

VATTENFALL



Vattenfall Network Solutions A/S

Ørestads Boulevard 108,18, 2300 Copenhagen S

CVR no. 31 89 45 22

Annual Report 2024

Approved at the annual general meeting of shareholders on 30th June 2025

Chairman:

.....
Hans Werner Woltmann

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Vattenfall Network Solutions A/S for the financial year 1 January - 31 December 2024.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

København, 30th June 2025

Executive Board:

Faroek Ashwin Marciano
Imambaks
CEO

Board of Directors:

Ingela Birgitta Hålling
Chairman

Helle Herk-Hansen

Tyko Rolf Torbjörn Johansson

Faroek Ashwin Marciano
Imambaks

Independent Auditor's Report

To the shareholders of Vattenfall Network Solutions A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024, and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Vattenfall Network Solutions A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. 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 continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Aarhus, 30th June 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR-nr. 33 77 12 31

Claus Dalager
statsautoriseret revisor
Mne26745

Thomas Riis
statsautoriseret revisor
Mne32174

Company details

| | |
|----------------------------|---|
| Name: | Vattenfall Network Solutions A/S |
| Address: | Ørestads Boulevard 108,18, 2300 Copenhagen S |
| CVR no.: | 31 89 45 22 |
| Established: | 18 December 2008 |
| Registered office: | Copenhagen |
| Financial year: | 1 January – 31 December |
| Board of Directors: | Ingela Birgitta Hålling, Chairman Helle Herk-Hansen Tyko Rolf Torbjörn Johansson Faroek Ashwin Marciano Imambaks |
| Executive Board: | Faroek Ashwin Marciano Imambaks, CEO |
| Auditors: | PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1, 8000 Aarhus |

Management's review

Business review

The purpose of the business is to develop and sell electricity network solutions in Denmark.

Development in financial activities and matters

The business area was established in 2021 and has further been developed in 2024. The main activity is based on customer acquisition and project development.

In 2024 investments were done into existing Network Solution sites at customers and into new customer installations. During autumn an assessment of ownership options was initiated. The assessment has been concluded in June 2025 and the company has subsequently executed an impairment of asset.

Special risk

No unusual risk occurred in the financial year that could significantly affect the Entity's financial position.

Events after balance sheet date

No events with impact on the 2024 accounts have happened after the balance date.

Financial statements

Income statement 1 January – 31 December

| Note | DKK'000 | 2024 | 2023 |
|------|---|----------------|---------------|
| | Gross margin | -2,104 | -7,096 |
| 2 | Staff costs | -3,895 | -3,459 |
| | Amortization and depreciations | -11,807 | -389 |
| | Operating profit/loss | -17,806 | -10,944 |
| | Financial income from group entities | 746 | 1,198 |
| | Other financial income | 0 | 20 |
| | Other financial expenses | 10 | -57 |
| | Profit before tax | -17,050 | -9,783 |
| 3 | Tax on profit/loss for the year | 2,741 | 2,152 |
| | Profit/loss for the year | -14,309 | -7,631 |
| | Proposed profit appropriation/distribution of loss | | |
| | Retained earnings/accumulated loss | -19,309 | -7,631 |
| | Proposed dividend | 5,000 | 0 |
| | | -14,309 | -7,631 |

Financial statements

Balance sheet as of December 31

| Note | DKK'000 | <u>2024</u> | <u>2023</u> |
|------|--|----------------------|----------------------|
| | ASSETS | | |
| | Fixed assets | | |
| 4 | Property, plant and equipment | | |
| | Plant and machinery | 13,536 | 7,110 |
| | Property, plant and equipment under construction | 0 | 10,914 |
| | Total property, plant and equipment | <u>13,536</u> | <u>18,024</u> |
| | Total fixed assets | <u>13,536</u> | <u>18,024</u> |
| | Non-fixed assets | | |
| | Receivables | | |
| | Trade receivable | 304 | 462 |
| 5 | Receivables from group entities | 16,048 | 28,143 |
| | Other receivables | 0 | 234 |
| | Corporation tax receivable | 2,191 | 2,404 |
| | Prepayments | 2,594 | 15 |
| | Total receivables | <u>21,137</u> | <u>31,258</u> |
| | Total non-fixed assets | <u>21,137</u> | <u>31,258</u> |
| | TOTAL ASSETS | <u><u>34,673</u></u> | <u><u>49,282</u></u> |

