

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 2024

Certified copy

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General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer und
Wirtschaftsprüfungsgesellschaften dated 1 January 2024

*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 2024, and the income statement for the financial year from 1 January to 31 December 2024, 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 2024.

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 2024 and of its financial performance for the financial year from 1 January to 31 December 2024, 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, 12 June 2025

ETL AG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft



Marko Schlossarek
Wirtschaftsprüfer
German Public Auditor

Ralph Riese
Wirtschaftsprüfer
German Public Auditor

Berghof Foundation Operations gGmbH, Berlin

Balance Sheet as at 31 December 2024

ASSETS

	31.12.2024 EUR	31.12.2023 EUR
A. FIXED ASSETS		
I. Intangible assets		
1. Concessions acquired for consideration, industrial property rights and similar rights and assets	<u>14,00</u>	<u>14,00</u>
		14,00
II. Tangible assets		
1. Other equipment, operating and office equipment	<u>220.791,00</u>	<u>244.315,00</u>
	<u>220.791,00</u>	<u>244.315,00</u>
	<u>220.805,00</u>	<u>244.329,00</u>
B. Current assets		
I. Inventories		
1. Goods	2.204,33	2.204,33
2. Advanced payments	<u>780.874,54</u>	<u>207.819,72</u>
		783.078,87
II. Receivables and other assets		
1. Trade receivables	1.744.940,23	843.778,03
2. Receivables from shareholders	296.434,97	309.266,89
3. Other assets	<u>265.345,70</u>	<u>225.920,66</u>
	2.306.720,90	<u>1.378.965,58</u>
III. Cash on hand, Bundesbank balances, Bank balances and cheques	<u>5.957.831,59</u>	<u>6.418.970,28</u>
	<u>9.047.631,36</u>	<u>8.007.959,91</u>
C. PREPAID EXPENSES	<u>1.674,02</u>	<u>6.440,14</u>
	<u>9.270.110,38</u>	<u>8.258.729,05</u>

EQUITY AND LIABILITIES

	31.12.2024 EUR	31.12.2023 EUR
A. EQUITY		
I. Subscribed capital		
1. Subscribed capital	<u>25.000,00</u>	<u>25.000,00</u>
		25.000,00
II. Retained earnings		
1. Other Retained earnings	<u>324.375,20</u>	<u>324.375,20</u>
		324.375,20
III. Profit carried forward		12.399,02
IV. Net profit/loss for the year	<u>3.127,38</u>	<u>-246.402,29</u>
	<u>364.901,60</u>	<u>361.774,22</u>
	0,00	131.843,00
B. SPECIAL ITEMS FOR GRANTS		
C. PROVISIONS		
1. Tax provisions	0,00	35.310,20
2. Other provisions	<u>597.247,91</u>	<u>560.427,26</u>
		<u>597.247,91</u>
D. LIABILITIES		
1. Liabilities to banks	23.246,43	20.566,14
2. Trade payables	525.337,02	640.710,53
3. Other liabilities	<u>492.504,45</u>	<u>1.280.151,26</u>
	<u>1.041.087,90</u>	<u>1.941.427,93</u>
E. DEFERRED INCOME	<u>7.266.872,97</u>	<u>5.227.946,44</u>
	<u>9.270.110,38</u>	<u>8.258.729,05</u>

Berghof Foundation Operations gGmbH, Berlin

Income statement for the financial year 2024

	2024 EUR	2023 EUR
1. Revenues	20.344.963,04	17.225.484,41
2. Total revenues	20.344.963,04	17.225.484,41
3. Other operating income	310.642,72	429.960,70
4. Costs of materials		
a) Expenses for raw materials, consumables and supplies and for purchased goods	0,00	-539,08
b) Expenses for purchased services	-8.179.579,50	-6.682.317,67
	-8.179.579,50	-6.682.856,75
5. Personal costs		
a) Salaries and wages	-7.476.218,54	-6.756.297,91
b) Social security contributions and expenses for pensions and support	-1.526.598,11	-1.359.796,08
	-9.002.816,65	-8.116.093,99
6. Amortisation and depreciation		
a) Amortisation of intangible assets and depreciation of fixed assets	-78.796,56	-90.631,67
	-78.796,56	-90.631,67
7. Other operating expenses	-3.391.285,67	-2.937.499,69
8. Income taxes	0,00	-74.765,30
9. After tax results	3.127,38	-246.402,29
10. Net profit/loss for the year	3.127,38	-246.402,29

**Notes to the Financial Statements of Berghof Foundation Operations gGmbH, Berlin,
for the financial year 2024**

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 depreciated on a straight-line basis 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. Special Items

For grant funded project-related intangible and tangible fixed assets, a special item is recognised at the time of acquisition in the amount of the grants received, which corresponds to the acquisition cost of the acquired assets. The special item is reversed annually in the amount of the depreciation recognised for the asset. The addition is recognised in other operating expenses and the reversal is recognised in other operating income.

