

Annual financial statements  
of **50Hertz** Offshore GmbH, Berlin

*Translation from the German language*

December 31, 2023



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## 1. Statement of financial position

<b>ASSETS</b>			
EUR m	Note	31 Dec 2023	31 Dec 2022
<b>Fixed Assets</b>	(1)		
Intangible assets		0.3	0.6
Property, plant and equipment		2,950.7	2,630.1
		<b>2,951.0</b>	<b>2,630.7</b>
<b>Current assets</b>	(2)		
<b>Inventories</b>			
Raw materials		1.8	1.7
Work in progress		17.9	0.0
Payments on account		23.6	0.0
		<b>43.3</b>	<b>1.7</b>
<b>Receivables and other assets</b>			
Trade receivables		0.5	0.0
Receivables from affiliates		0.0	84.3
Other assets		0.3	1.1
		<b>0.8</b>	<b>85.4</b>
		<b>44.1</b>	<b>87.1</b>
<b>Prepaid expenses</b>		<b>0.0</b>	<b>0.1</b>
		<b>2,995.1</b>	<b>2,717.9</b>

<b>EQUITY AND LIABILITIES</b>			
EUR m	Note	31 Dec 2023	31 Dec 2022
<b>Equity</b>	(3)		
Issued capital		1.0	1.0
Capital reserves		1,682.0	1,682.0
		<b>1,683.0</b>	<b>1,683.0</b>
<b>Provisions</b>	(4)		
Other provisions		50.3	32.5
		<b>50.3</b>	<b>32.5</b>
<b>Liabilities</b>	(5)		
Trade payables		17.0	11.6
Liabilities to affiliates		1,244.5	990.0
Other liabilities		0.3	0.8
		<b>1,261.8</b>	<b>1,002.4</b>
		<b>2,995.1</b>	<b>2,717.9</b>

## 2. Income statement

EUR m	Anhang	1 Jan to 31 Dec 2023	1 Jan to 31 Dec 2022
Revenue	(6)	264.6	295.6
Increase of finished goods and work in progress	(7)	17.9	0.0
Other operating income	(8)	2.6	0.2
Cost of materials	(9)	-27.1	-16.7
Amortisation, depreciation and impairment	(10)	-131.4	-115.8
Other operating expenses	(11)	-22.3	-19.5
Financial result	(12)	-27.6	-17.0
<b>Profit after taxes</b>		<b>76.7</b>	<b>126.8</b>
<b>Expenses from profit/loss transfer</b>	(13)	-76.7	-126.8
<b>Net income of the year</b>		<b>0.0</b>	<b>0.0</b>

### 3. Statement of cash flows

EUR m	1 Jan to 31 Dec 2023	1 Jan to 31 Dec 2022
Net income for the year before profit transfer	76.7	126.8
Depreciation of fixed assets	131.4	115.8
Increase in provisions	17.8	8.7
Loss from the disposals of fixed assets	0.2	0.0
Increase in inventories, receivables and other assets	-35.7	-75.9
Decrease (previous year: increase) in payables and other liabilities	-8.1	87.1
Interest expense	27.6	17.0
<b>Cash flow from operating activities</b>	<b>209.9</b>	<b>279.5</b>
Cash paid for investments in property, plant and equipment	-438.0	-298.2
Cash paid for investments in intangibles assets	0.0	-0.4
Cash proceeds from sale of equipment	0.0	7.4
Interest received	1.5	0.0
<b>Cash flow from investing activities</b>	<b>-436.5</b>	<b>-291.2</b>
Cash paid for repayment of shareholder loans	-240.0	0.0
Cash proceeds from shareholder loans	420.0	250.0
Cash paid to shareholders	-76.7	-126.8
Interest paid	-28.3	-16.6
<b>Cash flow from financing activities</b>	<b>75.0</b>	<b>106.6</b>
<b>Cash-effective changes in cash and cash equivalents</b>	<b>-151.6</b>	<b>94.9</b>
Cash and cash equivalents at the beginning of the period	78.9	-16.0
<b>Cash and cash equivalents at the end of the period</b>	<b>-72.7</b>	<b>78.9</b>

## 4. Notes to the financial statements

### 4.1. General

50Hertz Offshore GmbH (50Hertz Offshore), with its registered office in Berlin, is registered in the Commercial Register of Berlin-Charlottenburg district court under the registration number HRB 108780 B.