Financial statements

| Note | DKK'000 | <u>2024</u> | <u>2023</u> |
|------|--|----------------------|----------------------|
| | EQUITY AND LIABILITIES | | |
| | Equity | | |
| | Share capital | 5,000 | 5,000 |
| | Retained earnings | 21,500 | 40,809 |
| | Proposed dividend | 5,000 | 0 |
| | Total equity | <u>31,500</u> | <u>45,809</u> |
| | Current liabilities | | |
| | Trade payables | 2,268 | 2,276 |
| | Payables to group entities | 370 | 170 |
| | Deferred tax | 0 | 550 |
| | Other payables | 535 | 477 |
| | Total current liabilities | <u>3,173</u> | <u>3,473</u> |
| | Total liabilities other than provisions | <u>3,173</u> | <u>3,473</u> |
| | TOTAL EQUITY AND LIABILITIES | <u><u>34,673</u></u> | <u><u>49,282</u></u> |

- 1 Accounting policies
- 6 Contingent Liabilities
- 7 Related parties

Financial statements

Statement of changes in equity

| DKK'000 | <u>Share capital</u> | <u>Retained earnings</u> | <u>Proposed dividend</u> | <u>Total</u> |
|-----------------------------------|----------------------|--------------------------|--------------------------|---------------|
| Equity at 1 January 2024 | 5,000 | 40,809 | 0 | 45,809 |
| Profit/loss for the year | 0 | -19,309 | 5,000 | -14,309 |
| Equity at 31 December 2024 | <u>5,000</u> | <u>21,500</u> | <u>5,000</u> | <u>31,500</u> |

Financial statements

Notes to the financial statements

1 Accounting policies

Vattenfall Network Solutions A/S' annual report for 2024 has been prepared in accordance with the provisions which apply to reporting class B entities under the Danish Financial Statements Act and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Basis of recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when, as a result of past events, the Company has a legal or a constructive obligation, when an outflow of economic benefits is probable and when the value of the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

In recognising and measuring assets and liabilities, any predictable losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned while costs are recognised at the amounts relating to the financial year. Value adjustments of financial assets and liabilities are recognised in the income statement as financial income or financial expenses.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognized in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognized in the most recent financial statements is recognized in the income statement as financial income or financial expenses.

Income statement

Gross margin

Gross margin includes costs for other external costs.

Revenue

Income from the supply of services is recognized as revenue with reference to the stage of completion. VAT and discounts are excluded from the revenue. Revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other operating expenses

Other operating expense comprises items secondary to the entities' activities, including loss on disposal of property, plant and equipment.

Financial statements

Notes to the financial statements

Other operating income

Other operating income includes revenue from all other operating activities which are not related to the principal activities of the company, such as gains/losses from disposals, interest income, dividend income, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation/depreciation of property, plant and equipment

The item comprises amortisation/depreciation of property, plant and equipment.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

| | |
|---------------------|------------|
| Plant and machinery | 5-10 years |
|---------------------|------------|

The basis of depreciation is based on the residual value of the asset and is reduced by impairment losses, if any.

The residual value is determined at the time of acquisition. Where the residual value exceeds the carrying amount of the sub-components, no further depreciation charges are recognised. The depreciation period and the residual value are reassessed every year.

Financial income and expenses

Financial income and expenses are recognized in the income statements at the amounts that concern the financial period. The items comprise interest income and expenses, realized and unrealized capital gains and losses on transactions denominated in foreign currencies as well as amortization of financial assets and liabilities.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognized in the income statement, whereas the portion that relates to transactions taken to equity is recognized in equity.

