ETL | Prüfung & Beratung

Berghof Foundation Operations gGmbH
Berlin

Report on the audit of the annual financial statements and of the management report for the financial year ended 31 December 2025

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APPENDICES

Please note that for computational reasons, rounding differences to the exact mathematical figures (EUR, EUR k, %, etc.) may occur in the tables.
Exclusively for the purpose of better readability, the generic masculine is used for personal names and personal nouns. However, the spelling chosen always simultaneously refers to female, male and diverse people.

INDEPENDENT AUDITOR'S REPORT

To Berghof Foundation Operations gGmbH, Berlin

Audit opinion

We have audited the annual financial statements of Berghof Foundation Operations gGmbH, Berlin, which comprise the balance sheet as at 31 December 2025, and the income statement for the financial year from 1 January to 31 December 2025, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of Berghof Foundation Operations gGmbH, Berlin, for the financial year from 1 January to 31 December 2025.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2025 and of its financial performance for the financial year from 1 January to 31 December 2025, in compliance with German Legally Required Accounting Principles, and

- the accompanying management report as a whole provides a suitable view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development.

Pursuant to § 322 paragraph 3 sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinion

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Responsibilities of the Executive Directors for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with the German Generally Accepted Standards for Financial Statement Audits 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 annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our [audit] opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective [audit] opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

- Evaluate the consistency of the management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

Berlin, 2 June 2026

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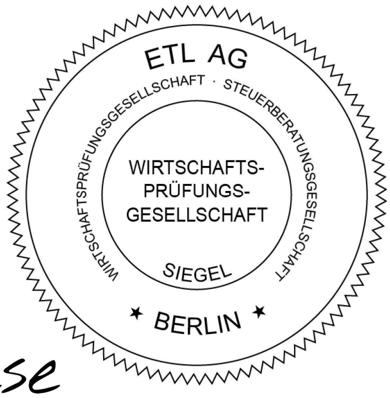

Dimitrina Vincheva	Ralph Riese
Wirtschaftsprüferin	Wirtschaftsprüfer
German Public Auditor	German Public Auditor

Berghof Foundation Operations gGmbH, Berlin

Balance Sheet as at 31 December 2025

A S S E T S

	31.12.2025 EUR		31.12.2024 EUR
A. FIXED ASSTES			
I. Intangible assets			
1. Concessions acquired for consideration, industrial property rights and similar rights and assets	14,00		14,00
		14,00	14,00
II. Tangible assets			
1. Other equipment, operating and office equipment	191.653,00		220.791,00
		191.653,00	220.791,00
		191.667,00	220.805,00
B. Current assets			
I. Inventories			
1. Goods	0,00		2.204,33
2. Advanced payments	420.139,48		780.874,54
		420.139,48	783.078,87
II. Receivables and other assets			
1. Trade receivables	1.720.047,18		1.744.940,23
2. Receivables from shareholders	296.434,97		296.434,97
3. Other assets	699.453,87		265.345,70
		2.715.936,02	2.306.720,90
III. Cash on hand, Bundesbank balances, Bank balances and cheques		2.939.664,68	5.957.831,59
		6.075.740,18	9.047.631,36
C. PREPAID EXPENSES		28.462,18	1.674,02
		6.295.869,36	9.270.110,38

E Q U I T Y A N D L I A B I L I T I E S

	31.12.2025 EUR		31.12.2024 EUR
A. EQUITY			
I. Subscribed capital			
1. Subscribed capital	25.000,00		25.000,00
		25.000,00	25.000,00
II. Retained earnings			
1. Other Retained earnings	324.375,20		324.375,20
		324.375,20	324.375,20
III. Profit carried forward		15.537,18	12.399,02
IV. Net profit/loss for the year		11.804,64	3.127,38
		376.707,02	364.901,60
B. PROVISIONS			
1. Other provisions	415.214,47		597.247,91
		415.214,47	597.247,91
C. LIABILITIES			
1. Liabilities to banks	714,66		23.246,43
2. Trade payables	493.682,87		525.337,02
3. Other liabilities	371.969,46		492.504,45
		866.366,99	1.041.087,90
D. DEFERRED INCOME		4.637.580,88	7.266.872,97
		6.295.869,36	9.270.110,38