The business activities of 50Hertz Offshore comprise the planning, construction and provision of power lines as well as the associated facilities and equipment for connecting offshore wind turbines and offshore wind farms (OWPs), which are primarily built in the Baltic Sea. The company mainly uses the services of its shareholder 50Hertz Transmission GmbH (50Hertz Transmission).

The annual financial statements of 50Hertz Offshore were prepared in accordance with the provisions of the German commercial code (“Handelsgesetzbuch” or “HGB”) and the supplementary provisions of the German Limited Liability Companies Act (“GmbHG”) and were extended by a cash flow statement.

The Company’s financial year is the calendar year. All figures are stated in million euro. In the interest of clarity, certain items have been combined in the balance sheet and income statement and disclosed and explained separately in the notes. For the same reason, disclosures relating to other items and “thereof” items have also been made in the notes. The income statement has been prepared using the nature of expense method.

The Company qualifies as a large corporation within the meaning of Section 267 (3) of the German Commercial Code (HGB) and has prepared its annual financial statements in accordance with the requirements for this legal form.

50Hertz Offshore is included in the consolidated financial statements of Eurogrid GmbH (hereinafter referred to as “Eurogrid”) with its registered office in Berlin and in the consolidated financial statements of Elia Group NV/SA with its registered office in Brüssel/Belgium. The consolidated financial statements of Elia Group NV/SA with the largest group of companies are available from the Elia Group website ([www.eliagroup.eu](http://www.eliagroup.eu)). The consolidated financial statements prepared by Eurogrid include the smallest group of companies and are published in the German Federal Gazette ([www.bundesanzeiger.de](http://www.bundesanzeiger.de)). The Company is registered in the commercial register of Berlin-Charlottenburg district court under the number HRB 130427 B.

A control and profit and loss transfer agreement was concluded between 50Hertz Offshore and 50Hertz Transmission on September 9, 2008 (with an amendment agreement dated November 30, 2021). Upon entry in the commercial register on September 18, 2008, a group tax relationship

for income and sales tax purposes was established with 50Hertz Transmission as the controlling company.

The Company does not employ any personnel.

## **4.2. Accounting policies**

### ASSETS

#### **Fixed assets**

Intangible assets acquired are recorded at cost and depreciated on a straight-line basis over their expected useful lives.

Property, plant and equipment are recorded at cost less depreciation. The cost of self-constructed assets includes directly attributable costs and an appropriate proportion of overhead costs. Borrowing costs are not included.

Depreciation is recognized using the straight-line method. The useful lives used are based on the expected useful lives of technical equipment in accordance with the provisions of the BNetzA, in particular offshore facilities (20 years).

Impairment losses are only recognized if a permanent reduction in value is likely which requires the recognition at a lower fair value at the reporting date. Impairment losses on property, plant and equipment are reversed if the reason for the impairment loss no longer exists.

Separately usable movable fixed assets with definite useful lives are expensed immediately if their acquisition or production costs do not exceed EUR 250. Items with acquisition costs between EUR 250 and EUR 1,000 are included in a compound item in accordance with Section 6 (2a) of the German Income Tax Act (EStG) in the year of acquisition. The collective item is written off in instalments of 20 percent in the year of acquisition and in each of the following four fiscal years.

#### **Current assets**

Inventories are valued at the lower of cost or net realizable value. Inventory risks arising from reduced usability are considered by appropriate allowances.

Work in progress is measured at cost of production, which includes all mandatory components in accordance with Section 255 (2) HGB. Write-downs are made as at the reporting date if external conditions or influences mean that only a lower value can be realized for these products.

Receivables and other assets are stated at the lower of nominal or fair value. All identifiable specific risks are accounted for by appropriate allowances.

Prepaid expenses are expenses incurred up to the balance sheet date to the extent that they represent expenses in future periods.

## EQUITY AND LIABILITIES

### **Equity**

The subscribed capital is recognized at the nominal value.

### **Provisions**

Provisions are valued considering all identifiable risks and uncertain liabilities are considered to the extent necessary in accordance with prudent business judgment and recorded at the settlement amount necessary. Price and cost increases are considered as far as necessary when determining the settlement amount. Provisions with a remaining term of more than one year are discounted in accordance with Section 253 (2) Sentence 1 of the German Commercial Code (HGB) at the average market interest rate for the past seven financial years, calculated and published by the Deutsche Bundesbank. The effect on profit or loss of a change in the discount rate is recognized in the financial result.