10. Provisions

The provisions take into account all recognisable risks and contingent liabilities and are measured at the settlement amount required according to prudent business judgement.

11. Liabilities

Liabilities are recognised at the settlement amount.

12. 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

The special item was reversed in the amount of EUR 131k in the financial year.

5. Provisions

Other provisions amount to EUR 597k (previous year: EUR 560k) and mainly include holiday provisions totalling EUR 225k (previous year: EUR 233k), overtime provisions totalling EUR 130k (previous year: EUR 0) and grant repayments totalling EUR 67k (previous year: EUR 123k).

6. Liabilities

As in the previous year, all liabilities have a remaining term of up to one year. Other liabilities include tax liabilities of EUR 183k (previous year: EUR 145k) and social security liabilities of EUR 17k (previous year: EUR 15k).

7. Deferred Income

Due to excess funds received in 2024, which will not be utilised until 2025, the balance of deferred income increased from EUR 5,228k to EUR 7,267k.

II. Profit and loss account

1. Revenue

Revenue increased by 18.1% and totalled EUR 20.3 million (previous year: EUR 17.2 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 EUR 1,879k (previous year: EUR 2,146k).

2. Other Operating Income

Other operating income mainly includes income from the reversal of provisions in the amount of EUR 114k (previous year: EUR 258k), the reversal of the special item for government grants in the amount of EUR 131k (previous year: EUR 119k), reimbursements in accordance with the German Equalisation of Expenses Act (AufwendungsausgleichsG) in the amount of EUR 46k (previous year: EUR 32k) and income from currency translation in the amount of EUR 36k (previous year: EUR 6k).

3. Personnel Expenses

Pension expenses totalled EUR 92k (previous year: EUR 90k).

4. Other Operating Expenses

Other operating expenses include losses on receivables of EUR 6k (previous year: EUR 106k) and other expenses relating to other periods of EUR 17k (previous year: EUR 83k).

Expenses from currency translation amounted to EUR 1k in the 2024 financial year (previous year: EUR 33k).

D. Other Information

1. Human Resources

The average number of employees in 2024 was 129.5 (previous year: 117.0), including 8 members of the Executive Team, and is divided into the following groups:

84.2 female employees,
44.3 male employees and
1.0 diverse employees.

2. Organs of the Company

The managing directors and authorised signatories were:

Mr Sven Arndt, Director of Administration (authorised signatory) (until 15 February 2024)

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 and 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 2024:

- Johannes Zundel, CEO Berghof Foundation Trust, Tübingen, Germany (Chairman)
- Sandra Breka, Vice President & COO, Open Society Foundations, Berlin, Germany
- Diana Chigas, The Fletcher School of Law and Diplomacy, Tufts University, Medford, MA, USA
- Hilde Frafjord Johnson, Former Norwegian Minister of International Development, Oslo, Norway
- Prof Dr Kjell-Åke Nordquist, University of Uppsala, Uppsala, Sweden
- Prof. Dr em. Dr h.c. mult. Dieter Senghaas, formerly University of Bremen, Bremen, Germany
- 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.

3. Total Remuneration of the Management Board

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 EUR 459k as at the reporting date (previous year: EUR 463k).

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.

BFO Project	Country	Donor	Project Description	Contract Reference	Contracted Period	Contracted Amount	Funds Received	Financial Year 2024			Notes
								Opening Balance	Expenditure Incurred	Closing Balance	
82401	Switzerland	Swiss Federal Department of Foreign Affairs	Core Contribution	81080547 / 637124	01.01-31.12.2024	€ 175,000	€ 175,000	-	€ 175,000	-	The total amount of the grant represents less than 2% of total revenue and was not used to create reserves.
82402	Finland	Ministry for Foreign Affairs	Core Contribution + Women in Diplomacy Project (WIND)	n/a	01.01-31.12.2024	€ 400,000	€ 400,000	-	€ 380,510	€ 19,490	A small portion of the funds was deferred after 2025 to finance activities at the beginning of the following year
23006	Ireland	Department of Foreign Affairs	Contribution to the peace process between the ELN and the Colombian Government through multi-track engagement on gender and environmental issues.	HQ-SF-2023-BF	01.05.2023-30.04.2024	€ 99,990	€ 99,990	€ 41,865	€ 41,865	-	n/a

All 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.