Berghof Foundation Operations gGmbH, Berlin

Income statement for the financial year 2025

		2025 EUR		2024 EUR
1.	Revenues		21.226.794,96	20.344.963,04
2.	Other operating income		57.455,37	310.642,72
3.	Costs of materials			
	a) Expenses for purchased services	-8.815.397,55		-8.179.579,50
			-8.815.397,55	-8.179.579,50
4.	Personal costs			
	a) Salaries and wages	-7.447.286,23		-7.476.218,54
	b) Social security contributions and expenses for pensions and support	-1.579.037,58		-1.526.598,11
			-9.026.323,81	-9.002.816,65
5.	Amortisation and depreciation			
	a) Amortisation of intangible assets and depreciation of fixed assets	-75.278,28		-78.796,56
			-75.278,28	-78.796,56
6.	Other operating expenses		-3.443.025,65	-3.391.285,67
7.	Income taxes		87.579,60	0,00
8.	**After tax results**		11.804,64	3.127,38
9.	**Net profit/loss for the year**		11.804,64	3.127,38

Notes to the Financial Statements of
Berghof Foundation Operations gGmbH, Berlin - Germany,
for the financial year ended 31 December 2025

A. General Information

The company has its registered office in Berlin and is entered in the commercial register of the Berlin-Charlottenburg District Court, Department B, under No. 95319 B.

The annual financial statements were prepared in accordance with the provisions of the German Commercial Code ("Handelsgesetzbuch" or HGB). The provisions of the German Limited Liability Companies Act ("GmbH-Gesetz") were also observed.

As at the reporting date, Berghof Foundation Operations gGmbH fulfils the criteria of a medium-sized company in accordance with Section 267 (2) HGB. The protective clause of Section 286 (4) was followed; the size-related exemptions of Section 288 (2) HGB are partially applied.

The income statement has been prepared using the nature of expense method.

B. Accounting and Valuation Policies

1. General

Assets and liabilities are measured in accordance with the general standards of Section 264 (2) of the German Commercial Code (HGB) in compliance with generally accepted accounting principles. For accounting purposes, it was assumed that the company will continue as a going concern.

2. Intangible Assets

Purchased intangible assets are measured at cost less amortisation and depreciation, which are generally recognised on a straight-line basis over the assets' normal useful life.

3. Property, Plant and Equipment

Property, plant and equipment is recognised at acquisition or production cost less scheduled straight-line depreciation in accordance with the assets' expected useful life. Low-value assets are fully depreciated in the year of acquisition in accordance with Section 6 (2) and (2a) EStG. Project-related fixed assets are accounted in accordance with donor guidelines.

4. Inventories

Inventories are recognised at cost.

5. Receivables and Other Assets

Receivables and other assets are recognised at nominal value. Recognisable risks are taken into account through individual value adjustments.

6. Bank Balances and Cash in Hand

Bank balances and cash in hand are recognised at nominal value.

7. Prepaid Expenses and Deferred Income

Prepaid expenses relate to payments made before the balance sheet date that relate to expenses to be incurred in future accounting periods. Deferred income relates to payments received before the balance sheet date that relate to income to be recognised in accounting periods after the balance sheet date. They are both recognised at nominal value.

8. Equity

Equity is recognised at nominal value.

9. Provisions

Provisions consider recognisable risks and contingent liabilities and are measured at the settlement amount required according to prudent business judgement.

10. Liabilities

Liabilities are recognised at the settlement amount.

11. Receivables and Liabilities in Foreign Currency

Receivables and liabilities in foreign currencies are recognised at the exchange rate on the date of the transaction. Year-end balances are determined as at the balance sheet date in accordance with Section 256a HGB.