### **Liabilities**

Liabilities are recognized at the settlement value deemed necessary.

### **Deferred taxes**

50Hertz Offshore GmbH is included in the income tax group of 50Hertz Transmission GmbH. Deferred taxes on temporary differences between the carrying amounts of assets, liabilities and prepaid expenses in the financial statements and their tax bases or due to tax loss carry-forward are determined at the level of the parent company. Any net deferred tax liabilities remaining after netting are also recognized.



### 4.3. Notes to the statement of financial position

#### (1) Fixed assets

The breakdown of the fixed asset items summarized in the balance sheet and their development are shown in the statement of changes in fixed assets.

#### (2) Current assets

EUR m	31 Dec 2023	31 Dec 2022	Variance
Raw materials	1.8	1.7	0.1
Work in progress	17.9	0.0	17.9
Payments on account	23.6	0.0	23.6
	<b>43.3</b>	<b>1.7</b>	<b>41.6</b>

Work in progress relates to the share of procurements for an ongoing offshore platform construction project, which is allocated to the offshore wind farm operator as planned. The advance payments made relate to payments in connection with the construction of these platforms.

EUR m	31 Dec 2023	thereof due > one year	31 Dec 2022	thereof due > one year
Trade receivables	0.5	-	0.0	-
Receivables from affiliates	0.0	-	84.3	-
thereof from the shareholder	0.0	-	5.4	-
Other assets	0.3	-	1.1	-
	<b>0.8</b>	<b>-</b>	<b>85.4</b>	<b>-</b>

Trade receivables relate to the pro rata reimbursement of insurance premiums.

In the previous year, receivables from affiliates mainly related to receivables from cash pooling amounting to EUR 78.9m. In the reporting year, this resulted in a liability, which is reported accordingly under liabilities to affiliates.

Other assets mainly comprise creditors with debit balances.

Account receivables and payables due to and from the shareholder were netted in the amount of EUR 17.4m as at the balance sheet date.

**(3) Equity**

The company's subscribed capital of EUR 1.0m has been fully paid up and is held in full by 50Hertz Transmission.

The capital reserve is unchanged and shows a balance of EUR 1,682.0m at the end of the year.

**(4) Provisions**

At EUR 39.6m, other provisions mainly relate to dismantling obligations for offshore installations including associated land and submarine cables. The increase compared to the previous year (EUR 31.9m) is due to scheduled instalments. In addition, there are provisions for accrued invoices in connection with investment activities amounting to EUR 10.6m (previous year: EUR 1.6m). Furthermore, provisions were recognized for levies, fees and year-end closing costs.

**(5) Liabilities**

EUR m	Total	31 Dec 2023			31 Dec 2022		
		Maturity Date			Maturity Date		
		< = 1 year	> 1 year < = 5 years	> 5 years	< = 1 year	> 1 year	
Trade payables	17.0	17.0	0.0	-	11.6	11.6	-
Liabilities to affiliates	1,244.5	74.5	-	1,170	990.0	0.0	990.0
thereof to the shareholder	1,171.5	1.5	-	1,170	990.0	-	990.0
Other liabilities	0.3	0.3	-	-	0.8	0.8	-
	<b>1,261.8</b>	<b>91.8</b>	<b>0.0</b>	<b>1,170.0</b>	<b>1,002.4</b>	<b>12.4</b>	<b>990.0</b>

Liabilities to affiliated companies include loans taken out with the shareholder amounting to EUR 1,170m (previous year: EUR 990.0m) and liabilities from cash pooling to affiliated companies amounting to EUR 72.7m (previous year: receivables amounting to EUR 78.9m). The remaining liabilities of € 1.5 million (previous year: EUR 0.0m) relate almost exclusively to accounts payable to the shareholder.

There is no collateral for liabilities at the level of the Company.

#### 4.4. Notes to the income statement

##### (6) Revenue

EUR m	1 Jan to 31 Dec 2023	1 Jan to 31 Dec 2022	Variance
Revenues from offshore grid connection	264.0	295.6	-31.6
Other revenues	0.6	0.0	0.6
	<b>264.6</b>	<b>295.6</b>	<b>-31.0</b>

Revenues are generated exclusively in Germany.

