on behalf of the associate. The investment in an associate is the carrying amount of the investment plus any long-term interest that is attributable to the economic substance after Enapter's net investment in the associate.

All intra-group receivables and liabilities, expenses and income as well as interim results are eliminated within the scope of debt and expense and income consolidation.

C. Use of judgements and estimates

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions by management that relate to the amount and disclosure of recognised assets and liabilities, income and expenses and the disclosure of contingent liabilities are necessary when preparing the consolidated financial statements in accordance with IFRS. Assumptions and estimates have an influence on the valuation of assets, provisions and liabilities in the consolidated financial statements, particularly with regard to the recognition criteria and accounting regulations for intangible assets, the recoverability of financial assets and the resulting value adjustments, the determination of useful lives, and the recognition and valuation of other provisions.

The assumptions and estimates as of the balance sheet date are based on current circumstances and knowledge. The forward-looking assumptions and estimates as at the balance sheet date take into account the expected future business development, the circumstances prevailing at the time of the preparation of the consolidated financial statements and the future development of the global and industry-specific environment that is assumed to be realistic. Developments in these general conditions that deviate from the assumptions and are beyond the management's control may cause the actual amounts to deviate from the estimated values. In the event of such a development, the assumptions and, if necessary, the carrying amounts of the assets and liabilities concerned are adjusted to the new level of knowledge.

Enapter AG calculates the expense from the option programme on the basis of the fair value on the grant date. The estimation of the fair value requires the determination of the most appropriate valuation method, which depends on the terms of the option programme. It is also necessary to determine the input factors for the valuation model (share price, exercise price, term, risk-free interest rate, expected volatility and expected dividend yield).

In point III.A.(4), H2 Core Systems GmbH is presented as an associated company of the Group, as Enapter AG holds a stake of around 30% and thus has a significant influence on the associated company. There are no special agreements under company law or contractual law.

War, geopolitical tensions and global pandemics such as the COVID 19 pandemic may continue to have an impact on the Group's financial statements as a result of declining and more volatile equity prices, interest rate adjustments in various countries, increased volatility in foreign currency exchange rates, deteriorating creditworthiness, payment defaults or late payments, delays in order intake and also in order execution or contract fulfilment, contract cancellations, adjusted or modified revenue and cost structures, the limited use of assets, the limited or impossible access to customers' premises or the difficulty in making forecasts and projections due to uncertainties regarding the amount and timing of cash flows. These factors can affect the fair values and carrying amounts of assets and liabilities, the amount and timing of profit realisation and cash flows.

Management has prepared the consolidated financial statements on the assumption that Enapter AG and its subsidiaries will be able to continue as a going concern. 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 anticipates that losses and related cash outflows will continue until production and associated sales of the electrolysers have ramped up. Financing for the group within the ramp-up period is expected to be provided by further equity, subsidies and debt. However, there is an inherent risk that financing rounds may not be successful as expected. In the event that the financial and revenue planning is not met or the planned injections of funds are not implemented on time, the existence of the company would be at risk.

D. Segment reporting

During the reporting period, the Group had only one reportable segment - the design and production of hydrogen generators based on a patented anion exchange membrane (AEM) electrolysis. The internal management of the business activities was not separated by products, services or geographical markets during the reporting period. Currently, all major operational business activities are bundled in Enapter S.r.l..

E. Accounting and valuation principles

Apart from the standards, interpretations and amendments to be applied for the first time in the financial year, the Enapter Group has not made any significant changes to the accounting and valuation methods.

Currency conversion

The consolidated financial statements are prepared in euros, the functional currency of the parent company.

Foreign currency transactions are generally translated into the functional currency by Group companies at the time of the transaction using the applicable spot rate.

Monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at each reporting date using the closing spot rate. Differences arising from the settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The assets and liabilities of the foreign subsidiary are translated into euros at the closing rate on the balance sheet date. Equity was translated at the historical rate. Income and expenses are translated at the average exchange rate for the year. The translation differences resulting from the translation are recognised in other comprehensive income.

The following exchange rates were used:

	RUB/EUR	EUR/RUB
Stichtagskurs 2.3.2022/31.12.2022	88,89100	0,01125
Durchschnittskurs 2.3.2022/31.12.2022	87,72310	0,01140
Closing rate 31.12.2021	85,30040	0,01172
Average price 31.12.2021	87,15270	0,01147

The ECB has suspended the publication of the euro reference rate against the rouble with effect from 2 March 2022.

Share-based payment

Enapter AG has set up an option programme for management, executives and other key employees with a volume of up to 2,310,130 options. Enapter AG has the option to settle claims from the option programme by physical delivery of shares or in cash. The company intends to settle the claims through delivery of shares. Therefore, the option programme is treated as equity-settled share-based payment. In this context, the company issued employee options for the first time in 2021 in two tranches with a maximum term of eleven years, consisting of a waiting period of four years and an exercise period of seven years. Within the exercise period, exercise is generally unrestricted except for certain measures to avoid insider trading. All options are subject to a service condition and a non-market performance condition.

The service condition is a vesting period of three years. The expense resulting from the issue of the options is recognised proportionately during the vesting period. This is offset by a corresponding increase in equity.

The non-market performance condition is a performance target that relates to the material input costs for the electrolysers produced by Enapter AG and must be achieved by the end of the 2023 financial year at the latest.

The fair value is determined by applying the Black-Scholes model, taking into account the terms and conditions upon which the employee options were granted.

Balance sheet

(1) Intangible assets

Intangible assets are initially recognised at cost. In subsequent periods, intangible assets are recognised at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite useful lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at least at the end of each reporting period. Changes in the amortisation method or period that are necessary because of changes in the expected useful life or the expected pattern of consumption of the future economic benefits embodied in the asset are treated as changes in accounting estimates.

For intangible assets with an indefinite useful life, an impairment test is carried out at least once a year for the individual asset or at the level of the cash-generating unit. These intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the indefinite useful life assessment continues to be supportable. If this is not the case, the change in assessment from an indefinite to a finite useful life is made prospectively.

An intangible asset is derecognised either on disposal (i.e. when the transferee obtains control) or when no further economic benefits are expected from the continued use or disposal of the recognised asset. Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period in which the asset is derecognised.

Research and development costs

Research costs are recognised as an expense in the period in which they are incurred. Development costs of an individual project are only capitalised as an intangible asset if the Group can demonstrate the following:

- the technical feasibility of completing the intangible asset so that it will be available for internal use or sale;
- the intention to complete the intangible asset and the ability and intention to use or sell it;
- the way in which the asset will generate future economic benefits;
- the availability; of resources for the purpose of completing the asset;
- the ability to reliably measure the expenditure attributable to the intangible asset during its development.

Development costs are recognised initially as an asset at cost less any accumulated impairment losses and are amortised over their estimated useful lives, generally five years.

An impairment test is carried out annually during the development phase.

(2) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is recognised to allocate the cost of the assets over their estimated useful lives, ranging from 3 years for computer equipment to 25 years for buildings, using the straight-line method.

The residual values, useful lives and depreciation method are reviewed at the end of each financial year to ensure that the amount, method and duration of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. The carrying amounts of property, plant and equipment are reviewed for impairment whenever events or circumstances have occurred that indicate that the carrying amount may not be recoverable.

(3) Leases, rights of use and lease liabilities

a) Enapter as lessee

For leases for the rental of production and office space, motor vehicles and other assets, the Group as lessee recognises a lease liability in the amount of the present value of the lease payments to be made over the term of the lease. In determining the present value, fixed lease payments, variable index-based payments, reasonably certain renewal options, exercise prices of purchase options and payments from early termination of the lease less rental incentives received are taken into account. The lease payments are calculated at the inception of the lease using the appropriate term-specific incremental borrowing rate. The lease liability is reduced by the amount of the redemption portion of the lease payment until the lease expires. Corresponding interest expenses are reported in the financial result.

Corresponding to the lease liabilities, the Group as lessee capitalises a right of use in the amount of the acquisition costs at the inception of the lease, if applicable increased by initial direct costs, dismantling costs or similar. The rights of use are amortised over the lease term or, if applicable, over the shorter, normal useful life of the leased assets concerned.

b) Enapter as lessor

Leases in which the Group is the lessor are classified as finance or operating leases, as appropriate. If the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee, the lease is classified as a finance lease. All other leases are classified as operating leases.

Enapter is currently not active as a lessor.

(4) Shares in associated companies

Investments in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. After initial recognition, the consolidated financial statements include the Group's share of the comprehensive income of the investments accounted for using the equity method until the date that significant influence or joint control ceases.

(5) Financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Initial measurement is at the settlement date. Financial assets are derecognised when the contractual rights to receive payments from the asset have expired or when substantially all the risks and rewards of the financial asset have been transferred. Financial liabilities are derecognised when they are settled, cancelled or expire.

IFRS 9 contains three basic categories for classifying financial assets: measured at amortised cost, measured at fair value with changes in value recognised in other comprehensive income (FVOCI) and measured at fair value with changes in value recognised in profit or loss (FVTPL). The classification of financial assets under IFRS 9 is based on the entity's business model for managing financial assets and the characteristics of the contractual cash flows.

a) Financial assets

Financial assets are initially measured at fair value less transaction costs. Subsequent measurement depends on the business model on the basis of which the asset is held.

Investments in associates are included in the consolidated statement of financial position at cost, adjusted for changes in the Group's share of profit or loss and other comprehensive income of the associate after the date of acquisition.

In addition to the shares in an associated company and a smaller interest in a partnership, the Group only holds financial assets whose business model consists of holding them until the contractual cash flows are collected and which only trigger interest and redemption payments at specified times. After initial recognition, these financial assets are measured at amortised cost using the effective interest method less an allowance for impairment. No discounting is performed if the effects of discounting are immaterial for the presentation of the Group's net assets, financial position and results of operations. Cash and cash equivalents as well as trade and other receivables fall into this category of financial instruments.