C. Notes to the Balance Sheet and Income Statement

I. Balance Sheet

1. Fixed Assets

The development of fixed assets is presented in an appendix to the notes (Statement of Changes in Fixed Assets) in accordance with Section 284 (3) HGB. The additions relate primarily to IT equipment and office infrastructure. Depreciation is recognised on a straight-line basis over the expected useful life of 3-5 years.

2. Receivables and Other Assets

As in the previous year, all receivables and other assets have a remaining term of up to one year.

3. Equity

The company's equity consists exclusively of subscribed capital (fully paid in) and retained earnings. There were no changes in the reporting period.

4. Special Items

There were no special items at the end of the financial year.

5. Provisions

Other provisions amount to € 415k (previous year: € 597k) and mainly include staff annual leave provisions totalling € 121k (previous year: € 225k), staff overtime provisions totalling € 93k (previous year: € 130) and grant repayments totalling € 33k (previous year: € 67k). A revised methodology for estimating staff annual leave and overtime provisions was adopted during the year to more accurately reflect the expected cash outflow at year-end.

6. Liabilities

As in the previous year, all liabilities have a remaining term of up to one year. Other liabilities include tax liabilities of € 183k (previous year: € 145k) and social security liabilities of € 19k (previous year: € 15k).

7. Deferred Income

Due to excess funds received in 2025, the balance of deferred income amounted to € 4,638k (previous year € 7,267k).

II. Profit and loss account

1. Revenue

Revenue increased by 4.9% and totalled € 21.3 million (previous year: € 20.3 million). The increase is due to an overall increase in project volume, both with existing and new donors. The contribution from Berghof Foundation Trust GmbH, Berlin, which are also included, totalled € 1,825k (previous year: € 1,823k).

2. Other Operating Income

Other operating income mainly includes income from the reversal of provisions in the amount of € 114k (previous year: € 258k), reimbursements in accordance with the German Equalisation of Expenses Act (AufwendungsausgleichsG) in the amount of € 46k (previous year: € 32k) and income from currency translation in the amount of € 36k (previous year: € 6k).

3. Personnel Expenses

Pension expenses totalled € 206k (previous year: € 92k).

4. Other Operating Expenses

Other operating expenses include losses on receivables of € 12k (previous year: € 6k) and other expenses relating to other periods of € 91k (previous year: € 17k).

Expenses from currency translation amounted to € 84k in the 2025 financial year (previous year: € 1k).

D. Other Information

1. Human Resources

The average number of employees in 2025 was 121.8 (previous year: 129.5), including 8 members of the Executive Team, and is divided into the following groups:

81.7 female employees,
39.1 male employees and
1.0 diverse employees.

2. Organs of the Company

The managing directors and authorised signatories during the year 2025 were:

Mr Andrew Gilmour, Executive Director (Managing Director) (until 19 February 2025)
Dr Chris Coulter,

- Deputy Executive Director (authorised signatory) (until 19 February 2025)
- Executive Director (Managing Director) (from 19 February 2025)

Mr Gustavo Arnaudo, Head of Finance & Administration (authorised signatory) (from 19 February 2025)

Managing directors and authorised signatories are exempt from the restrictions of Section 181 BGB.

The following members belonged to the Board of Trustees as at 31 December 2025:

- Johannes Zundel, CEO Berghof Foundation Trust, Tübingen, Germany (Chairman)
- Dr Christian Sundermann, State Secretary in non-active service, Berlin, Germany
- Dr Mathias Terheggen, Head Partnerships & Philanthropy Switzerland, Member of the Management Board, ETH Foundation, Switzerland
- Nickolay E. Mladenov, Director General of the Anwar Gargash Diplomatic Academy (AGDA) - Abu Dhabi Emirates, United Arab Emirates
- Neha Sanghrajka, Senior Conflict Sensitivity Advisor, UNOPS; Fellow and Senior Advisor at the Geneva Centre for Security Policy - Nairobi, Kenya.
- Prof. Dr em. Dr h.c. mult. Dieter Senghaas, formerly University of Bremen, Bremen, Germany

3. Total Remuneration of the Management

In accordance with Section 286 (4) of the German Commercial Code (HGB), the remuneration of the management is not disclosed.