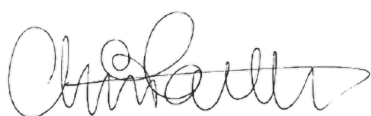
E. Proposal for the Appropriation of Surplus

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, 12 June 2025



Berghof Foundation Operations gGmbH

Dr Chris Coulter (Managing Director)

Berghof Foundation Operations gGmbH, Berlin

Statement of changes of fixed assets in financial year 2024

	ACQUISITION AND PRODUCTION COSTS				ACCUMULATED AMORTISATION AND DEPRECIATION				NET CARRYING VALUES	
	1 Jan. 2024 EUR	Additions EUR	Disposals EUR	31 Dec. 2024 EUR	1 Jan. 2024 EUR	Additions EUR	Disposals EUR	31 Dec. 2024 EUR	31 Dec. 2024 EUR	31 Dec. 2023 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		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	1.041.622,82	55.272,56	0,00	1.096.895,38	797.307,82	78.796,56	0,00	876.104,38	220.791,00	244.315,00
	1.041.622,82	55.272,56	0,00	1.096.895,38	797.307,82	78.796,56	0,00	876.104,38	220.791,00	244.315,00
FINANCIAL ASSTES										
	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	1.352.336,63	55.272,56	0,00	1.407.609,19	1.108.007,63	78.796,56	0,00	1.186.804,19	220.805,00	244.329,00

Management Report of Berghof Foundation Operations gGmbH, Berlin for the financial Year 2024

I. General Background of the Company

Business model

The Berghof Foundation Operations gGmbH (Berghof Foundation, Berghof, BFO) is a non-profit organisation 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.

Another office of the Berghof Foundation in Germany is located in Tübingen.

II. Economic Report and Latest Developments

The year 2024 was marked by many conflicts. The war in Gaza, which later extended to Lebanon, has caused much suffering and destruction. Sudan faces an even greater humanitarian disaster. In Ukraine, the war is slowly prevailing against weakened Ukrainian resistance. In Europe, the far right's steady rise is continuing to gain momentum while, across the Atlantic, it is yet to be seen how the new government will impact democratic values and current conflicts. All this unfolds against the backdrop of record-breaking heatwaves and natural disasters, which have further exacerbated conflicts in many parts of the world.

This global rise in conflict is met by a decline in funding dedicated to preventing, resolving, or transforming conflicts.

However, and despite this year's global developments, progress was made from long-term processes that Berghof has been working on for years.

The inaugural edition of Berghof Foundation's flagship conference, The Berlin Moot, helped the organisation significantly raise its profile with officials and institutions in many countries. By bringing together policymakers and global experts from a variety of disciplines with peace practitioners and mediators, it provided Berghof with unprecedented visibility in the peacebuilding field and beyond. In addition, the organisation's books, research papers, events and communications efforts led to attention from policy makers and the media on various topics around global conflicts.

Berghof also managed to advance its climate security and peacebuilding efforts. The environmental peacebuilding portfolio is now an important element in all fields of the organisation: regional peace support, conflict transformation research, and peace education.

In addition, the Berghof Foundation successfully won a multi-year grant from the Government of the Netherlands to boost infrastructures for peace in Somalia and Yemen, among other countries.

The organisation also expanded its portfolio in the Horn of Africa region. Starting to work in Ethiopia in 2018, the team is now active in the key regions of Oromia, Tigray, and Amhara, and is expanding its network of partners across various societal and political levels. In Somalia, the organisation is expanding its programming beyond Galmudug and Hirshabelle to South-West State.

Finally, Berghof's work in the Middle East, and especially in Lebanon, has been profoundly impacted by the ongoing conflicts in the region. Nevertheless, the staff in Beirut have managed to stay operational and continued their work to erase tensions within Lebanese society.

All accomplishments that have been achieved in 2024 were made possible thanks to the commitment and expertise of Berghof's staff in Berlin, Tübingen, Lebanon, Somalia, and all other countries. The Berghof Foundation is also very thankful for the collaboration of its many partners around the world, especially those working directly with communities, often under challenging and sometimes dangerous conditions. None of these efforts would be achievable without the support of the organisation's donors, whose generous contributions continue to play a crucial role in Berghof's work.