Impairments of financial assets in the categories measured at amortised cost on the one hand and measured at fair value through other comprehensive income with recycling of the changes in value recognised in other comprehensive income on the other hand are taken into account in accordance with IFRS 9 using the expected credit loss model, which provides for three levels. For financial assets in level 1, a risk provision in the amount of the expected twelve-month loss is to be recognised. This comprises the present value of the expected payment defaults resulting from default events within the first twelve months. If a financial asset shows a significant increase in credit risk since the initial recognition date, the impairment loss is calculated in the amount of the present value of the lifetime expected loss and the asset is assigned to Level 2. A financial asset is assigned to Level 3 if there is objective evidence that an impairment loss has already been incurred. This includes, among other things, the high probability of insolvency proceedings, significant financial difficulties of a debtor or the discontinuation of an active market for financial assets. In level 3, impairments are recognised in the amount of the expected credit losses over the entire term of the financial asset.

Simplification rules exist for certain financial assets such as trade receivables. For these financial assets, a flat-rate risk provision is recognised in the amount of the expected losses over the remaining term, which is determined on the basis of empirical values. These are allocated to Level 2 of the impairment model upon addition. If there is an impairment of creditworthiness or a default, the receivable in question is transferred to level 3. Overdues of more than 90 days provide objective evidence that a financial asset is impaired.

The credit and default risk from financial assets is the risk of default of a counterparty and therefore at most the amount of claims from recognised carrying amounts against the respective counterparty. Enapter AG carries out regular assessments to identify significant increases in credit risk. This is mainly based on default probabilities and overdue information.

b) Financial liabilities

The Group's financial liabilities include trade payables, other liabilities and liabilities to related parties. All financial liabilities fall into the category "measured at amortised cost".

Financial liabilities are initially recognised at fair value, net of transaction costs. In subsequent periods, financial liabilities are measured at amortised cost using the effective interest method.

(6) Inventories

Inventories are valued at the lower of acquisition or production cost and net realisable value. Acquisition or production costs are valued using the average cost method. Production costs include directly attributable direct costs and overheads. The net realisable value represents the estimated selling price of the inventories less any estimated costs necessary to complete and sell them.

(7) Trade receivables, other receivables and other assets

Trade receivables, other receivables and other assets are non-interest bearing. They are recognised at cost less allowances for uncollectible amounts.

(8) Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances with a maturity of up to 3 months and which are only subject to an insignificant risk of fluctuations in value. They are recognised at their nominal value.

(9) Provisions

Provisions are recognised when it is probable that, as a result of a past event, the Group has a present obligation (legal or constructive) that will require an outflow of resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation.

estimate of the amount of the obligation is possible. If the Group expects partial or full reimbursement of all amounts accrued, the reimbursement amount is recognised as a separate asset, but only to the extent that reimbursement is virtually certain.

Provisions are reviewed at each balance sheet date and adjusted if necessary to reflect the current best estimate of the obligation. If an outflow of resources to settle the obligation is no longer probable, the provisions are reversed.

Income Statement and Statement of Comprehensive Income

(10) Revenue recognition

Sales revenues include all revenues resulting from the ordinary business activities of the Enapter Group. Revenue excludes VAT and other taxes collected from customers and paid to the tax authorities. The Enapter group generates revenue mainly from the sale of hydrogen generators.

The Group recognises revenue when it transfers control of a product or service to a customer. Revenue is recognised to the extent of the consideration the Group expects to receive in exchange for those goods or services.

In the financial year, Enapter generated revenue from product sales on the basis of so-called bill-and-hold agreements. In these cases, revenue is recognised before the goods are physically shipped to the customer, once Enapter has invoiced the products and the other requirements of IFRS 15.B81 are met.

Based on the Group's assessment, the fair values and individual sales prices of the respective contractual performance obligations are largely comparable.

(11) Government grants

Government grants are recognised when there is reasonable assurance that the grants will be received and the conditions attached to them will be complied with. Expense-related grants are recognised as income over the period necessary to match them with the related costs for which they are intended to compensate. Grants related to an asset are recognised as income over the estimated useful life of the related asset.

Where the Group receives grants in the form of non-monetary assets, the asset and the grant are recognised at nominal value and released to income in equal annual instalments over the estimated useful life of the asset, based on the expected pattern of consumption of the future economic benefits embodied in the related asset.

(12) Cash flow hedges (hedging)

The effective portion of changes in the fair value of derivative instruments designated as cash flow hedges is recognised in other comprehensive income, net of tax. The ineffective portion is recognised immediately in the consolidated income statement. Amounts accumulated in equity are recognised in the consolidated income statement in the same periods in which the hedged item affects the consolidated income statement.

III. Explanation of the items in the consolidated balance sheet and the consolidated statement of comprehensive income

A. Balance sheet

Assets

Non-current **assets**

(1) Intangible assets

The Enapter Group is engaged 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. Specifically, the Enapter Group develops and manufactures electrolysers based on anion exchange membrane ("AEM") technology. These electrolysers produce directly compressed hydrogen from water and electricity at a pressure of 35 bar. As of 31 December 2022, the Enapter Group employs a total of 108 (previous year: 83) people in the research and development team.

The most important **patent of** the Enapter group is the approved patent for a "device for the production of hydrogen on demand by means of electrolysis of aqueous solutions from a dry cathode". According to the abstract of the European Patent Office, this invention relates to a device for the electrolytic production of hydrogen, which can operate discontinuously or be associated with large power fluctuations and provides hydrogen of high purity directly under pressure. The high purity of 99.9% is achieved without liquid separation. This patent protects the Enapter Group's anion-exchange membrane electrolysis technology against imitation, as the dry cathode concept does not depend on a particular membrane type or catalyst formulation.

The intangible assets are composed as follows:

Acquisition or production costs	Capitalised development costs	Patents, software and trademarks	Total
	EUR	EUR	EUR
Status as of 1.1.2022	**7.416.951**	**472.818**	**7.889.769**
Access	3.985.196	450.608	4.435.804
Transfers / disposals	0	0	0
Status as at 31.12.2022	**11.402.147**	**923.425**	**12.325.573**
Accumulated depreciation			
	EUR	EUR	EUR
Status as of 1.1.2022	**620.867**	**159.378**	**780.245**
Scheduled depreciation	1.205.962	67.274	1.273.236
Transfers / disposals	0	0	0
Status as at 31.12.2022	**1.826.829**	**226.652**	**2.053.481**
Book value as at 31.12.2021	6.796.084	313.440	7.109.524
Book value as at 31.12.2022	**9.575.318**	**696.774**	**10.272.092**

Acquisition or production costs	Capitalised development costs	Patents, software and trademarks	Total
	EUR	EUR	EUR
Status as of 1.1.2021	**4.028.109**	**322.656**	**4.350.765**
Access	3.330.040	152.722	3.482.762
Disposals	58.802	-2.560	56.242
Status as at 31.12.2021	**7.416.951**	**472.818**	**7.889.769**
Accumulated depreciation			
Status as of 1.1.2021	**264.340**	**109.849**	**374.189**

Scheduled depreciation	362.554	52.089	414.643
Disposals	-6.027	-2.560	-8.587
Status as at 31.12.2021	**620.867**	**159.378**	**780.245**
Book value as at 31.1.2020	3.763.769	212.807	3.976.576
Book value as at 31.12.2021	**6.796.084**	**313.440**	**7.109.524**

This item mainly includes capitalised development costs, patents and trademarks of Enapter S.r.l., Italy.

The main additions in 2022 at Enapter S.r.l. relate to development costs for ongoing internal projects, which are completed in subsequent years and then amortised on a scheduled basis over the expected useful life - generally five years. Patents are amortised over a useful life of fifteen years, software and trademarks over an expected useful life of five years. At the beginning of 2022, 15 projects from previous years were ongoing. In 2022, 14 projects were newly started and 6 projects were completed.

An amount of EUR 3,711,000 (previous year: EUR 3,330,000) was reported in the income statement as other own work capitalised. Furthermore, development costs for the prototype of the AEM Multicore and for setting up production at the Saerbeck site are reported under property, plant and equipment. In this context, own work amounting to EUR 2,671,000 was capitalised.

(2) Property, plant and equipment

Property, plant and equipment comprise the following in 2022:

Acquisition or production costs	Land and buildings	Plant and machinery	Operating and business equipment	Advance payments and assets under construction	Total
	EUR	EUR	EUR	EUR	EUR
Status as of 1.1.2022	**5.677.881**	**1.866.655**	**626.357**	**16.676.772**	**24.847.655**
Access	2.144.656	1.158.847	1.073.392	40.612.380	44.929.622
Disposals	0	0	0	-291.393	-291.393
Transfers	12.522.046	0	0	-12.522.046	0
Status as at 31.12.2022	**20.344.583**	**3.025.502**	**1.699.749**	**44.475.713**	**69.545.546**
Accumulated depreciation					
	EUR	EUR	EUR	EUR	EUR
Status as of 1.1.2022	**240.004**	**481.514**	**141.553**	**0**	**863.072**
Scheduled depreciation	236.252	361.314	185.230	0	782.797
Status as at 31.12.2022	**476.257**	**842.828**	**326.784**	**0**	**1.645.868**
Book value as at 31.12.2021	5.437.876	1.385.141	484.803	16.676.772	23.984.593
Book value as at 31.12.2022	**19.868.326**	**2.182.674**	**1.372.965**	**44.475.713**	**67.899.678**

The main additions in 2022 relate to investments in land and buildings as well as advance payments made and assets under construction at Enapter Immobilien GmbH for the Enapter Campus.

Work on the Enapter campus in Saerbeck began in mid-September 2021 and the first construction phase (BA2 / R&D building) was handed over in October 2022. The second construction phase (BA1 / production hall) was handed over in February 2023. By 31 December 2022, acquisition or production costs of EUR 54,264,000 (previous year: EUR 17,535,000) had been incurred for the land, the completed R&D building and the trades under construction (production hall and energy concept).