4. Contingent Liabilities

There are no contingent liabilities pursuant to Section 251 HGB.

5. Other Financial Obligations

Other financial obligations totalled € 507k as at the reporting date (previous year: € 459k).

6. Donor-related Disclosures

This section contains information on grants and contributions received from donors, including the allocation of funds in compliance with donor conditions and material balances at the reporting date.

All amounts in Euro, unless otherwise stated.

							Financial Year 2025				
Country	Donor	Project ID	Project Description	Contract Reference	Period	Contracted Amount	Opening Balance a	Funds Recevied b	Expenditure Incurred c	Closing Balance d=a+b-c	Notes
United Kingdom	Foreign, Commonwealth and Development Office (FCDO)	25010	African Union Conflict and Governance Programme (AUCG)	300967-405	01.09.2025-30.06.2026	£ 175,337	-	5,788 *(£ 5,072)*	61,918	-56,130	Funds received in 2026
		25032	Intra-Afghan Dialogue Programme (IADP)	400561-403	24.09.2025 - 31.03.2027	£ 273,901	-	159,287 *(£ 139,663)*	73,861	85,426	Deferred income
Finland	Ministry for Foreign Affairs (MFA)	82402	Core Contribution + Women in Diplomacy Project (WIND) 2024	n/a	01.01-31.12.2024+	400,000	19,490		19,490	-	Funds carried forward from '24
		82501	Core Contribution 2025	n/a	01.01-31.12.2025	300,000		300,000	237,423	19,040	A small portion of the funds has been deferred to 2026 to finance activities early in the year
		25008	Women in Diplomacy (WIND) 2025	n/a	01.01-31.12.2025	100,000		100,000	143,537		

Grants received during the reporting period were utilised in accordance with the applicable grant agreements, donor guidelines and the relevant legal and regulatory requirements. The organisation confirms that the funds were used exclusively for the intended project purposes and were subject to appropriate financial control and supervision.

E. Proposal for the Appropriation of Surplus

The net surplus for the year is carried forward to new account.

F. Subsequent Event

There have not been any significant events since the reporting date and prior to the compilation of the financial statements that would be material for the assessment of the net assets, financial position and financial performance of the company.

Berlin, 2 June 2026

Berghof Foundation Operations gGmbH

Dr Chris Coulter (Managing Director)

Berghof Foundation Operations gGmbH, Berlin

Statement of changes of fixed assets in financial year 2025

	ACQUISITION AND PRODUCTION COSTS				ACCUMULATED AMORTISATION AND DEPRECIATION				NET CARRYING VALUES	
	1 Jan. 2025 EUR	Additions EUR	Disposals EUR	31 Dec. 2025 EUR	1 Jan. 2025 EUR	Additions EUR	Disposals EUR	31 Dec. 2025 EUR	31 Dec. 2025 EUR	31 Dec. 2024 EUR
I. INTANGIBLE ASSETS										
1. Concessions acquired for consideration, industrial property rights and similar rights and assets as well as licenses in such rights and assets	310.713,81	0,00	0,00	310.713,81	310.699,81	0,00	0,00	310.699,81	14,00	14,00
	310.713,81	0,00	0,00	310.713,81	310.699,81	0,00	0,00	310.699,81	14,00	14,00
II. FIXED ASSETS										
1. Other equipment, operating and office equipment	1.096.895,38	46.140,28	0,00	1.143.035,66	876.104,28	75.278,28	0,00	951.382,66	191.653,00	220.791,00
	1.096.895,38	46.140,28	0,00	1.143.035,66	876.104,28	75.278,28	0,00	951.382,66	191.653,00	220.791,00
FINANCIAL ASSTES										
	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	1.407.609,19	46.140,28	0,00	1.453.749,47	1.186.804,19	75.278,28	0,00	1.262.082,47	191.667,00	220.805,00

Management Report
of Berghof Foundation Operations gGmbH, Berlin
for the financial Year 2025

I. General Background of the Company

The Berghof Foundation Operations gGmbH (Berghof Foundation, Berghof, BFO) is a non-profit company based in Berlin dedicated to supporting non-violent conflict transformation in the areas of peacebuilding, peace education and peace and conflict research.