Revenues include the cost allocation of the imputed return on investment, imputed depreciation and imputed trade tax. In addition, differences between imputed and actual depreciation and borrowing costs have been included here as far as these were clearly attributable to the offshore business in accordance with the regulatory framework. Both the costs and the imputed components in accordance with the Electricity Grid Charges Ordinance (StromNEV) are passed on to 50Hertz Offshore by the shareholder via revenue from the offshore grid connection.

In accordance with the German Energy Financing Act (EnFG), the offshore connection costs are refinanced via the offshore grid levy in accordance with Section 10 EnFG at the level of the transmission system operator.

The decrease in revenue from the offshore grid connection is mainly due to expenses relating to prior periods as part of a settlement with the BNetzA for the recognition of costs for previous periods in the amount of EUR 20.0m as well as a positive one-time effect in the previous year in the amount of EUR 14.2m. An offsetting effect resulted from the remuneration component for the increased interest on borrowed capital (EUR 10.6m).

Other sales revenues include costs charged to third parties for services provided.

##### (7) Increase of finished goods and work in progress

The change in inventories relates to the increase in work in progress in the amount of EUR 17.9m in connection with the construction of an offshore platform.

##### (8) Other operating income

The other operating income includes primarily income from damage compensation (EUR 0.8m), as well as income from the release of accruals and provisions (EUR 1.8m).

## (9) Cost of materials

EUR m	1 Jan to 31 Dec 2023	1 Jan to 31 Dec 2022	Variance
Cost of raw materials, consumables and supplies and purchased merchandise	-1.3	-1.5	0.2
Expenses for purchased services	-25.8	-15.2	-10.6
	<b>-27.1</b>	<b>-16.7</b>	<b>-10.4</b>

The cost of raw materials, consumables and supplies and for purchased merchandise mainly includes the cost of purchased electricity. The cost of purchased services includes external services in connection with necessary servicing. The increase in the cost of purchased services relates to a project with a wind farm operator.

## (10) Depreciation

Depreciation of property, plant and equipment in the financial year amounted to EUR 131.4m (previous year: EUR 115.8m). This is primarily attributable to the grid connections for the Baltic 1 and Baltic 2 OWPs, the Arkona and Wikinger OWPs in the Westlich Adlergrund cluster and the Arcadis Ost 1 OWP.

## (11) Other operating expenses

EUR m	1 Jan to 31 Dec 2023	1 Jan to 31 Dec 2022	Variance
Additions to other provisions	-6.9	-8.3	1.4
Insurance contributions	-5.8	-5.3	-0.5
Services	-6.5	-3.3	-3.2
Sundry other expenses	-3.1	-2.6	-0.5
	<b>-22.3</b>	<b>-19.5</b>	<b>-2.8</b>

The addition to other provisions mainly relates to the annual adjustment of the provision for dismantling obligations. The services costs incurred include the commercial services purchased in the financial year. Other miscellaneous expenses mainly include expenses for the purchase and transportation of equipment.

## (12) Financial result

EUR m	1 Jan to 31 Dec 2023	1 Jan to 31 Dec 2022	Variance
Interest and similar income	1.5	0.0	1.5
thereof from affiliates	1.5	0.0	0.0
Interest and similar expenses	-29.1	-17.0	-12.1
thereof from affiliates	-28.3	-16.6	-11.7
	<b>-27.6</b>	<b>-17.0</b>	<b>-10.6</b>

Interest incomes and expenses from affiliates result from the utilization of the cash pool account during the year and from the granting of loans by the shareholder. Furthermore, interest expenses of EUR 0.8m (previous year: EUR 0.4m) were incurred for the compounding of non-current provisions. The increase in interest expenses compared to the previous year is mainly due to the utilization of additional shareholder loans and the increase in interest rates.

#### (13) Profit transfer

The net profit for the reporting year of EUR 76,689,826.82 (previous year: EUR 126,798,032.35) was completely transferred to 50Hertz Transmission based on the profit and loss transfer agreement.

## 4.5. Other notes

### Notes to the statement of cash flows

The cash flow statement has been prepared in accordance with the German Accounting Standard (DRS) 21 of the recommendations of the Deutsche Rechnungslegungs Standards Committee. V. (German Accounting Standards Committee).

The cash and cash equivalents at the end of the period amounted to EUR -72,7m million and are entirely attributable to liabilities to Eurogrid under the cash pool agreement.

There were no income tax-related cash flows due to the tax group with 50Hertz Transmission.