Other significant additions to advance payments made and assets under construction in 2022 relate to the development costs for the prototype of the AEM Multicore and for setting up production at the Saerbeck site. In this context, own work amounting to EUR 2,671,000 and EUR 1,004,000 in third-party production costs were capitalised.

The property, plant and equipment were not subject to any restraints on disposal as at the balance sheet date and also did not serve as collateral for loans granted. We refer to the events after the balance sheet date in Note IV in connection with the debt financing received in February 2023. M.

The additions/disposals and depreciation of low-value assets capable of independent use (so-called MLA) were not recorded in the asset register for reasons of materiality. Depreciation for the MLA amounted to KEUR 18 in the financial year (previous year: KEUR 22).

Composition and development of property, plant and equipment in 2021:

Acquisition or production costs	Land and buildings	Plant and machinery	Operating and business equipment	Advance payments and assets under construction	Total
	EUR	EUR	EUR	EUR	EUR
Status as of 1.1.2021	**2.288.215**	**769.839**	**209.455**	**28.861**	**3.296.370**
Access	3.389.666	1.096.816	435.725	16.647.911	21.570.118
Disposals	0	0	-21.797	0	-21.797
Transfers	0	0	2.973	0	2.973
Status as at 31.12.2021	**5.677.881**	**1.866.655**	**626.357**	**16.676.772**	**24.847.665**
Accumulated depreciation					
	EUR	EUR	EUR	EUR	EUR
Status as of 1.1.2021	**100.641**	**263.529**	**62.430**	**0**	**426.600**
Scheduled depreciation	111.312	214.959	100.920	0	427.192
Transfers	28.051	3.026	0	0	31.077
Disposals	0	0	-21.797	0	-21.797
Status as at 31.12.2021	**240.004**	**481.514**	**141.553**	**0**	**863.072**
Book value as at 31.12.2020	2.187.574	506.310	147.025	28.861	2.869.770
Book value as at 31.12.2021	**5.437.876**	**1.385.141**	**484.803**	**16.676.772**	**23.984.593**

(3) Rights of use

The Enapter Group leases various assets, mainly buildings and company cars, usually with fixed lease payments. The average lease term is approximately 3 years for company cars and approximately 3 to 9 years for buildings (taking into account the predominantly probable utilisation of renewal options). The Enapter Group has no purchase options to acquire certain buildings for predetermined amounts at the end of the lease term.

Taking into account the additions and disposals and the depreciation in the 2022 financial year, the rights of use developed as follows as at the balance sheet date:

Acquisition or production costs	Land and buildings	Maintenanc e expenses	Operating and business equipment	Total
	EUR	EUR	EUR	EUR
Status as of 1.1.2022	**934.825**	**443.394**	**52.921**	**1.431.140**
Access	0	61.458	11.824	73.282
Disposals	-17.815	4.105	0	-13.710
Status as at 31.12.2022	**917.010**	**508.957**	**64.745**	**1.490.712**
Accumulated depreciation				
	EUR	EUR	EUR	EUR
Status as of 1.1.2022	**247.816**	**110.705**	**18.021**	**376.542**
Scheduled depreciation	162.512	44.230	12.127	218.869

Disposals	-13.710	0	0	-13.710
Status as at 31.12.2022	**396.617**	**154.935**	**30.148**	**581.701**
Book value as at 31.12.2021	687.009	332.689	34.900	1.054.599
Book value as at 31.12.2022	**520.392**	**354.022**	**34.597**	**909.012**

Acquisition or production costs	Land and buildings	Maintenance expenses	Operating and business equipment	Total
	EUR	EUR	EUR	EUR
Status as of 1.1.2021	**788.960**	**442.484**	**17.740**	**1.249.184**
Access	179.162	910	35.181	215.253
Disposals	-33.297	0	0	-33.297
Status as at 31.12.2021	**934.825**	**443.394**	**52.921**	**1.431.140**
Accumulated depreciation				
	EUR	EUR	EUR	EUR
Status as of 1.1.2021	**132.280**	**73.303**	10.348	**215.931**
Scheduled depreciation	115.535	37.402	7.673	160.610
Disposals	0	0	0	0
Status as at 31.12.2021	**247.816**	**110.705**	**18.021**	**376.542**
Carrying amount as at 1.1.2021	656.680	369.181	7.392	1.033.253
Book value as at 31.12.2021	**687.009**	**332.689**	**34.900**	**1.054.599**

The maintenance expenses capitalised under rights of use are mainly modernisation expenses for the rented production and office space at Enapter S.r.l. in Italy, which are depreciated in accordance with the expected lease and rental period.

Amounts recognised in the consolidated income statement:

Amortisation of rights of use: TEUR 219 (previous year: TEUR 161)

Interest expense on lease liabilities: KEUR 19 (previous year: KEUR 20)

The total cash outflows from leases in the reporting year include TEUR 173 (previous year: TEUR 113).

For the composition of the lease liabilities and the maturity analysis of the lease liabilities, please refer to bullet point III.A.(16).

There are no relationships from sale and leaseback transactions. Leases with variable lease payments linked to sales from the leased markets have not been agreed at present. There are no rights of use that are accounted for using the revaluation model.

(4) Investments in associates

By notarial deed dated 27 December 2022, Enapter AG acquired 10,714 of a total of 35,714 shares in H2 Core Systems GmbH (H2 Core), Heide. The purpose of the shareholding is to strengthen cooperation, especially with regard to the integration of our electrolysers at the customers. This gives Enapter AG a stake of around 30% in H2 Core. There are no special company or contractual agreements or restrictions on voting rights, so that it is assumed that Enapter AG has a significant influence on H2 Core and the shares in H2 Core are accounted for using the equity method.

The summary financial information of H2 Core is set out below. The summary financial information corresponds to the amounts in the financial statements of H2 Core as at 31 December 2021, as the financial statements as at 31 December 2022 are not yet available*:

	31.12.2021
	TEUR
Current assets	3.293
non-current assets	180
Current liabilities	-3.442
Long-term debt	0
Equity attributable to equity holders of the Company	31

	2022*
	TEUR
Revenues	n/a
Net profit for the year (from continuing operations)	n/a
Other result	n/a
Overall result	n/a
Dividends received from associates	n/a
	n/a

Reconciliation from the summarised financial information presented to the carrying amount of the investment in the consolidated financial statements:

	31.12.2022
	TEUR
Net assets of the associated company	31*
Participation rate of the Group	30%
Proportionate net assets	9
Goodwill	963
Carrying amount of the Group's investment in the associate	**972**

<u>(5) Other financial assets</u>

In the reporting year and the previous year, non-current financial assets of EUR 177,000 (previous year:

EUR 32,000) consisted mainly of an interest rate swap of EUR 141,000 (previous year: EUR 0), collateral deposited with banks for rented production and office space in Italy of EUR 33,000 (previous year: EUR 32,000) and an investment in a partnership of EUR 2,000 (previous year: EUR 0).

The investment in a partnership is a limited partner's share with a nominal value of EUR 2,064 out of a total of EUR 80,000 in Saerbeck Green Energy GmbH & Co. KG, Saerbeck. The object of Saerbeck Green Energy GmbH & Co. KG is the construction, acquisition, maintenance and operation of energy plants which, on the one hand, are located in the Saerbeck bioenergy park and, on the other hand, lead from the Saerbeck bioenergy park to the connection to the distribution grid of Westnetz GmbH in Emsdetten, Dieckstraße, as well as the reception and delivery of energy from energy feeders and energy consumers connected to the energy plants and the provision of metering and billing services for this.

(6) Deferred tax assets

Deferred tax assets of TEUR 7 (previous year: TEUR 40) consist of temporary differences.

Current assets

(7) Inventories

Inventories are composed as follows:

	31.12.2022	31.12.2021
	EUR	EUR
Raw materials and supplies	6.893.245	2.600.900
Work in progress	1.228.810	751.856
Finished products	299.388	251.071
	1.528.197	1.002.928
	8.421.443	**3.603.827**

The increase in inventories by EUR 4,818,000 to EUR 8,421,000 results in particular from the increase in production from the delayed ramp-up at the end of 2022, as not all existing orders could be delivered on time and were still partially in inventory as of 31 December 2022.

(8) Trade receivables

Trade receivables amounted to TEUR 8,014 as at the balance sheet date (previous year: TEUR 2,638). Value adjustments to a significant extent were not necessary and were therefore not made. Of the trade receivables, the following were due as at the balance sheet date:

	31.12.2022	31.12.2021
Days	**%**	**%**
Not due	62%	61,9%
Overdue		
< 30 days	33%	26,0%
31 - 60 days	4%	10,2%
61 - 120 days	0%	0,2%
> 120 days	1%	1,7%
	100%	**100%**

The increase in trade receivables by EUR 5,376,000 is the result of the series production in Italy in the fourth quarter of 2022 and the associated sales of electrolysers and related components. The receivables have a remaining term of less than one year. As at 31 December 2022, neither specific nor general bad debt allowances were made.

(9) Other assets

Other assets mainly consist of the following items

	31.12.2022 EUR	31.12.2021 EUR
Prepayments made	1.662.404	180.368
Receivables from affiliated companies	180.000	0
Deposits	27.904	28.904
Demands on employees	0	19.475
Foreign tax subsidies	1.699.440	1.161.253
Prize money and funding	0	575.976
Value added tax	2.028.459	1.881.724
Income tax receivables	99	175
Creditors with debit balances	19.899	0
Prepaid expenses	320.863	178.349
Other	131.870	66.603
	6.070.938	4.073.351

The foreign (Italian) tax subsidies or tax credits capitalised at Enapter S.r.l. result from the possibility to offset costs of investments made in or for research and development projects against taxes and duties in Italy. The tax credits are determined on the basis of the costs paid during a financial year, regardless of whether the project to which they relate has been completed or is still in progress. The company can use the credit to offset liabilities (such as contributions, withholdings and other taxes/levies) once a certificate to this effect is obtained from an auditor. We also refer to our explanations on "Accruals and deferred income" in section III.A.(17).