The company and its Danish group entities are jointly taxed. The Danish income tax charge is allocated between profit making and loss making Danish entities in proportion to their taxable income.

Jointly taxed entities entitled to a tax refund reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance Sheet

Property, plant and equipment

Financial statements

Notes to the financial statements

Property, plant and equipment in the course of construction are recognized as property, plant and equipment in the course of construction in the balance sheet until the application date. After the application date, these assets are transferred to the relevant financial statement items under property, plant and equipment.

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use. Subsequent costs, for example the replacement of components of property, plant and equipment, are recognized in the carrying amount of the asset, when it is probable that the cost will result in future economic benefits for the entity.

As regards self-developed assets, the cost includes the cost of materials and labour, etc. directly relating to the development.

The depreciation basis is calculated considering the residual value of the asset and reduced by any write-downs. The depreciation period and residual value are determined at the time of acquisition and are reviewed annually.

Receivables

Receivables are measured at amortized cost, which is usually equivalent to the nominal value. Write-down is made of the value for anticipated bad debt losses.

Liabilities

Financial liabilities comprising trade payables, amounts owed to group entities as well as other payables are recognized at the date of borrowing at cost. In subsequent periods, financial liabilities are measured at net realizable value.

Other liabilities are measured at net realizable value.

Financial statements

Notes to the financial statements

2 Staff costs

Staff costs are recognized as follows:

| DKK'000 | 2024 | 2023 |
|----------------------------|--------------|--------------|
| Wages and Salaries | 3,300 | 3,100 |
| Pensions | 297 | 273 |
| Other social security cost | 10 | 86 |
| Other personnel expenses | 288 | 0 |
| Total staff cost | 3,895 | 3,459 |

| | | |
|---------------------------------------|---|---|
| Average number of full-time employees | 4 | 4 |
|---------------------------------------|---|---|

3 Tax on the profit/loss for the year

| DKK'000 | 2024 | 2023 |
|--|---------------|---------------|
| Current tax for the year | -2,191 | -2,404 |
| Adjustment of deferred tax | -550 | 252 |
| Total Tax on the profit/loss for the year | -2,741 | -2,152 |

4 Property, plant and equipment

| DKK'000 | Plant and machinery | Property, plant and equipment under construction | Total |
|--|------------------------|---|---------------|
| Cost at 1 January 2024 | 7,685 | 10,914 | 18,599 |
| Additions | 0 | 7,319 | 7,319 |
| Transferred | 14,267 | -14,267 | 0 |
| Cost at 31 December 2024 | 21,952 | 3,966 | 25,918 |
| Depreciation at 1 January 2024 | -575 | 0 | -575 |
| Depreciation | -1,808 | 0 | -1,808 |
| Impairment | -6,033 | -3,966 | -9,999 |
| Depreciation at 31 December 2024 | -8,416 | -3,966 | -12,382 |
| Carrying amount at 31 December 2024 | 13,536 | 0 | 13,536 |

Financial statements

Notes to the financial statements

5 Receivables from group entities

Included in receivables to group entities at 31 December 2024 is a group cash-pool receivable of DKK 16,027 thousand. (in 2023: DKK 28,143 thousand)

6 Contingent Liabilities

Liabilities under operating leases concern cars totaling DKK 174 thousand as of 31 December 2024. (in 2023 543 thousand)

The Company is jointly taxed with other Danish group entities and is jointly liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

7 Related parties

Vattenfall Network Solutions A/S' related parties comprise the following:

Information about consolidated financial statements

| <u>Parent</u> | <u>Domicile</u> | <u>Requisitioning of the parent company's consolidated financial statements</u> |
|---------------|-----------------|--|
| Vattenfall AB | Solna, Sweden | Vattenfall AB SE-169 19 Solna, Sweden https://corporate.vattenfall.com/investors/financial-reports/ |