### Other financial obligations

On December 31, 2023, other financial obligations amounted to EUR 4,433.1m (previous year: EUR 895.4m). These include commitments to third parties for capital expenditure and maintenance measures of EUR 4,404.9m (previous year: EUR 870.9m). There is an obligation to

affiliated companies from the service and general contractor agreement with an expected total volume for 2024 of EUR 27.6 million (previous year EUR 23.9m).

As of December 31, 2023, obligations from long-term contracts amounted to EUR 0.6m (previous year: EUR 0.6m).

### Contingent liabilities

To finance the Group's investment measures, Eurogrid raises funds on the capital market and passes them on to 50Hertz Transmission and 50Hertz Offshore in the form of shareholder loans or equity contributions.

50Hertz Offshore and 50Hertz Transmission are guarantors under the documentation of the Debt Issuance Programme in connection with bonds by Eurogrid. The guarantors are irrevocably, unconditionally and jointly liable for the timely payment of all amounts due by Eurogrid in respect of the Bonds referred to below:

Nominal volume	Issue date	Coupon	Term
EUR 500m	10. Jun 2015	1.875 % p.a. (fixed)	2025
EUR 140m	4. Nov 2015	2.625 % p.a. (fixed)	2030
EUR 750m	18. Apr 2016	1.500 % p.a. (fixed)	2028
EUR 750m	15. May 2020	1.113 % p.a. (fixed)	2032
EUR 200m	20. Nov 2020	0.875 % p.a. (fixed)	2040
EUR 500m	21. Apr 2021	0.741 % p.a. (fixed)	2033
EUR 750m	5. Sep 2022	3.279 % p.a. (fixed)	2031
EUR 800m	27. Apr / 30. Oct 2023	3.722 % p.a. (fixed)	2030
EUR 50m	13. Sep 2023	4.065 % p.a. (fixed)	2038

On December 9, 2011, 50Hertz Offshore and 50Hertz Transmission jointly issued a maximum amount guarantee of EUR 126m to BNP Paribas S.A., Frankfurt am Main branch, to secure a short-term overdraft facility of Eurogrid. In the first supplement dated July 15, 2013, the maximum amount guarantee was increased to EUR 157.5m.

50Hertz Offshore and 50Hertz Transmission have been appointed as guarantors under Eurogrid's EUR 50m registered bond issued on December 3, 2014. The guarantors are irrevocably, unconditionally and jointly and severally liable for the punctual payment of all amounts due by Eurogrid under the registered bond.

50Hertz Offshore and 50Hertz Transmission are named additional guarantors in connection with the EUR 150m loan taken out by Eurogrid on December 23, 2016. The guarantors are irrevocably, unconditionally and jointly liable for the timely payment of all amounts due by Eurogrid under the loan agreement.

On February 26, 2021, 50Hertz Transmission and 50Hertz Offshore entered a syndicated loan agreement between Eurogrid and UNICREDIT BANK AG as lead manager with a nominal value of EUR 750.0m as additional guarantors with a term until February 26, 2026. The facility agent is Commerzbank Finance & Covered Bonds S.A.

On March 20, 2023, 50Hertz Transmission and 50Hertz Offshore joined a syndicated loan agreement between Eurogrid and IKB Deutsche Industriebank AG as lead manager and facility agent with a nominal value of EUR 600.0m as additional guarantors with a term until March 31, 2033.

Based on the Group's existing financial planning, there is no risk that any claims result from the above guarantees.

#### **Off-balance sheet transactions**

There were no off-balance sheet transactions as of the balance sheet date.

#### **Audit fees**

Disclosures of the total auditor's fee charged in the fiscal year in accordance with Section 285 No. 17 of the German Commercial Code (HGB) are included in the consolidated financial statements of Eurogrid.

#### **Ratification of the prior-year financial statements**

The prior-year financial statements were ratified by the shareholders' meeting on March 2, 2023.

**Note to the Global Minimum Tax Act**

On December 27, 2023, the Global Minimum Taxation Act for Corporations (Mindeststeuergesetz - MinStG) was published in the Federal Law Gazette (Part I 2023, No. 397). It is to be applied for the first time to financial years beginning after December 30, 2023.

Based on a performed analysis, there are no tax effects for the company in the financial year 2023 according to this law or comparable foreign minimum taxation laws.

Please also refer to the notes in the consolidated financial statements of Eurogrid GmbH.

**Subsequent events**

In the period after the balance sheet date up to the preparation of the annual financial statements of 50Hertz Offshore, no business transactions of material significance occurred that affect the presentation of the net assets, financial position and results of operations in the reporting period.