The other assets have a remaining term of up to one year. The prepayments made consist mainly of advance payments to suppliers.

(10) Cash and cash equivalents

Bank balances in euros in Germany and Italy amounting to TEUR 5,069 (previous year TEUR 19,586) and in foreign currency (roubles) in Russia (TEUR 2; previous year: TEUR 18) are reported.

Liabilities

Equity

(11) Subscribed capital

The subscribed capital of Enapter AG amounts to EUR 27,195,000.00 (previous year: EUR 24,405,647.00) as of 31 December 2022 after the implementation of the capital increase described below and is divided into 27,195,000 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 H2O.

On 6 April 2022, the Executive Board resolved, with the consent of the Supervisory Board of the same date, to carry out a capital increase by issuing at least EUR 1,578,948 new no-par value bearer shares with a pro rata amount of the share capital of the Company of EUR 1.00 each ("New Shares") at a subscription price of

EUR 19.00 per share, making use of the Authorised Capital 2021. In the course of the capital increase, 2,789,353 New Shares were subscribed and thus the share capital of the Company was increased by EUR 2,789,353 to EUR 27,195,000.00 with entry in the Commercial Register on 9 August 2022. The authorised capital 2021 was used to this extent; by resolution of the Annual General Meeting of 28 July 2022, the authorised capital currently amounts to EUR 13,500,000.

The Annual General Meeting of 6 May 2021 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 has not been used since the authorisation by the Annual General Meeting on 5 May 2021.

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, also e.g. convertible bonds with attached warrants) (together the "Bonds"), each with option or conversion rights or obligations. -Bonds with option or conversion rights or obligations issued 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 on the basis of the authorisation resolved by the Annual General Meeting of 5 May 2021 until 5 May 2026.

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 2022 financial year, 919,700 (previous year: 309,400) shares were issued to employees, of which 90,100 (previous year: 50,000) 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.

(12) Capital reserve

The capital reserve amounts to EUR 87,586,151 as at 31 December 2022 (previous year: EUR 37,615,442). The increase in 2022 results mainly from the premium paid as part of the cash capital increase (see above).

In connection with the issue of the new shares in the 2022 financial year, costs of EUR 1,779,000 (previous year: EUR 2,237,000) were incurred, which were directly offset against the capital reserve.

The increase in equity through the issue of options for employees amounts to TEUR 1,541 as at 31 December 2021 (previous year: TEUR 456).

(13) Retained earnings

Retained earnings include the accumulated results and amount to EUR - 28,396,078 as at the balance sheet date (previous year: EUR -15,418,145).

(14) Other reserves

Other reserves mainly include expenses from the revaluation of defined contribution plans for former employees and changes in the value of derivative financial instruments that may be reclassified to the income statement and amount to EUR 68,999 as at the balance sheet date (previous year: EUR - 83,114).

Long and short-term debt

(15) Other financial liabilities

The other financial liabilities are composed as follows:

	31.12.2022	31.12.2021
	EUR	EUR
Long and medium term		
Bank loan	2.370.589	2.708.028
Other loans	0	0
	2.370.589	**2.708.028**
short term		
Loans to related parties	0	700.000
Bank loan	748.958	367.166
Other loans	121.552	118.459
	870.510	1.185.625
	3.241.099	3.893.653

Enapter S.r.l. was granted a bank loan of EUR 2.5 million with a term of 72 months by Banco BPM S.p.a. in April 2021 as part of Corona support measures. The loan bears interest at 1.55% points above the 3-month Euribor. A hedging transaction was concluded to hedge the interest rate risk. Under its terms, the loan can only be used for wages and all other operational costs (e.g. suppliers, investments), but is otherwise not subject to covenants or conditions. Furthermore, in the wake of the Corona crisis, Bank SIMEST S.p.a., Rome, Italy, on behalf of the Italian government, granted Enapter S.r.l. a concessional loan of EUR 600,000 in August 2021 (maturity 31 December 2027, interest rate 0.565%, two years grace period, one-off processing fee 2%). The loan was granted to promote exports, but is otherwise not tied to any requirements or conditions. The exact repayment terms depend on the development of Enapter S.r.l.'s equity and foreign sales. The bank loans are unsecured.

All loans granted by related parties were non-interest bearing and unsecured. Reference is also made for the explanations of the loans from related parties to section IV.G and of the borrowed capital received in 2023 to section IV. M.

(16) Leasing liabilities

The following maturity analysis of the payments from the leasing relationships and the reconciliation of the maturities of the leasing liabilities can be taken from the following table:

	31.12.2022	31.12.2021

	EUR	EUR
Maturity analysis		
Due in one year	134.559	176.452
Due between two and five years	307.512	360.057
Due in more than five years	214.533	284.133
	656.604	820.642
Less interest income not yet realised	-69.528	-90.541
Present value of lease payments	**587.076**	**730.100**
Reported in the consolidated financial statements:		
Long and medium-term leasing liabilities	470.630	575.434
Current lease liabilities	116.446	154.666
	587.076	730.100

The leasing liabilities are monitored as part of liquidity management. There is no significant liquidity risk in relation to lease liabilities. Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

(17) Provisions

The (non-current) provisions consist of benefit obligations arising from the termination of employment relationships and are made up as follows:

Benefits on the occasion of the termination of employment relationships	2022	2021
	EUR	EUR
Status as of 1.1.	512.158	278.424
Current service cost	163.2226	192.972
Interest expenses	5.019	934
Revaluations		
due to change in financial assumptions	-30.2029	13.267
due to adjustments based on experience	-2.242	38.610
Payments made	-43.069	-12.049
Status as at 31.12.	604.884	512.158

The TFR fund ("Trattamento di Fine Rapporto"), commonly known in Italy by the acronym "TFR", is a compulsory benefit paid by the employer to the employee on termination of employment. The TFR was introduced in Italy in 1982 by Law 297 and is regulated by Art. 2120 of the Italian Civil Code. This type of benefit is specific to private sector workers. The TFR is paid by the employer to the employee upon termination of employment, regardless of the reason for termination, and is considered as "deferred" remuneration as it is calculated as a percentage of the salary earned (salaries, bonuses or commissions).

The amount of the benefit depends on the length of service. For each year of service, 7.41% of the annual gross salary flows into the individual TFR fund. The employee can choose whether to leave the TFR in his employer's account or have it paid into a private pension fund. A component of 0.5% of this provision is deducted to fund the "Fondo di Garanzia", which is managed by INPS (the Italian National Social Security Institution). The INPS acts as a guarantor if the private company defaults. Each year the individual fund is revalued and, if necessary, compounded to maintain the purchasing power of the nominal benefit. The revaluation percentage of each year is the sum of a fixed component of 1.5% and a variable component of 75% of the current inflation rate. A tax of 17 % is deducted from the annual revaluation.

For the calculation, the projected unit credit method (PUCM) is used to calculate the present value of the defined benefit obligations and the related current service cost and, if applicable, the past service cost. The Italian mortality table "ISTAT 2016" was used to calculate the mortality probability. The actuarial interest rate was derived using recognised financial mathematical methods and amounts to 3.3% to 3.8% for the plan years. The inflation rates assumed in the calculation are between 2% and 4.3% in the planning years. (previous year: 1.8% %) as well as the assumed, inflation-adjusted salary increase for 2022 of 2% (previous year 1%).

The analysis carried out as part of a sensitivity analysis for the most important parameter showed that - in the event of a reduction in the accounting interest rate by 50 base percentage points - an increase in the defined benefit obligation of KEUR 20 (previous year: KEUR 38) would result.

The actuarial losses recognised directly in equity are calculated as follows in 2022 and 2021:

Actuarial gains / losses recognised directly in equity (-)	**2022**	**2021**
	EUR	**EUR**
Status as of 1.1.	**-83.114**	**-37.197**

	2022	2021
Reassessment of benefits on the occasion of the termination of employment relationships	32.451	--51 877
less deferred taxes thereon	-7.788	5.960
Status as at 31.12.	**-58.451**	**-83.144**

The (current) provisions are composed as follows:

	01.01.2022	Consumption	Resolution	Feed	31.12.2022
	EUR	EUR	EUR	EUR	EUR
Human Resources	184.590	170.990	-	258.813	272.413
Capital market costs	125.000	125.000	-	0	0
Acquisition and audit costs	136.335	130.870	665	95.760	100.560
Supervisory Board Remuneration					
Warranty	64.500	-	-	793.600	858.100
Other provisions	5.050	41.529	29.671	78.119	11.968
	515.474	468.388	30.337	1.226.292	1.243.042

	01.01.2021	Consumption	Resolution	Feed	31.12.2021
	EUR	EUR	EUR	EUR	EUR
Human Resources	63.767	63.767	-	184.590	184.590
Preparation of securities prospectus	99.000	99.000	-	125.000	125.000
Acquisition and audit costs	74.600	74.600	-	136.335	136.335
Supervisory Board Remuneration	-	-	-	-	-
Other provisions	2.060	0	603	68.093	69.550
	239.426	237.367	603	514.018	515.474

The increase in (current) provisions as at 31 December 2022 is mainly due to the formation of provisions for warranties as a result of the increased sales revenues. The previous year's amounts were essentially used in the 2022 financial year. The increase in provisions for personnel is mainly due to the increase in the number of employees in the Enapter Group compared to the previous year.

(18) Passive accruals

The accrued liabilities result from deferred income from government grants awarded to Enapter S.r.l. in Italy by the government for research and development (R&D) costs. Due to new regulations in Italy, there is uncertainty as to whether this income can be recognised immediately after the costs have been incurred or after the research and development projects have been completed. Enapter has decided not to recognise the expected tax benefits and offsets from other charges and levies until the projects are completed or to amortise them over the useful life of the capitalised development costs.

Deferred income (current and non-current) includes grants for completed R&D projects that receive government funding in Italy. Deferred income totalling TEUR 2,155 (previous year: TEUR 1,548) mainly includes R&D grants deferred into the future; this will be released over the expected useful life of the capitalised asset when the project to which it relates will be completed.