The core activities of the Berghof Foundation include the methodical implementation of mediation, dialogue and negotiations within the framework of projects that are usually publicly funded, thus creating space for peaceful conflict transformation worldwide.

The Berghof Foundation, besides its main office in Berlin, maintains a branch office in Tübingen, Germany, and local offices in Beirut, Lebanon, as well as in Mogadishu, Somalia. Two new offices were also registered in Iraq (in Erbil and Bagdad).

II. Economic Report and Latest Developments

The year 2025 was once again overshadowed by widespread conflict and human suffering. The ongoing wars in Gaza, Sudan and Ukraine continued to redefine geopolitical relations, tear at the fabric of societies, and exacerbate the hardships faced by civilian populations. These conflicts have placed immense pressure on international mediation and, at the same time, challenged organisations like ours that work to promote peace. In this volatile context, the importance of principled and flexible approaches to conflict transformation has rarely been more evident.

Throughout 2025, we focused strongly on further developing our approach of combining expertise and experience across regions and topics. A cross-departmental, multi-year grant from the Netherlands enabled us to explore, for instance, how trusted local actors – so-called “Insider Mediators” – resolve conflict from within their communities in Iraq, Somalia and Yemen. We further worked to address the environmental dimensions of conflict and promoting climate-sensitive peacebuilding in the three countries, while also integrating insights from psychology and neuroscience into peace-making efforts to foster mental health and psychosocial support for peacebuilders.

Innovation in research was another key focus in 2025. The launch of our guide on psychology in peace-making, which attracted unprecedented attendance, significantly strengthened Berghof’s profile at the intersection of psychosocial expertise and peacebuilding practice. In parallel, we continued to expand our peace education work in Germany, helping to anchor peacebuilding more firmly “at home”. We expanded our diverse portfolio of workshops, trainings and educational materials on topics ranging from countering disinformation online, how to deal with conspiracy narratives, or integrating peace education approaches in German classrooms.

Marking the 25th anniversary of United Nations Security Council Resolution 1325, we called on governments and multilateral actors to reinvigorate their commitment to the Women, Peace and Security Agenda. Beyond this anniversary, Berghof has continued to reflect on how it can further strengthen its practical contributions to gender-responsive peacebuilding.

These accomplishments would not have been possible without the commitment and professionalism of Berghof’s staff. Their resilience in the face of significant challenges remains the organisation’s greatest asset. We are also deeply thankful to our donors and partners for their continued trust, cooperation and shared conviction in the value of Berghof’s work.

As the Berghof Foundation operates within an increasingly complex global conflict environment, it remains firmly dedicated to its core mission of peacebuilding and conflict resolution.

Revenues and other income

In 2025, the organisation maintained its strong financial position and continued to build on the positive development of previous years, although at a slower pace. Revenue increased by 4.9% to €21.3 million, compared with €20.3 million in 2024, and thus exceeded the projected figure. This increase was supported by the continued acquisition of project funding from existing donors as well as the successful establishment of new donor partnerships. As a result, the favourable longer-term trend observed over the past ten years continued in 2025. The result for the year 2025 was a net income of €11.8k, representing an encouraging mark and is in line with the planned target.

Capital expenditure

Berghof's work requires the ability to react flexibly to conflict-related developments and emerging opportunities. The organisation therefore focuses its resources primarily on specialist expertise, project implementation and learning processes that help create new perspectives, relationships and behaviours, and thereby contribute to the peaceful transformation of conflicts.