As the Berghof Foundation navigates an increasingly complex global conflict landscape, it remains committed to its mission of peacebuilding and conflict resolution.

Revenues and other income

The company continued its growth trajectory in 2024, with revenue increasing by 18.1% to €20.3 million, compared to €17.7 million in 2023. The revenue realised was therefore also higher than the planned turnover for 2024. This growth was driven both by higher project funding from existing donors and by the acquisition of new donor partnerships. The positive trend of the last ten years thus continued in 2024. In addition, an annual result of €3k was realised in 2024, which is significantly better than the previous year's deficit of €246k and corresponds to the planned value.

Capital expenditure

As an organisation, Berghof strives to respond flexibly to conflict-specific needs and opportunities as they arise, and to facilitate and support learning processes that encourage the development of new perspectives, relationships and behaviours, thus opening up opportunities for overcoming conflicts and finding ways to live together peacefully. As Berghof specialises in providing expertise in mediation and peacebuilding, the organisation keeps its fixed assets at a low level, accounting for around 2% of total assets in 2024, similar to the previous year. Investments are primarily channelled into IT equipment to support the infrastructure in the workplace. Wherever it makes economic sense, capital expenditure is reclassified as operating expenditure in order to optimise cost efficiency.

Personnel and organisation

As at 31 December 2024, the Berghof Foundation employed an average of 107 full-time employees at its two locations in Berlin and Tübingen. There were a number of new hires over the course of the year, resulting in 125 employees (or 109 full-time employees) at the end of the year.

With the adoption of the TVöD collective labour agreement in 2023, compliance with the prohibition of better employment conditions in accordance with the *Zuwendungsgesetz* was made more transparent. In addition, a time recording system was introduced and implemented accordingly.

III. Net assets, financial position and results of operations

Total assets increased by around 12.2% or € 1,011k to € 9,270k compared to € 8,259k 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 increased by around 13.0% compared to the previous year, consist almost exclusively of receivables and cash and cash equivalents. Inventories increased by € 573k compared to the previous year and

mainly relate to advance payments already made for projects. Trade receivables increased by € 901k to € 1,745k in 2024 and resulted from the increased business volume of the Berghof Foundation. Cash and cash equivalents totalled € 5,958k at the end of the year and were therefore slightly below the previous year's figure. They accounted for around 64% of total assets. 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:

	31.12.2024	31.12.2023	Change
	€'000	€'000	€'000
Assets			
Fixed assets	221	244	-23
Cash and cash equivalents	5.958	6.419	-461
Other current assets/Pre-paid expenses	3.091	1.596	1.495
Total Assets	9.270	8.259	1.011
Liabilities			
Equity capital	365	362	3
Special items for grants	0	132	-132
Provisions	597	596	1
Liabilities	1.041	1.941	-900
Current liabilities / Deferred income	7.267	5.228	2.039
Total Liabilities	9.270	8.259	1.011

Equity remains positive at € 365k as at 31 December 2024. The low annual result of € 3k was positively received after the deficit of €246k in the previous financial year. On the liabilities side of the balance sheet, the largest increases were in deferred income, which consists of funds already received from donors that are to be used in subsequent accounting periods, and which rose by € 2,039k to € 7,267k. Provisions increased by € 1k to € 597k. This was due to lower tax provisions and higher other provisions. The decrease in liabilities totalling € 900 k to € 1,041k primarily relates to other liabilities, as there were fewer debtors with credit balances in 2024 than in 2023.

	31.12.2024		31.12.2023		Change
	€'000	%	€'000	%	€'000
Revenue	20.345	100,0	17.225	100,0	3.120
Cost of materials	8.179	40,2	6.683	38,8	1.496
Gross profit	12.166	59,8	10.542	61,2	1.624
Personnel expenses	9.003	44,3	8.116	47,1	887
Depreciation and amortisation	79	0,4	91	0,5	-12
Other expenses	3.391	16,7	2.937	17,1	454
Less: Other operating income	310	1,5	430	2,5	-120
Operating result (EBIT)	3	0,0	-172	-1,0	175
Income taxes	0	0,0	74	0,4	-74
Annual result	3	0,0	-246	-1,4	249

Revenue increased by € 3,119k to € 20,345k in 2024 as a result of the higher project income. In contrast, other operating income decreased by € 289k, as there were larger reversals of provisions and the special item for grants in 2023. The expenses that recorded the largest increase in the 2024 financial year were the cost of materials and

services and personnel expenses, which is mainly due to the higher number of projects carried out compared to the previous year. The cost of materials and services amounted to € 8,179k in 2024, while personnel expenses totalled € 9,003k, an increase of 22.4 % and 10.9 % respectively.