The accruals on the liabilities side developed as follows.

	01.01.2022	Transfers	Feed	Resolution	31.12.2022
	EUR	EUR	EUR	EUR	EUR
Long-term	1.428.406	0	556.651	140.734	1.844.323
Short-term	119.317	0	310.447	119.317	310.447
	1.547.723	0	**867.098**	**260.051**	**2.154.770**

	01.01.2021	Transfers	Feed	Resolution	31.12.2021
	EUR	EUR	EUR	EUR	EUR
Long-term	485.752	56.986	885.668	-	1.428.406
Short-term	221.200	-56.986	-	44.897	119.317
	706.952	0	**885.668**	**44.897**	**1.547.723**

(19) Trade payables

This item mainly includes trade payables. The increase in current liabilities as of 31 December 2022 is largely due to the increase in trade payables by EUR 4,804,000, which in turn is mainly due to services used for the construction of the Enapter Campus in Saerbeck. The trade payables and other liabilities have a remaining term of up to one year.

(20) Other liabilities

Other liabilities include advance payments received and other liabilities:

	31.12.2022	31.12.2021
	EUR	EUR
Advance payments received	904.215	985.690
Other liabilities		
Wages and salaries	721.534	640.258
Social security	503.805	154.299
Fees	0	45.230
Income and other taxes	8.119	12.669
Wages and church tax	186.409	131.551
Other	14.081	64.923
	1.433.948	1.048.931
	2.338.164	2.034.621

B. Consolidated statement of comprehensive income

(1) Revenues

Revenue was generated from the sale of electrolyzers and similar products from the company's own manufacturing and production as well as from the trading and resale of electrolyzers and similar products and related software and control systems. The software and control systems are integral parts of the electrolyzers. The main application areas of the Enapter Group's products are electricity storage (residential and industrial buildings), scientific use, production of synthesis gas or methane (power-to-gas), mobility and industrial use.

As already stated above under III.A.(19), the general terms and conditions of order generally provide for a 60% down payment after order confirmation and a 40% down payment before delivery/shipment. Invoices for deliveries and services are always issued in euros and ex works. In accordance with the manufacturer's warranty stipulated in the general terms and conditions of order, Enapter warrants that each product purchased from Enapter shall be free from defects in material and/or workmanship for a minimum period of 1 year and a maximum period of 2 years from the date of delivery. The manufacturer's warranty does not generally apply to defects, failures or damage caused by improper use, improper or inadequate maintenance or care.

The revenue generated in 2022 and 2021 by product category is as follows:

	2022	2021
	EUR	EUR

Sale of electrolysers and energy management systems	14.660.387	8.437.580
Service and services	11.035	4.600
	14.671.422	**8.442.180**

Sales revenues were generated in the following geographical areas:

	2022	2021
	EUR	EUR
Germany	7.764.762	4.329.400
Rest of European Union	2.688.006	1.350.836
Rest of the world	4.218.654	2.761.944
	14.671.422	**8.442.180**

The majority of turnover was achieved with German customers (53%; previous year: 51%), with European customers excluding Germany (18%; previous year: 16%) and with customers in the rest of the world (29%; previous year: 33%).

In 2022, the company generated more than 10% of its annual revenue from the sale of electrolysers with one customer. Total revenue of TEUR 6,093 was generated with this customer in 2022.

(2) Other operating income

Other operating income is made up as follows:

	2022	2021
	EUR	EUR
Investment and other grants	2.339.339	858.276
Prize money	301.575	292.689
Income from the sale of securities held as current assets	0	0
Remuneration in kind	13.494	10.748
Income from currency translation	0	5.264
Reimbursement Expenditure Compensation Act	0	11.842
Income from the derecognition of liabilities and reversal of provisions	36.198	603
Income from the sale of scrap metal	17.399	0
Insurance reimbursement	46.000	0
Other	45.246	187.180
	2.799.251	**1.366.602**

Other operating income of TEUR 2,799 (previous year: TEUR 1,367) includes non-repayable grants of TEUR 2,339 (previous year: TEUR 858). These consist mainly of public subsidies and grants that were posted to income in accordance with the projects completed in the financial year or upon fulfilment of the purpose associated with the subsidies. In this context, we refer to the explanations in III.A(8) and III.A.(17).

(3) Cost of materials

The cost of materials is made up as follows:

	2022	2021
	EUR	EUR
Expenses for raw materials, consumables and supplies	11.370.226	7.654.664
Expenses for purchased services	642.561	218.989
	12.012.787	7.873.653

(4) Personnel expenses

The personnel expenses for an average of 249 (previous year: 151) employees excluding the managing directors of the subsidiaries break down as follows:

	2022	2021
	EUR	EUR
Wages and salaries	11.854.561	5.885.319
Social security contributions and expenses for pensions and other employee benefits	2.445.418	1.710.738
	14.299.979	7.596.056

The employees (excluding the Executive Board and Managing Directors) were active in the following areas in 2022:

	2022 (average)	31.12.2022 (reference date)	2021 (average)	31.12.2021 (reference date)
Research & Development	117	108	70	83
Production	67	65	53	68
Administration	50	52	24	32
Marketing & Business Development	15	14	4	6
	249	239	151	189

Share-based payment

Enapter AG has set up an option programme for management, executives and other key employees. As part of this, the company has issued employee options in two tranches for the first time in 2021. According to IFRS 2, the employee options are treated as equity-settled share-based payment transactions. The option programme contains a non-market performance condition, which is that the costs for the electrolysers produced by Enapter AG must reach a certain level by the end of the 2023 financial year at the latest. In addition, the options must be earned over a period of three years. Therefore, the expense is recognised on a straight-line basis over this vesting period.

For equity-settled share-based payment programmes, there is generally no remeasurement at subsequent balance sheet dates. The non-market performance condition is taken into account in the quantity structure. Therefore, a reassessment is made at subsequent balance sheet dates for the achievement of the performance target. The valuation of the options is based on the Black-Scholes model.

Two tranches were issued in 2022.

The following table illustrates the number of options and the change during the year:

	2022
Exercisable as of 1 January	309.400
Newly granted during the year	919.700
Expire during the year	503.500
Exercised during the year	
Expired during the year	
Exercisable as at 31 December	
Still outstanding as at 31 December	725.600

The following table shows the input factors for determining the fair value of the options:

	2022	
Tranche	2022 I	2022 II
Valuation date	14 January	01 March
Fair value per option	EUR 12.14	EUR 8.04
Share price[29]	EUR 24,50	EUR 18.86
Exercise price	EUR 22.05	EUR 22.05
Duration[30]	7.5 years	
Expected volatility[31]	45,60%	45,60%
Expected dividend yield	0,00%	

As of 31 December 2022, the management of Enapter AG estimates a fluctuation rate of 10.00% p.a. and a probability of achieving the performance target of 75.00%.

The expense from the share option programme for the year 2022 is shown in the following table:

	2022
Total expenditure	EUR 1,541,640.89

The increase in equity through the issue of options amounts to EUR 1,541,640.89 (previous year 456,011.10) as at 31 December 2022.

[29]Closing price on the Frankfurt Stock Exchange

[30]As there is a possibility that employees exercise their options early, it was assumed that the options will be exercised on average after 7.5 years due to a lack of indications from history.

[31]The expected volatility was determined on the basis of the historical volatility of the Enapter AG share and the industry volatility.

(5) Other operating expenses

Other operating expenses are made up as follows:

	31.12.2022	31.12.2021
	EUR	EUR
Expenses for external services	1.218.851	788.577
Software Development and Management Services Related Parties	863.962	1.807.000
Sales, distribution and marketing costs (incl. travel expenses)	575.539	516.763
R&D expenditure	493.537	378.806
Warranty costs	793.600	0
Software, EDP	428.759	332.482
Operating supplies	613.150	155.265
Incidental rental and service charges	256.035	122.019
Costs of external warehouses	86.425	28.088
Capital market and investor relations costs	142.926	321.155
Legal and consulting fees	1.345.087	311.298
Accounting, closing and audit costs	278.226	189.032
Supervisory Board	59.000	54.000
Advisory Board	78.000	144.000
Further education	46.773	53.558
Insurances, contributions and fees	216.253	168.733
Currency conversion	409.440	22.678
Other	742.373	434.857
	8.647.936	**5.828.311**

(6) Financial result

The financial result, consisting of financial income and financial expenses, is made up as follows:

	31.12.2022	31.12.2021
	EUR	EUR
Financial income		
Interest income from short-term bank deposits	478	220
Other	1.920	0
	2.397	**220**
Financial expenses		
Interest expenses for interest-bearing liabilities	75.164	67.156
Interest expenses from leasing liabilities	18.891	20.106
Interest expenses from benefit obligations arising from the termination of employment relationships	5.019	934
	99.074	**88.196**
Financial result	**-96.676**	**-87.977**

(7) Income tax expense

The taxable income of Enapter AG is subject to a uniform corporate income tax rate of 15% plus a solidarity surcharge of 5.5%. Combined with a trade tax burden of around 14% (previous year: 14%), this results in a combined income tax rate in Germany for the Group of around 30% (previous year: 30%). The income tax rate for Enapter S.r.l. is 24% plus 4.82% for commercial income.

At Enapter AG, no deferred tax assets were recognised for domestic corporate tax loss carryforwards of kEUR 21,174 (previous year: kEUR 13,867) and trade tax loss carryforwards of kEUR 21,674 (previous year: kEUR 14,388), also due to a lack of sufficient certainty for their realisation with regard to the share transfers that took place in 2020. The foreign loss carryforwards, for which no deferred tax assets were capitalised either, amounted to EUR 13,595,000 (previous year: EUR 9,526,000) as of the balance sheet date.