Given this focus on mediation and peacebuilding expertise, Berghof continues to operate with a comparatively low level of fixed assets. In 2025, fixed assets accounted for around 3.0% of total assets, which was broadly in line with the previous years. Capital expenditure remained mainly related to IT equipment and workplace infrastructure. Where economically appropriate, and in line with accounting standards and donor regulations, capital costs may be treated as operating expenditure rather than capitalised.

Personnel and organisation

As at 31 December 2025, the Berghof Foundation employed an average of 121.8 full-time employees across its Berlin and Tübingen offices. Recruitment during the year reflected the organisation's project requirements and operational needs, resulting in 124 employees, or 111 full-time equivalent employees, at year-end.

Following the introduction of the TVöD collective labour agreement in 2023, the organisation continued to ensure transparent compliance with the prohibition of better employment conditions under the Zuwendungsgesetz.

III. Net assets, financial position and results of operations

Total assets decreased by around 32.1% or € 2,974k to € 6,296k compared to € 9,270k in the previous year. As an organisation that primarily offers expert technical support, Berghof only has a small volume of property, plant and equipment, which mainly relates to IT equipment.

Current assets, which fell by around 32.8% compared with the previous year, consist almost exclusively of receivables and cash and cash equivalents. Inventories decreased by € 363k compared with the previous year and relate primarily to advance payments already made for projects. Receivables and other assets increased by a total of € 434k, with trade receivables falling slightly and the increase resulting mainly from other assets. Cash and cash equivalents amounted to € 2,940k at the end of the year, representing only around half of the previous year's figures. They also accounted for around 47% of the balance sheet total. The reason for the decline in cash and cash equivalents is the reduction in liabilities at the end of the year.

Detailed breakdown of the financial position follows:

	31.12.2025 €'000	31.12.2024 €'000	Change €'000
Assets			
Fixed assets	192	221	-29
Cash and cash equivalents	2,940	5,958	-3,018
Other current assets/Pre-paid expenses	3,164	3,091	73
Total Assets	**6,296**	**9,270**	**-2,974**
Liabilities			
Equity capital	377	365	12
Provisions	415	597	-182
Liabilities	866	1,041	-175
Current liabilities / Deferred income	4,638	7,267	-2,629
Total Liabilities	**6,296**	**9,270**	**-2,974**

Equity remained positive at € 377k as at 31 December 2025, compared with €365k in the previous year. On the liabilities side of the balance sheet, current liabilities and deferred income continued to represent the largest item, although they decreased by € 2,629k to € 4,638k. This position mainly comprises funds already received from donors that are to be used in subsequent accounting periods. Provisions decreased by € 182k to € 415k, while liabilities declined by € 175k to € 866k.

Overall, total assets decreased by € 2,974k to € 6,296k, primarily reflecting lower cash and cash equivalents, which fell by € 3,018k to € 2,940k, as well as a increase in other current assets and prepaid expenses of € 73k.

	31.12.2025		31.12.2024		Change
	€'000	%	€'000	%	€'000
Revenue	21,227	100.0	20,345	100.0	882
Cost of materials	8,815	41.5	8,179	40.2	636
Gross profit	**12.412**	**58.5**	**12,166**	**59.8**	**246**
Personnel expenses	9,026	42.5	9,003	44.3	23
Depreciation and amortisation	75	0.4	79	0.4	-4
Other expenses	3,443	16.2	3,391	16.7	52
Less: Other operating income	57	0.3	310	1,5	-253
Operating result (EBIT)	**-76**	**-0.4**	**3**	**0.0**	**-79**
Income taxes	-88	-0.4	0	0.0	-88
Annual result	**12**	**0.1**	**3**	**0.0**	**9**

Revenue increased by € 882 k to € 21,277k in 2025, due to higher project income. Other operating income decreased by € 253k, reflecting the fact that the previous year included larger reversals of provisions and higher income from the special item for grants.

The increases in expenses related to materials and services as well as personnel expenses. This development was primarily driven by the marginal increase in the number of projects implemented compared to the previous year. The cost of materials and services amounted to € 8,815k in 2025. The personnel expenses totalled € 9,026k, representing increases of 0.3%, respectively.