Overall, the organisation's net assets, financial position, results of operations and cash flows remain solid. Despite its activities in the non-profit sector, the organisation achieved stable and positive financial results in 2024. Income and expenses were in line with the project and operating plans, and the financial controls remained effective. Management considers the 2024 financial year to be satisfactory from both an operational and financial perspective.

IV. Risk management objectives and methods

Risk management at the Berghof is embedded within its operational and governance framework and supports the organization's strategic and operational goals. The primary objective is to prevent losses and ensure the early identification, assessment, and mitigation of risks across all areas of activity. This includes financial, operational, reputational, legal, and compliance-related risks.

Key management personnel systematically assess risks at both organizational and project levels, particularly in relation to international operations, donor-funded activities, and third-party engagements. Risk assessments are conducted with a view to donor requirements, especially regarding financial accountability, procurement integrity, and adherence to grant conditions.

The organisation has continued developing a comprehensive structure for the systematic documentation and monitoring of internal and external risks, progressively establishing and formalizing its internal risk management system in line with best practices and audit standards. This includes improving documentation, assigning risk ownership, and strengthening oversight mechanisms.

Established measures—such as staff travel insurance, financial controls, budget monitoring, compliance checks, and liquidity planning—are reviewed regularly and adjusted as needed. Risk management practices are aligned with the expectations of institutional donors and subject to internal reviews, ensuring transparency, traceability, and continuous improvement.

As the organisation grows internationally, greater emphasis is being placed on balancing centralized oversight with decentralized risk identification and ownership at the project, country and regional levels. The development of these processes is coordinated across departments and to be integrated into internal control systems to ensure consistency and responsiveness.

V. Significant opportunities and risks of future development

The Berghof Foundation's mission is to support the transformation of violent conflict into peaceful and sustainable resolution processes. As the number and complexity of violent conflicts worldwide continue to rise, the demand for Berghof's expertise and support services is increasing correspondingly—creating important strategic opportunities for the organization.

At the same time, implementing projects in conflict-affected regions inherently involves substantial risk. These risks—ranging from operational and security concerns to compliance and financial uncertainties—are assessed and monitored in coordination with our institutional donors through regular review and dialogue. The Federal Foreign Office of the Federal Republic of Germany remains Berghof's principal donor.

The most significant foreseeable risk is the potential reduction or delay in project financing due to evolving governmental priorities or more stringent funding conditions. To address this, Berghof is actively pursuing a diversification strategy to reduce dependency on any single funding source. The organisation is investing in

strategic fundraising capacities and aims to secure more flexible unrestricted funding that is not tied to specific projects. These efforts aim to strengthen the organization's financial resilience and ensure a more sustainable funding base.

In addition, Berghof continues to broaden its donor outreach and expand its portfolio of funding proposals to mitigate the risk of lower project volume or restricted programmatic flexibility.

Legal risks, including risks arising from compliance or contractual matters, are appropriately reflected in the financial statements through risk provisions. Liquidity risks are closely monitored through ongoing cash flow planning. Based on secured funding commitments and current projections, the organization assesses its liquidity risk as low.

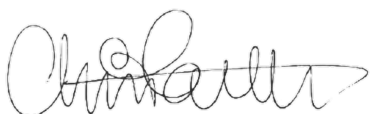
VI. Outlook (forecast report)

Forecasting developments in our field remains challenging due to the volatile geopolitical environment and the nature of our work in conflict regions. For the year 2025, we anticipate stable revenue similar to 2024, and the expectation is to break-even.

However, significant uncertainty remains regarding the timing and approval of project funding from our largest donors. These delays and potential cutbacks make it difficult to provide a definitive financial outlook at this stage. It is not yet clear to what extent any eventual reductions can be offset through alternative funding sources.

To support longer-term growth and enhance the quality of our work, strategic investments were made in 2024—particularly in staffing, management capacity, and thematic expertise. These measures are expected to strengthen the organisation's operational effectiveness and position it well for future funding opportunities.

Berlin, 12 June 2025

A handwritten signature in black ink, appearing to read 'Chris Coulter', with a stylized flourish at the end.

Berghof Foundation Operations gGmbH
Dr Chris Coulter (Managing Director)

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) Where 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.