The reported income tax expense can be reconciled to the expected income tax expense as follows:

		31.12.2022	31.12.2021
		EUR	EUR
Reconciliation of income tax expense			
Group result before income taxes		-12.954.724	-8.709.296
Theoretical tax expense	30%	-3.886.417	-2.612.789
Effects from tax rate differences		82.855	68.364
non-deductible expenses		118.122	1.210
Non-capitalised deferred taxes on tax loss carryforwards		3.803.562	2.544.425
Other tax effects		-141.330	6.423
Income tax expense according to consolidated income statement		**-23.208**	**7.633**

(8) Non-controlling interests

The non-controlling interests relate to a non-Group shareholder in Enapter S.r.l., which holds 0.02% (previous year: 0.02%) of Enapter S.r.l. as at 31 December.

(9) Earnings per share

The result attributable to the shareholders of the parent company amounts to TEUR -12,977 in 2022 (previous year: TEUR -8,701). The weighted average number of shares for the calculation of basic and diluted earnings per share in 2022 is 25,509,127 shares (previous year: 23,105,338). The issue of share options for employees (see section III.B.(4)) has no dilutive effect on earnings per share.

IV. other information and explanations

A. Other financial obligations and contingent liabilities

Other financial obligations from long-term rental and lease agreements amount to:

	31.12.2022	31.12.2021
	EUR	EUR
Maturity analysis		
Due in one year	134.559	176.452
Due between two and five years	307.512	360.057
Due in more than five years	214.533	284.133
	656.604	820.642

The amount of other financial obligations as of 31 December 2022 is approximately EUR 2.1 million (previous year: EUR 30 million) and consists mainly of the contractual agreements for the campus in Saerbeck.

The company has concluded a consultancy agreement with the related company Enapter Co Ltd, Thailand. The monthly charge is KEUR 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 agreement with BluGreen Company Ltd, Hong Kong, an affiliated company. The monthly charge is KEUR 35. The contract is for an indefinite period and can, however, be terminated with a notice period of 3 months in writing.

Enapter AG has issued a letter of comfort for contract partners of its subsidiaries for the own share of the subsidies in the amount of EUR 0.6 million and contract performance guarantees in the amount of EUR 2.8 million.

There were no other contingent liabilities as at the balance sheet date.

B. Capital management

Capital management is focused on equity and loan financing. Equity amounted to EUR 86,454,072 on the balance sheet date (previous year: EUR 46,519,830). As a growth company in the field of research and development of and around hydrogen systems, capital management concerns in particular the increase of resources to finance future growth. After the successful completion of the first projects, the funds generated will be used to strengthen the capital and drive further development.

C. Risk management and financial instruments

(1) Credit risks

According to IFRS 7, credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

In the Enapter group, credit risks can arise in particular in the form of default risks. Default risks can arise on other financial assets if borrowers are unable to settle their obligations on time. The maximum default risk is reflected by the value of unimpaired financial receivables in the amount of TEUR 8,699 (previous year: TEUR 2,670) (see section III.A.(4)). The Enapter Group considers the default risks to be low.

Maturities and overdues are continuously monitored by the management.

The additional default risks for cash and cash equivalents and other receivables are considered to be very low or have already been reduced by value adjustments. The maximum default risk is reflected by the respective book value.

(2) Liquidity risks

The management regularly monitors investment needs and ensures adequate financing, taking into account the safeguarding of liquidity.

Liquidity risk describes the risk of not being able to meet obligations arising from financial liabilities. As of 31 December 2022, current assets exceed current liabilities.

For the further expansion of business activities while ensuring the Enapter Group's solvency, a capital increase with gross proceeds of approximately EUR 53 million was carried out in 2022. In February 2023, the Enapter Group concluded a financing of EUR 25 million with Patrimonium Middle Market Debt Fund, a private debt fund of Patrimonium Asset Management AG, by issuing a bearer bond. The financing has a term of 2 years. This secures the financing of the Enapter Group for the next 12 months. The further expansion of business activities is to be financed by suitable equity and/or debt measures.

There can be no guarantee that future financing measures can be implemented to the extent that sufficient funds are available for - from the Company's point of view - necessary investments. There is also a risk that the company will not be able to raise the necessary funds elsewhere or at appropriate conditions. The Executive Board is confident that it will be able to cover future capital requirements through suitable capital measures. However, should this not succeed, the Enapter Group would not be able to implement its business activities as planned.

(3) Market risks

(a) Currency risks

Currency risks can arise from financial instruments that are denominated in a currency other than the functional currency and are of a monetary nature. As the operating company Enapter S.r.l. has its registered office and a large part of its customers in the euro area and invoices mostly in euros, there is currently less foreign currency risk in the Group from operating activities. Enapter LLC, St. Petersburg, only performs intra-group activities. The equity capital measures carried out so far and the planned equity capital measures and loans granted to finance the Enapter Group are to be carried out in euros, so that there are only insignificant or no currency risks.

(b) Interest rate risks

As of the balance sheet date, there is no risk of interest rate changes in the loan agreements for loans with related parties, as these are non-interest bearing.

Enapter S.r.L. was granted a bank loan of TEUR 2,500 in April 2021 with a term of 72 months as part of Corona support measures. The loan bears interest at 1.55 percentage points above the 3-month Euribor. A hedging transaction was concluded to hedge the interest rate risk.

In the course of the Corona crisis, Enapter S.r.l. received a concessionary loan of EUR 600,000 from an Italian bank on behalf of the Italian government in August 2021 (term until 31 December 2027, interest rate 0.565%, two years grace period, one-off processing fee 2%). The loan was granted to promote exports, but is otherwise not tied to any requirements or conditions. The exact repayment terms depend on the development of Enapter S.r.l.'s equity and foreign sales. An interest rate risk does not arise from the fixed interest rate for the term of the loan.

D. Additional disclosures on financial instruments

Carrying amounts, valuations and fair values by class and measurement category

	Carrying amount 01.01. EUR	Amortised acquisition cost EUR	Recognition in profit or loss at fair value EUR	Fair value at fair value through profit or loss	To be included the fair value 31.12. EUR
31.12.2022					
Assets					
Cash and cash equivalents	5.070.823	5.070.823			5.070.823
Debt instruments					
Trade receivables and other receivables	8.698.607	8.698.607			8.698.607
Other financial assets	176.690	35.355		141.335	176.690
Liabilities					
Debt instruments					
Trade payables and other liabilities	11.556.829	11.522.723			11.556.829
Other financial liabilities					
Loan	3.241.099	3.241.099			3.241.099
Leasing liabilities	587.076	587.076			587.076
31.12.2021					
Assets					
Cash and cash equivalents	19.604.079	19.604.079			19.604.079
Debt instruments					
Trade receivables and other receivables	3.012.463	3.012.463			3.012.463
Other financial assets	32.027	32.027			32.027
Liabilities					
Debt instruments					
Trade payables and other liabilities	7.022.887	6.988.781		34.106	7.022.887
Other financial liabilities					
Loan	3.893.653	3.893.653			3.893.653
Leasing liabilities	730.100	730.100			730.100

All recognised financial assets and liabilities - with the exception of one financial instrument for an interest rate hedge, which was allocated to Level 2 - are allocated to Level 3 in the classification of the fair value measurement, as there are no input parameters observable on the market. For all current financial assets and liabilities as well as investments, the acquisition costs represent the best possible estimate of the fair value. Due to the risk-adequate interest rate of the non-current financial liabilities, the book value also corresponds to the fair value.

2022	Financial assets measured at amortised cost EUR	Financial assets measured at fair value through profit or loss EUR	Financial liabilities measured at amortised cost EUR	**Total** EUR
Interest income	2.397	-	-	2.397
Interest expenses	-	-	-99.073	-99.073
Dividends	-	-	-	-
Impairments / reversals of impairments	-	-	-	-
Net result	**2.397**	**-**	**-99.073**	**-96.676**

2021	Financial assets measured at amortised cost EUR	Financial assets measured at fair value through profit or loss EUR	Financial liabilities measured at amortised cost EUR	**Total** EUR
Interest income	220	-	-	220
Interest expenses	-	-	-87.730	-87.730
Dividends	-	-	-	-
Impairments / reversals of impairments	-	-	-	-
Net result	**220**	**-**	**-87.730**	**-87.510**

E. Cash flow statement

The cash flow statement was prepared in accordance with IAS 7 and shows the cash flows from operating activities, investing activities and financing activities.

The financial resources consist of bank balances and cash in hand.

The cash flow from operating activities eliminates non-cash expenses and income. The cash flow from operating activities is presented using the indirect method.

The cash flow from investing activities contains the cash-effective investments and disinvestments in tangible and financial fixed assets. The cash flow from investing activities is presented using the direct method.

Cash flow from financing activities includes borrowings and repayments of financial liabilities as well as proceeds from the capital increases at Enapter AG. Cash flow from financing activities is presented using the direct method.

The following reconciliation shows the development of financial liabilities in relation to the cash flow from financing activities in the 2022 financial year:

	Stand at 01.01.2022 EUR	Payment effective Changes EUR		Non-payable effective Changes EUR	Stand at 31.12.2022 EUR
		Recordings	Repayments		
Other financial liabilities	3.893.653	395.900	-1.048.369	-86	3.241.099
Leasing liabilities	730.100	0	-154.581	11.427	587.076

	Stand at 01.01.2021 EUR	Payment effective Changes EUR		Non-payable effective Changes EUR	Stand at 31.12.2021 EUR
		Recordings	Repayments		
Other financial liabilities	1.435.612	3.075.194	-612.000	-5.153	3.893.653
Leasing liabilities	677.032	0	-113.140	166.208	730.100

The non-cash changes in the financial year 2021 in the amount of KEUR5 result from deferred interest expenses.

F. Executive Board and Supervisory Board

Board of Directors:

According to the Articles of Association, the Executive Board consists of one or more persons. The Supervisory Board determines the number of members of the Executive Board. Currently, the Executive Board consists of two members.

If the executive board consists of one person, it shall represent the company alone. If the Executive Board consists of more than one person, the Company shall be legally represented by one member of the Executive Board if the Supervisory Board has granted him/her the authority to represent the Company individually.