Other expenses rose by € 52k to € 3,443k compared with the previous year, reflecting the overall increase in business volume.

As a result, the organisation was able to achieve a net profit for the year of € 12k.

At the end of the 2025 financial year, operating cash flow amounted to € -2,852k (previous year: € -272k), resulting primarily from the drawdown of grants received in previous years that covered a period of several years. Cash flow from investing activities decreased to € -46k (previous year: € -187k) due to lower capital expenditure. Overall, this resulted in a decrease in cash and cash equivalents of € 2,898k in 2025.

Taking the year as a whole, the organisation remained on a stable financial footing. Its net assets, financial position, results of operations and cash flows continued to be robust. Although the organisation operates in the non-profit sector, it generated a positive and stable financial result in 2025. Income and expenses remained consistent with the approved project and operating plans, while the internal financial control environment continued to operate effectively. From management's perspective, the 2025 financial year was therefore satisfactory, both operationally and financially.

IV. Risk management objectives and methods

Risk management at the Berghof Foundation is integrated into the organisation's governance and operational processes and supports the achievement of its strategic and operational objectives. Its main purpose is to identify risks at an early stage, assess their potential impact and implement appropriate measures to reduce or prevent losses. This includes financial, operational, reputational, legal and compliance-related risks.

Risks are assessed regularly by key management personnel at both organisational and project level. Particular attention is given to international activities, donor-funded projects and cooperation with project partners. These assessments also take into account donor requirements, especially with regard to financial accountability, procurement, compliance with grant conditions and the proper use of funds.

The organisation continued to further develop its approach to the documentation, monitoring and management of internal and external risks. This includes the gradual formalisation of its internal risk management system in line with recognised good practice and audit expectations. Key elements include clearer documentation, defined risk ownership and strengthened oversight procedures.

Existing risk mitigation measures, including staff travel insurance, financial controls, budget monitoring, compliance reviews and liquidity planning, are reviewed on an ongoing basis and adjusted where necessary. These practices are designed to ensure transparency, traceability and continuous improvement, while also meeting the expectations of institutional donors.

As Berghof's international activities expand, increasing importance is placed on combining central oversight with risk identification and ownership at project, local and country levels. The further development of these processes is coordinated across departments and integrated into the internal control system to ensure a consistent, practical and responsive approach to risk management.

V. Significant opportunities and risks of future development

The Berghof Foundation's work focuses on supporting the transformation of violent conflicts into peaceful and sustainable resolution processes. Against the background of a growing number of complex and protracted conflicts worldwide, the need for professional peacebuilding, mediation and conflict transformation expertise remains high. This creates significant opportunities for Berghof to further strengthen its role, deepen existing partnerships and contribute its expertise in areas where demand for conflict-sensitive approaches continues to increase.

At the same time, the implementation of projects in fragile and conflict-affected environments is inherently exposed to risks. These include security-related, operational, financial, legal and compliance risks, as well as risks connected with cooperation partners and changing political conditions. Such risks are assessed on an ongoing basis and monitored through internal processes as well as regular dialogue with institutional donors. The German Federal Foreign Office and the European Union continue to be Berghof's largest donors.

The most relevant foreseeable risk for future development relates to possible delays, reductions or restrictions in project financing. Changes in public funding priorities, tighter donor requirements or delays in grant approvals could affect project planning and implementation. Berghof addresses this risk by continuing to diversify its funding base and by reducing dependency on individual donors where possible. In this context, the organisation is strengthening its fundraising capacities and placing greater emphasis on the acquisition of flexible and unrestricted funding not tied to specific projects. This is intended to improve financial resilience and support a more sustainable financing structure.

In addition, Berghof continues to expand its donor outreach and maintain a broad pipeline of funding proposals. These measures are designed to mitigate the risk of reduced project volume and to preserve sufficient programmatic flexibility. Legal risks, including those arising from compliance, contractual or project-related matters, are assessed regularly and, where necessary, reflected in the financial statements through appropriate provisions. Liquidity risks are monitored through continuous cash flow planning and regular review of available funds. On the basis of existing funding commitments and current financial projections, management considers the organisation's liquidity risk to be low.