**Disclosures on company boards**Members of the management

Stefan Kapferer, Berlin (from January 1, 2024)

- Chief Executive Officer / CEO - at 50Hertz Transmission GmbH

Dr. Dirk Biermann, Berlin (from January 1, 2024)

- Chief Operations Officer / COO - at 50Hertz Transmission GmbH

Dr. Frank Golletz, Dresden (until December 31, 2023)

- Chief Technical Officer / CTO - at 50Hertz Transmission GmbH

Marco Nix, Berlin

- Chief Financial & Investment Officer / CFO - at 50Hertz Transmission GmbH

The managing directors do not receive any remuneration from the company for their activities in the financial year.



Berlin, February 15, 2024

**50Hertz Offshore GmbH**

signed Stefan Kapferer

signed Dr. Dirk Biermann

signed Marco Nix

Statement of changes in fixed assets (Appendix to the notes)

EUR m	Acquisition and production costs					Depreciation				Carrying amount	
	1/1/2023	Additions	Reclassifications	Disposals	31/12/2023	1/1/2023	Additions	Disposals	31/12/2023	31/12/2023	31/12/2022
<b>Intangible assets</b>											
Purchased software, licenses and other rights	0.7	-	-0.2	-	0.5	0.1	0.1	-	0.2	0.3	0.6
	<b>0.7</b>	<b>-</b>	<b>-0.2</b>	<b>-</b>	<b>0.5</b>	<b>0.0</b>	<b>0.1</b>	<b>-</b>	<b>0.2</b>	<b>0.3</b>	<b>0.6</b>
<b>Property, plant and equipment</b>											
Land, land rights and buildings, including buildings on third-party land	6.5	-	0.1	-	6.6	1.0	0.1	-	1.1	5.5	5.5
Technical equipment and machinery	2,584.5	4.7	0.8	0.3	2,589.7	595.3	129.0	0.1	724.2	1,865.5	1,989.2
Other equipment, factory and office equipment	15.7	0.2	-	-	15.9	4.3	2.2	-	6.5	9.4	11.4
Prepayments and assets under construction	624.0	447.0	-0.7	-	1,070.3	-	-	-	-	1,070.3	624.0
	<b>3,230.7</b>	<b>451.9</b>	<b>0.2</b>	<b>0.3</b>	<b>3,682.5</b>	<b>600.6</b>	<b>131.3</b>	<b>0.1</b>	<b>731.8</b>	<b>2,950.7</b>	<b>2,630.1</b>
<b>Fixed assets</b>	<b>3,231.4</b>	<b>451.9</b>	<b>0.0</b>	<b>0.3</b>	<b>3,683.0</b>	<b>600.6</b>	<b>131.4</b>	<b>0.1</b>	<b>732.0</b>	<b>2,951.0</b>	<b>2,630.7</b>

# INDEPENDENT AUDITOR'S REPORT

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**Note: This is a convenience translation of the German original. Solely the original text in German is authoritative.**

To 50Hertz Offshore GmbH, Berlin

## AUDIT OPINIONS

We have audited the annual financial statements of 50Hertz Offshore GmbH, Berlin, which comprise the statement of financial position as of December 31, 2023, the income statement and the cash flow statement for the financial year from January 1, 2023 to December 31, 2023 and the notes to the financial statements, including a summary of significant accounting policies.

In addition, we have audited the management report of 50Hertz Offshore GmbH for the financial year from January 1, 2023 to December 31, 2023.

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 December 31, 2023 and of its financial performance for the financial year from January 1, 2023 to December 31, 2023 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate 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 appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (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 OPINIONS

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 of the German Commercial Code (HGB) and in compliance with German Generally Accepted Standards for the audit of financial statements 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 RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND 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 opinion on the annual financial statements and on the management report.

## **RESPONSIBILITY OF THE LEGAL REPRESENTATIVES FOR THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT**

Management is 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, management is 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 they are free of material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, management is 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, management is 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, management is 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 audit 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 German Generally Accepted Standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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, and 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 management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of managements' 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 management in the management report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by management 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, February 15, 2024

BDO AG  
Wirtschaftsprüfungsgesellschaft

Eckmann  
Wirtschaftsprüfer  
(German Public Auditor)

Wiening  
Wirtschaftsprüfer  
(German Public Auditor)