The Company has granted both members of the Executive Board sole power of representation.

members of the Executive Board in the 2022 financial year:

- Mr Sebastian-Justus Schmidt, Industrial Clerk, Chiang Mai, Thailand;
- Mr Gerrit Kaufhold, tax consultant, Hamburg.

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 2022 financial year in addition to their activities as members of the Executive Board of Enapter AG.

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 2022 financial year, the Supervisory Board tendered 50,000 options at a subscription price of EUR 22.05 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. On 20 December 2022, Mr Schmidt waived the 100,000 share options previously granted to him.

Mr Kaufhold was paid EUR 285,000 in the financial year (previous period: EUR 140,000 for the period 1 June to 31 December 2021). In the 2022 financial year, the Supervisory Board offered Mr Kaufhold 40,100 options at a subscription price of EUR 22.05 per share from the authorisation of the company's Annual General Meeting of 6 May 2021 to implement a 2021 share option plan.

Profit-sharing, subscription rights and other share-based payments were not granted to the aforementioned Executive Board members in the 2022 financial year.

<u>Supervisory Board:</u>

In accordance with the company's Articles of Association, the Supervisory Board consists of three members. There are no compelling legal reasons for increasing the number of members of the Supervisory Board.

members of the Supervisory Board in the 2022 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;
- Prof. Dr. -Ing. Christof Wetter, Münster, Civil Engineer (from 28 July 2022)

In the financial year from 1 January to 31 December 2022, 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 Beta System Software AG
- Chairman of the Supervisory Board of zoo.de shopping community AG

Mr Steiner receives Supervisory Board remuneration of TEUR 24 (previous year: TEUR 24).

In the financial year from 1 January to 31 December 2022, Mr 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 position 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.

Mr Werle receives Supervisory Board remuneration of KEUR 18 (previous year: KEUR 18) and in 2022 received KEUR 96 (previous year: KEUR 108) for his work as a member of the Advisory Board.

In the financial year from 1 January to 31 December 2022, 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 receives supervisory board remuneration of TEUR 12 (previous year: TEUR 12.

In the financial year from 1 January to 31 December 2022, Prof. Dr Christof Wetter 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 a member of the supervisory board of Enapter AG:

- Member of the Supervisory Board of 2G Energy AG, Heek.

Prof. Dr. Wetter receives Supervisory Board remuneration of KEUR 5 for the period 28 July to 31 December 2022 (previous year: KEUR 0).

The members of the Executive Board and Supervisory Board can be reached at the Company's business address, Reinhardtstr. 35, 10117 Berlin.

G. Related party disclosures

The majority of transactions with related persons and companies take place with the members of the executive bodies or the companies of the members of the executive bodies and the Sebastian-Justus Schmidt family.

Information on related parties of Enapter AG, Heidelberg:

Name of related persons and companies	Relationship	Seat
BluGreen Company Ltd.	Majority shareholder of Enapter AG since 10 August 2020	Hong Kong, PR China
Sebastian-Justus Schmidt	Majority shareholder and director of BluGreen Company Ltd.	
Jan-Justus Schmidt	Son of Mr. Sebastian-Justus Schmidt and Managing Director of Enapter S.r.l., Enapter GmbH and Enapter Immobilien GmbH	
Enapter Ltd Co.	No affiliated company; consulting contract	Thailand
Nevapter LLC	No affiliated company; software licence and distribution agreement	Russia
H2 Core Systems GmbH	Associated company since 27 December 2022	Heide, Germany

For the remuneration and other direct and indirect benefits to the members of the executive bodies, please also refer to section IV.F. above.

BluGreen Company Ltd., based in Hong Kong ("BluGreen"), is the majority shareholder of Enapter AG with approximately 66% of the share capital as of 31 December 2022. The majority shareholder and director of BluGreen is Mr Sebastian-Justus Schmidt. Mr. Schmidt is therefore to be regarded as the ultimate controlling party.

BluGreen granted Enapter S.r.l. a non-interest-bearing loan in several tranches in 2020. The loan of TEUR 700 was repaid in the reporting period (31.12.2021: TEUR 700).

Enapter AG has concluded a Consultancy Agreement with BluGreen. In this agreement, BluGreen undertook to provide management personnel as consultants, in particular the board member Sebastian-Justus Schmidt. For this, a monthly payment of EUR 35,000 is to be made by Enapter AG to BluGreen. It is envisaged that Sebastian-Justus Schmidt will devote 90% of his time to the company as consultancy services. The monthly advance payments are adjusted annually. This is done on the basis of recalculations. These recalculations shall take into account the costs actually incurred by BluGreen for the services rendered, plus a surcharge of 5 %, minus the advances already paid. The contract has been concluded for an indefinite period with a notice period of three months. As of 31 December 2022, there was a liability to BluGreen from the consultancy contract in the amount of KEUR 70 (previous year: KEUR 0), which was offset against receivables from Blugreen in the amount of KEUR 250, so that there was a receivable from BluGreen in the amount of KEUR 180 as of the reporting date. The receivables from BluGreen were repaid in full by BluGreen in March 2023.

Mr Jan-Justus Schmidt received remuneration of TEUR 145 (previous year: TEUR 120) for his work as a director at Enapter S.r.l., managing director at Enapter GmbH and Enapter Immobilien GmbH in 2022.

Enapter AG has entered into a Consultancy Agreement with Enapter Co. Ltd. of Thailand ("Enapter Thailand"). In this agreement, Enapter Co. Ltd. undertook to provide consultancy services against payment of TEUR 30 per month. The consultancy services include, among others, software services, which are created and continuously maintained in the form of interactive dashboards for corporate control and management information, as well as corporate design services. These monthly advance payments are adjusted annually. This is done on the basis of recalculations. These recalculations will take into account the costs actually incurred by Enapter Co. Ltd. for the services provided, plus a mark-up of 5%, less any advances already paid. The contract has been concluded for an indefinite period with a notice period of three months. As at 31 December 2022, there was a liability to Enapter Co. Ltd. from the consultancy contract in the amount of TEUR 30 (previous year: TEUR 0). In January 2023, Enapter (Thailand) Co. Ltd., Thailand was founded as a wholly owned subsidiary of Enapter AG, which will take over the employees and the operating business of the related company Enapter Co. Ltd., Thailand.

Enapter AG had entered into a software licence agreement with Nevapter LLC, Russia (Nevapter). Under the licence agreement, the control software and the energy and management software for the Enapter products were provided. Since the establishment of the subsidiary Enapter LLC, St. Petersburg, on 3 November 2021, these services have been provided by Enapter LLC. With the agreement on the transfer of ownership of the copyright to the software dated 1 December 2022, all existing rights were transferred to Enapter AG. The purchase price for the software rights amounted to TEUR 65. Enapter AG and its subsidiaries pursue a strict policy of compliance with the sanctions imposed due to the invasion of Ukraine by Russian troops. 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 USA 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.

By notarial deed dated 27 December 2022, Enapter AG acquired 10,714 of a total of 35,714 shares in H2 Core Systems GmbH (H2Core), Heide. The purpose of the shareholding is to strengthen cooperation, especially with regard to the integration of our electrolysers at the customers. This gives Enapter AG a stake of around 30% in H2Core. Sales of electrolysers and accessories to H2Core generated revenues of EUR 6,093,000. As of the balance sheet date, trade receivables amounted to EUR 6,141,000.

H. Employees

The Enapter Group employed an average of 249 employees in the financial year 2022 (previous year: 151), excluding the members of the Enapter AG Executive Board. For the breakdown of average employee numbers by area of activity, please refer to bullet point III.B.(4).

I. Final examination

MSW GmbH Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Berlin was appointed as auditor of the financial statements and consolidated financial statements for the 2022 financial year. Fees for the financial year were charged for auditing services in the amount of KEUR 67 (previous year: KEUR 59), for other certification services in the amount of KEUR 32 (previous year: KEUR 65) and for other services in the amount of KEUR 64 (previous year: KEUR 5).

J. Proposal for the appropriation of profits at Enapter AG

The net loss of Enapter AG for the financial year 2022 in the amount of EUR - 4,024,395.47 (previous year: EUR - 5,038,798.15) will be carried forward.

K. Information on the Declaration on the Corporate Governance Code

The corporate governance statement pursuant to §§ 289f and 315d of the German Commercial Code (HGB) is permanently available on the company's website at https://enapterag.de/corporate-governance/.

L. Notifications pursuant to the German Stock Corporation Act or the German Securities Trading Act

Voting rights notification pursuant to section 40 (1) WpHG dated 11 April 2022:

- 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 7 April 2022 and amounted to 9.83% (representing 2,400,000 voting rights) on that date.

Voting rights notification pursuant to section 40 (1) WpHG dated 11 April 2022:

- 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 64.24% (this corresponds to 15,677,091 voting rights) on 07 April 2022. 64.24% 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.

Voting rights notification pursuant to section 40 (1) WpHG dated 27 May 2022:

- 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 3% on 25 May 2022, and amounted to 1.99% (representing 485,943 voting rights) on that date.

Voting rights notification pursuant to section 40 (1) WpHG dated 27 May 2022:

- Johnson Matthey Plc, on behalf of its company Johnson Matthey Investment Limited, has notified us pursuant to section 33 (1) WpHG that its percentage of voting rights in Enapter AG, Heidelberg, exceeded the threshold of 3% on 25 May 2022 and amounted to 4.31% (this corresponds to

1,052,631 voting rights) on that day.

Voting rights notification pursuant to section 41 WpHG dated 10 August 2022:

- Publication of the total number of voting rights after implementation of a capital measure, New voting rights: 27,195,000

Voting rights notification pursuant to section 40 (1) WpHG dated 15 August 2022:

- 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 August 2022 and amounted to 8.83% (representing 2,400,209 voting rights) on that date.

Voting rights notification pursuant to section 40 (1) WpHG dated 29 August 2022:

- 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 69.11% (this corresponds to 18,794,613 voting rights) on 25 August 2022. 69.11% 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.