VI. Outlook (forecast report)

Forecasting future developments remains subject to considerable uncertainty, given the volatile geopolitical environment and the nature of Berghof's work in conflict-affected regions. For 2026, the organisation expects revenue to remain broadly in line with the 2025 level, with a balanced annual result anticipated.

At the same time, the timing and approval of project funding from key institutional donors remain a significant source of uncertainty. Possible delays in grant approvals, changes in donor priorities or reductions in available funding could affect the pace and scope of project implementation. At this stage, it is not possible to determine with certainty whether any potential funding shortfalls could be fully compensated through alternative sources.

In order to support its longer-term development and maintain the quality and impact of its work, Berghof made targeted strategic investments in 2025. These focused in particular on staffing, management capacity and thematic expertise. Management expects these measures to strengthen the organisation's operational resilience, improve its ability to respond to future opportunities and support its positioning in a changing funding environment.

Berlin, 2 June 2026

Berghof Foundation Operations gGmbH
Dr Chris Coulter (Managing Director)

[Translator's notes are in square brackets]

General Engagement Terms

for

Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

[German Public Auditors and Public Audit Firms]

as of January 1, 2024

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (Wirtschaftsprüferinnen/Wirtschaftsprüfer) or German Public Audit Firms (Wirtschaftsprüfungsgesellschaften) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing (Textform) or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties. A German Public Auditor is also entitled to invoke objections (Einwendungen) and defences (Einreden) arising from the contractual relationship with the engaging party to third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (Grundsätze ordnungsmäßiger Berufsausübung). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (betriebswirtschaftliche Prüfungen), the consideration of foreign law requires an express agreement in writing (Textform).

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information submitted as well as the explanations and statements provided in statement as drafted by the German Public Auditor or in a legally accepted written form (gesetzliche Schriftform) or any other form determined by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in a legally accepted written form (gesetzliche Schriftform) or in writing (Textform) as part of the work in executing the engagement, only that presentation is authoritative. Draft of such presentations are non-binding. Except as otherwise provided for by law or contractually agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing (Textform). Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of, a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's consent be issued in writing (Textform), unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for subsequent performance (Nacherfüllung) in writing (Textform) without delay. Claims for subsequent performance pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: Handelsgesetzbuch], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: Wirtschaftsprüferordnung], § 203 StGB [German Criminal Code: Strafgesetzbuch]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, claims for damages due to negligence arising out of the contractual relationship between the

engaging party and the German Public Auditor, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: Produkthaftungsgesetz], are limited to € 4 million pursuant to § 54 a Abs. 1 Number 2 WPO. This applies equally to claims against the German Public Auditor made by third parties arising from, or in connection with, the contractual relationship.

(3) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(4) The maximum amount under paragraph 2 relates to an individual case of damages. An individual case of damages also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million.

(5) A claim for damages expires if a suit is not filed within six months subsequent to the written statement (Textform) of refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

(6) § 323 HGB remains unaffected by the rules in paragraphs 2 to 5.

10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report (Bestätigungsvermerk), he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's consent, issued in a legally accepted written form (gesetzliche Schriftform), and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any material errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing (Textform), ongoing tax advice encompasses the following work during the contract period:

a) preparation and electronic transmission of annual tax returns, including financial statements for tax purposes in electronic format, for income tax, corporate tax and business tax, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
b) examination of tax assessments in relation to the taxes referred to in (a)
c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing (Textform).

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (Steuerberatungsvergütungsverordnung) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (Textform).

(6) Work relating to special individual issues for income tax, corporate tax, business tax and valuation assessments for property units as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

a) work on non-recurring tax matters, e.g. in the field of estate tax and real estate sales tax;
b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (Textform) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (Verbraucherschlichtungsstelle) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (Verbraucherstreitbeilegungsgesetz).

15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.