Voting rights notification pursuant to section 40 (1) WpHG dated 29 August 2022:

- 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 3% on 25 August 2022 and amounted to 0.00% (this corresponds to 0 voting rights) on that date.

M. Events after the balance sheet date

In February 2023, the Enapter Group had concluded a financing of €25 million with the Patrimonium Middle Market Debt Fund, a private debt fund of Patrimonium Asset Management AG, by issuing a bearer bond. The financing has a term of 2 years. By entering into the respective agreements, Enapter has undertaken to provide appropriate collateral (land charge on the land and building of the Enapter Campus in Saerbeck, assignment of industrial property rights and receivables of the Group as well as assignment of movable fixed assets and inventories as security) and to fulfil other closing and downstream conditions, e.g. compliance with certain financial covenants.

In January 2023, Enapter (Thailand) Co. Ltd., Thailand was established as a wholly owned subsidiary of Enapter AG, which will take over the employees and operations of the related company Enapter Co. Ltd, Thailand.

To strengthen the operating companies in Italy and Germany, Michael Soehner was appointed Managing Director of Enapter S.r.l. and Philip Hainbach was appointed Managing Director of Enapter GmbH in March 2023. Jan-Justus Schmidt continues as Managing Director of both companies.

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

Heidelberg, 26 April 2023

The Board of Directors Enapter AG

gez. Sebastian-Justus Schmidt

signed Gerrit Kaufhold

Responsibility statement by the legal representatives

(§ 264 para. 2 sentence 3 HGB, § 289 para. 1 sentence 5 HGB and § 297 para. 2 sentence 4 HGB, § 315 para. 1 sentence 5 HGB)

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

Heidelberg, 26 April 2023

The Board of Directors Enapter AG

gez. Sebastian-Justus Schmidt

signed Gerrit Kaufhold

Auditor's Report of the Independent Auditor

To Enapter AG, Heidelberg:

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

Audit Opinions

We have audited the consolidated financial statements of Enapter AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2022, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. We have also audited the group management report of Enapter AG for the financial year from 1 January 2022 to 31 December 2022. We have not audited the content of the parts of the group 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 accompanying consolidated financial statements comply in all material respects with IFRS as adopted by the EU and the additional requirements of German law pursuant to section 315e (1) HGB and give a true and fair view of the financial position of the Group as at 31 December 2022 and of its financial performance for the financial year from 1 January 2022 to 31 December 2022 in accordance with these requirements; and
- the accompanying group management report as a whole provides a suitable view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development. Our opinion on the group management report does not extend to the parts of the group management report not audited as to substance, which are listed under "Other information".

In accordance with section 322 (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 consolidated financial statements and the group management report.

Basis for the audit judgements

We conducted our audit of the consolidated financial statements and the group management report in accordance with section 317 HGB and the EU Regulation on Auditors (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 these regulations and standards is further described in the section "Auditor's responsibility for the audit of the consolidated financial statements and the group management report" of our auditor's report. We are independent of the group entities in accordance with European law and German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. Furthermore, pursuant to Article 10 (2) (f) EU-APrVO, we declare that we have not performed any prohibited non-audit services pursuant to 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 consolidated financial statements and the group 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 state that, based on the currently available liquid funds, the financing of the Enapter Group is secured until at least February 2024 and that the injection of further capital is necessary beyond the period February 2024. If the assumptions made in the planning regarding business development and financing do not materialise, this would have a significant impact on the company's financial position.

These events and circumstances 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 the associated cash outflow to continue until production and the associated sales of the electrolysers have started on a sustainable basis. In 2024, it is planned to reach pre-series maturity of the Multicore and to deliver further units to customers.

The financial resources required beyond the period February 2024 are to be secured at the appropriate times through corresponding capital measures. The extent to which the company succeeds in obtaining these financial resources could depend on several factors that are beyond the company's control. 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 reviewed the disclosures made in the management report in the section "Report on material risks and opportunities" and in the section "D. Use of judgements and estimates" in the notes to the consolidated financial statements to determine whether they are complete and sufficiently precise to provide information about the material risks to which the Company is exposed and which could jeopardise the Company's existence. 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 consolidated 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 2022 to 31 December 2022. 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 group management report that have not been audited as to their content:

- the reference to the group declaration on corporate governance with corporate governance report pursuant to § 315d 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 297 (2) sentence 4 HGB, section 315 (1) sentence 5 HGB).

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

In connection with our audit of the consolidated financial statements, we have a responsibility to read the other information and, in doing so, evaluate whether the other information is

- are materially inconsistent with the consolidated financial statements, the content of the audited components of the group 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 consolidated financial statements and the group management report

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs as adopted by the EU and the additional requirements of German law pursuant to § 315e Abs. 1 HGB and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error (i.e. manipulation of the accounting system or misstatement of assets).

In preparing the consolidated financial statements, management is responsible for assessing the group'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 accounting on a going concern basis unless there is an intention to liquidate the group or to cease operations, or there is no realistic alternative but to do so.

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

The Supervisory Board is responsible for overseeing the Group's accounting process for the preparation of the consolidated financial statements and the Group management report.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements and the Group Management Report

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides a suitable view of the Group's position and is consistent, in all material respects, with the consolidated 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 consolidated financial statements and the group 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 consolidated financial statements and group 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 consolidated financial statements and the group management report 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 resulting from fraud is higher than the risk of not detecting material misstatements resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls;
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of the arrangements and actions relevant to the audit of the group 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.
- 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 Group'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 consolidated financial statements and the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. 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 Group being unable to continue as a going concern.
- we assess the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view

of the net assets, financial position and results of operations of the Group in accordance with IFRSs as adopted by the EU, and the additional requirements of German law pursuant to § 315e Abs. 1 HGB.

- obtain sufficient appropriate audit evidence regarding the accounting information of the entities or business activities within the group to express opinions on the consolidated financial statements and on the group management report. We are responsible for directing, supervising and performing the audit of the consolidated financial statements. We are solely responsible for our audit opinions.
- We assess the consistency of the group management report with the consolidated financial statements, its compliance with the law and the view of the group's position conveyed by it.
- We perform audit procedures on the forward-looking statements made by management in the group 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 may 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, where relevant, the actions taken or safeguards implemented to address independence threats.

From the matters discussed with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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 consolidated financial statements and the group management report prepared for the purpose of disclosure pursuant to section 317 (3a) of the German Commercial Code (HGB)

Audit opinion

Pursuant to section 317 (3a) of the German Commercial Code (HGB), we have performed a reasonable assurance engagement to obtain audit evidence about the amounts and disclosures contained in the file "391200JIZN9JYP440O07-2022-12-31-en.zip"
(SHA1: 09534C8AC27BA82B9FA4D56781192829D1623510) and prepared for disclosure purposes of the consolidated financial statements and the group management report (hereinafter also referred to as "ESEF documents") comply in all material respects with the electronic reporting format ("ESEF format") pursuant to section 328 para. 1 HGB.

In accordance with German legal requirements, this audit only covers the conversion of the information in the consolidated financial statements and the group management report into the ESEF format and therefore neither the information contained in these reproductions nor any other information contained in the above-mentioned file.

In our opinion, the reproductions of the consolidated financial statements and the group 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 whatsoever, other than our opinion on the accompanying consolidated financial statements and on the accompanying group management report for the financial year from 1 January 2022 to 31 December 2022 included in the preceding "Report on the audit of the consolidated financial statements and the group management report", on the information contained in these reproductions and on the other information contained in the aforementioned file.

Basis for the audit opinion

We conducted our audit of the reproductions of the consolidated financial statements and the group management report contained in the above-mentioned attached file in accordance with section 317 (3a) of the German Commercial Code (HGB) and the IDW Auditing Standard: Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for the Purpose of Disclosure in Accordance with Section 317 (3a) of the German Commercial Code (HGB) (IDW PS 410 (06.2022)).

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 Company's management is responsible for the preparation of the ESEF documents with the electronic reproductions of the consolidated financial statements and the group management report in accordance with section 328 (1) sentence 4 no. 1 HGB and for the certification of the consolidated financial statements in accordance with section 328 (1) sentence 4 no. 2 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 Documentation

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 consolidated financial statements and the audited group management report.
- we assess whether the mark-up of the ESEF documents with inline XBRL technology (iXBRL) provides an adequate and complete machine-readable XBRL copy of the XHTML rendering.

Other information according to Article 10 EU-APrVO

We were appointed as auditors at the Annual General Meeting of 28 July 2022. We were appointed by the Chairman of the Supervisory Board on 8 December 2022. We have served as the auditors 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, 26 April 2023

MSW GmbH
Auditing company
Tax consulting company

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Dr. Thiere
German Public Auditor

Our corporate responsibility

The Enapter Group aligns its business activities in line with the so-called ESG criteria. This means that the responsibility of our company goes far beyond the purely economic dimensions, but also includes factors such as environment, social and governance (ESG). In the following, we would like to share some highlights from the past year:

Under the keyword "Life Cycle Impact Zero", we align our production in such a way that the impact on the environment is minimised. For example, our Enapter Campus is designed to be completely energy self-sufficient, as it is directly connected to the neighbouring Saerbeck Bioenergy Park and can therefore feed 100% of its energy needs directly from local, renewable sources. At the product level, too, we strive to keep our impact on the environment and climate as low as possible.

Enapter is an international company: Started in Thailand, Enapter has production facilities in Italy and Germany. We celebrate our cultural diversity. Enapter has employees from more than 20 different nations. We are also above the industry average in terms of gender distribution. In total, one third of our staff are female.

The Enapter Group has also expanded its compliance management. This includes a detailed Code of Conduct, which summarises the Enapter Group's understanding of values for all employees and defines the way we work together. We are committed to integrity, honesty and trust and to our guiding principle of corporate sustainability. In order to ensure compliance with these principles, we have also introduced a whistleblower system that enables employees to report any violations of this code anonymously.